



Minutes of the Regular Meeting of the Board of Trustees
Monday, April 17, 2017

A meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 4:01 pm at the Ensemble Theatre, 2843 Washington Blvd., Cleveland Heights.

The roll call showed that Trustees Gwendolyn Garth, Joe Gibbons, Steve Minter and Charna Sherman were present. It was determined that there was a quorum.

Motion by Trustee Gibbons, seconded by Trustee Minter, to adjourn into executive session to consider the employment and investigation of a complaint against its public employees or officials.

No discussion. Vote: Garth: aye; Gibbons: aye; Minter: aye; Sherman: aye. The motion carried. Executive session ensued.

Mark Avsec arrived at 4:07 pm.

At 4:41 pm a motion was put forward by Trustee Gibbons, seconded by Trustee Minter, to adjourn executive session and resume the public meeting. No discussion. Vote: all ayes. The motion carried.

Also in attendance were: CAC staff: Karen Gahl-Mills, executive director; Jill Paulsen, deputy director; Roshi Ahmadian, Meg Harris, Jessica Kayse, Dan McLaughlin, Jake Sinatra and Nicole Thomas.

1. APPROVAL OF MINUTES

Motion by Trustee Minter, seconded by Trustee Garth, to approve the minutes from the February 13, 2017 Board meeting. Discussion: None. Vote: all ayes. The motion carried.

2. PUBLIC COMMENT ON MEETING AGENDA ITEMS

There were no registered requests for public comment relating to items on the meeting agenda.

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Gahl-Mills thanked the attendees and Ensemble Theatre for hosting the meeting at the old Coventry school, where there are seven non-profits with female leaders housed inside. Ms. Gahl-Mills brought the Board's attention to the important items on the meeting's agenda: she mentioned that the big item is the approval of the guidelines for Project Support and General Operating Support. She commended the staff for their extensive work in compiling these documents. Ms. Gahl-Mills noted that the core elements of both programs remain unchanged, and that any proposed changes are largely technical and absolutely informed by cultural partners and the community. She explained that those interest in the General Operating Support program that have received funding for five or more years will be exempt from the application and panel processes, and that eligibility check and application rounds will remain open for all new applicants. Ms.

Gahl-Mills noted that there was a lot of internal debate around this change, and that it was not taken lightly; the team ultimately decided that this approach was a good way to live our values and make the process fair for everyone. Ms. Gahl-Mills continued that there will be reductions to the Project Support I grant amounts to continue to grow the numbers of organizations served.

Ms. Gahl-Mills noted that as the annual meeting, this is the meeting when administrative items such as key policies will be revisited and approved. She thanked Ms. Meg Harris and Trustee Avsec for shepherding the Board along through this review.

Ms. Gahl-Mills further explained that while the issue of funding for individual artists was not on the meeting agenda, she would give an update on the matter: She mentioned that staff is in the process of selecting a group with a flat structure to help CAC in recommending an approach moving forward. This group will be representative of the community, with every voice of equal weight and importance. As background research, CAC plans on repeating the study done in 2011 to inform the group of best practices from other public funders. Ms. Gahl-Mills encouraged interested parties to look at the CAC website at cacgrants.org/artists for more information and regular updates and emails. She continued that staff is on target to report back to the Board at the September meeting, as previously promised.

Ms. Gahl-Mills concluded that at this meeting, the Board and staff celebrate 10 years of CAC's existence, as well as Trustee Minter's tenure, which is coming to an end. She expressed her gratitude to Trustee Minter for his years of service on the CAC Board.

4. FINANCE REPORT

Ms. Harris gave a report on CAC's finances through March 2017. She reported that tax receipts through March were \$3,773,771. This figure is \$530,851 or 16.4% above forecast for the period and 16% above revenue for the same period in 2016. Interest revenue through March was \$58,599. This figure is above forecast for the period by \$6,299. Cash expenditures through March were just over \$6.725 million. This figure is slightly below budget due to the timing of payments of grants.

Ms. Harris stated that the Audit and Finance Advisory Committee met on April 4. At the meeting the committee reviewed the Audit Committee Charter and the Internal Financial Controls and Policy and Procedures. The committee recommended minor changes to both policies which will be presented to the Board for approval at this meeting. Additionally, the Board will be asked to reappoint the current committee members for an additional one year term.

Trustee Gibbons asked what percentage of decline does CAC budget for. Ms. Harris responded that on average in the last 3 years, CAC has budgeted for a 7% decline. Usually staff looks at the fuller picture and bases the budget on the most recent year.

Trustee Avsec noted that it was a good idea to revisit the Allocation and Cash Reserves policies. Ms. Harris agreed.

Trustee Minter noted that a big division was made 10 years ago to do the grantmaking such that CAC could build a reserve. Ms. Harris added that CAC did not make grants the first year, so that after the end of each decade it could make grants for 10 years as opposed to nine. This practice allows for advance payments for grants and allows enough funds for liquidity.

5. CONNECT WITH CULTURE

Mr. McLaughlin introduced Ian Hinz, Board member at Ensemble Theatre, who addressed the Board about the organization's work and the impact of CAC funding in the past few years.

Trustee Gibbons thanked Ensemble Theatre and its board members in attendance. He mentioned that hearing the great work of organizations such as this is all the more reason why it is important to examine options for enhancing or replacing the revenue to help allocate more dollars to the arts.

6. BOARD ACTION

2018-19 General Operating Support and 2018 Project Support Guidelines

Ms. Paulsen began by explaining that the presentation on the 2018 Project Support and 2018-19 General Operating Support will be conducted as a team and will bring the memo before the Board to light. She continued that staff will be going over the initial ideas and recommendations from the last Board meeting, namely the idea of exempting organizations from the application and panel process for GOS with a five-year history of funding; and slightly decreasing the PS grants to allow more folks in. Ms. Paulsen noted that all program changes are aimed at trying to simplify the process, while allowing for meaningful funds to be given to organizations of all sizes. This conversation is steeped in the discussion from the last Board meeting, how other grantmakers carry out their work, and the voices of cultural partners. Ms. Paulsen stressed that the headline for the conversation is that grants will be more streamlined and simplified than ever with easy onramps, allowing for more organizations to be successful in the process. She mentioned that staff will offer increased technical assistance and outreach both to new and consistent organizations. The details for programs will remain the same as in the past, namely the programs' goals, the funding criteria, and the GOS multi-year and PS annual cycles. The tweaks recommended are largely along the edges to make the process easier and make the programs stronger overall. She thanked the full team for the involvement in the process of finalizing the guidelines.

Trustee Sherman asked how staff ensured transparency and sought out ongoing feedback on these documents. Ms. Paulsen responded that practically speaking, the guidelines were posted online in advance, and staff reached out to cultural partners for one-on-one conversation. Staff conducted ongoing assessment of national funders, continued to meet with cultural partners at site visits, and reached out via different communications methods to ensure all partners were heard.

Ms. Thomas explained the idea of panel exemption for the GOS cohort. She noted that participation in program has been largely consistent over the years. She continued that staff recommends automatic eligibility for 2018 funding for 56 out of 58 organizations currently receiving GOS funding, since they have consistently received funding in the past five years. She mentioned that staff will be seeking out new goals from them and asking them to address these goals in regular reporting, just like the process conducted now. Ms. Thomas stressed that the GOS program will not be closed, but will remain open for new applicants. She also mentioned that the organizations exempt from the application and panel process will be able to opt-into that process if they wish for their materials for be reviewed by the panel. She noted that the rationale behind this decision is that while panel has been hugely successful for the PS program, it hasn't always served GOS cultural partners well, since it is more difficult to capture the complexity of organizations than it is to do so for a concrete project. Ms. Thomas continued that staff shared the FAQs of this idea with all cultural partners and received overwhelmingly positive feedback.

Trustee Garth asked who would be a new applicant to the GOS program and if staff reaches out to them. Ms. Thomas responded that the eligibility will remain consistent with past years, such that 501c3 organizations with primary missions of arts and culture and those with a viable base of operations in Cuyahoga County with at least one full time staff for the last two years. They would also need to provide financial documentation for the past three years. She noted that staff makes an effort to reach out to groups directly, and that CAC's job is to talk with organizations face-to-face about which program would work best for them.

Trustee Minter asked if they will most likely be PS I groups. Ms. Thomas confirmed this assumption, and noted that staff anticipates a small number of applicants.

Ms. Paulsen added that staff has been in contact with 45-50 organizations, but since eligibility is at a pretty high bar, 10-12 of them could potentially be eligible for the GOS program. She mentioned that the team meets with these groups to help them be most successful.

Ms. Gahl-Mills reiterated that organizations don't need to have had CAC funding in the past to be eligible for GOS. That's why outreach for this program is so important.

Trustee Garth asked if staff has a database to use to keep track of organizations. Ms. Paulsen responded that staff does research to add to its running list each year. Mr. Sinatra explained that staff has used tools like Guidestar to make its outreach list most comprehensive in the past including direct mail and email contact information, which becomes part of its two-pronged outreach strategy.

Trustee Minter asked if staff has seen any organizations on the list that had surprisingly not received GOS funding.

Mr. McLaughlin responded no, but that some of those groups may be in the PS cohort now. Ms. Harris added that there may have been one or two over the years, but that by now, they should all have heard from us.

Trustee Minter asked if staff received any feedback regarding the fact that score used to be a factor in funding, but in the new approach would not make a difference.

Ms. Thomas responded that the 75 point threshold would still be in place for new organizations, and that the steady list of GOS recipients were less concerned about the formula and more about the allocation of funds.

Ms. Paulsen added that CAC will still care about organizational financial health, and will ask about those details from all applicants in one way or another. She mentioned that budget size has always been a more important factor in the grant amount, with score really only making tweaks around the edges.

Trustee Gibbons commended Ms. Gahl-Mills and the staff for their hard work in cultivating this good idea. He mentioned that this approach is proactive, and that he is on board with this idea since it is difficult for some organizations to articulate their mission and work as well as they operate. Vice versa, some might have good grants writer but work that does not match up, so eliminating the application and panel process is good idea. He agreed that the ongoing audits and reporting requirements would keep organizations to their goals, and appreciated that the staff and cultural partners can now be more efficient with their dollars and man-hours.

Ms. Thomas continued that staff further proposes allowing the applicants a chance to respond to panelists at the panel review meetings, which will be possible due to the lower number of new applicants this cycle. Staff had heard time after time that applicants would like to address panel concerns, and this will now be possible.

Mr. McLaughlin addressed the Board about the changes to the PS program: he mentioned that the challenge in PS is to continue growing the number of cultural partners. The proposed changes will streamline and simplify PS II and decrease the funding available to each organization is PS I. These reductions will ensure enough support is available in PS I for those PS II projects that will move up to the larger program, and allows itself room to grow. Mr. McLaughlin noted that the maximum grant amount will be reduced from \$35,000 to \$30,000, which will affect the largest of PS I applicants. Another mechanism is to adjust the

eligibility formula; instead of allowing up to 20% of arts and cultural expenses, the percentage will be reduced to 15%. He continued that staff has simplified the application for both PS I and II to no longer ask for a budget as an attachment (based on feedback from applicants and panelists, this information was not needed). He mentioned that some questions have been reimagined to clarify the public benefit piece in both programs. He further explained that staff removed the requirement for a 990 or other financial info for PS II and simplified the budget to only a narrative section, making the process not quite as involved or complicated as the PS I program and making it easier for new applicants.

Ms. Thomas explained that on a procedural level, staff extended the timeframe for applications and eligibility checks, allowing folks a lot of time from mid-May to August to apply. As explained previously, staff will also be reaching out to new organizations and offering more technical assistance time. Furthermore, anyone who has an incomplete eligibility check will be able to complete it even past the deadline.

Mr. McLaughlin added that with a new associate, staff will have an extra set of hands to offer technical assistance to organizations with our new online system. Staff will also continue to offer office hours and dedicated time to meet with a manager across both programs. Last year, out of the 68 organizations that came to a workshop, 67 got through successfully and benefited for technical assistance.

Trustee Gibbons thanked the staff for a thorough report and noted that he was impressed with the changes.

Motion by Trustee Gibbons, seconded by Trustee Sherman, to approve the policies within the 2018 Project Support guidelines. Discussion: None. Vote: All ayes. The motion carried.

Motion by Trustee Gibbons, seconded by Trustee Avsec, to approve the policies within the 2018 General Operating Support guidelines. Discussion: None. Vote: All ayes. The motion carried.

7. ADMINISTRATIVE MATTERS

Adoption and/or Revision of Administrative Policies for Cuyahoga Arts & Culture

Ms. Harris stated that CAC reviews its administrative policies annually to ensure they are current and provide appropriate administrative guidance to CAC. She stated that the following policies have been updated, as described on page 85 in the Board materials:

For adoption with revision:

- Audit Committee Charter – remove reference to committee chair as this committee does not have a chair.
- Employee Travel and Expense Reimbursement Policy – add a reference to allow for reimbursement of cellular telephone under Other Expenses section.
- Internal Financial Controls Policy and Procedures – minor updates to reflect business practice
- Cellular Telephone Policy – eliminate, CAC does not issue cellular telephones.

For adoption without revision:

- Allocation Policy
- Business Continuity Policy
- Cash Reserve Policy
- Credit Card Assignment and Usage
- Ethics Policy
- Investment Policy
- Public Participation Policy
- Public Records Policy

Ms. Harris stated she had worked with Mark Avsec on the review of these policies and that they recommend the Board review the Allocation and Cash Reserve Policies prior to September in order to assure the policies provide sufficient guidance and are in alignment with CAC's organizational roadmap as CAC enters its second ten-year cycle of grantmaking.

Motion by Trustee Gibbons, seconded by Trustee Sherman, to approve and/or revise the following policies:

- Audit Committee Charter
- Employee Travel and Expense Reimbursement Policy
- Internal Financial Controls Policy and Procedures
- Cellular Telephone Policy

For adoption without revision:

- Allocation Policy
- Business Continuity Policy
- Cash Reserve Policy
- Credit Card Assignment and Usage
- Ethics Policy
- Investment Policy
- Public Participation Policy
- Public Records Policy

Discussion: None. Vote: All ayes. The motion carried.

Appointment of Audit and Finance Advisory Committee Members

Ms. Harris stated that, per the Audit and Finance Advisory Committee Charter, the Board appoints members of this committee to one year terms. She stated that the Board is asked to reappoint Ed Bell, Timothy Longville, and Cynthia Riehl to the Audit and Finance Advisory Committee for a one -year term.

Motion by Trustee Minter, seconded by Sherman, to reappoint Ed Bell, Timothy Longville, and Cynthia Riehl for one year of service on the Audit and Finance Advisory Committee of Cuyahoga Arts & Culture.

Discussion: None. Vote: All ayes. The motion carried.

Public Records Training

Ms. Harris stated that the Board is required to designate a Public Records Manager for CAC annually. She stated that she will attend a training on May 26 to fulfill the annual training requirement. She asked that the Board reapprove her as CAC's Public Records Manager for the next year.

Motion by Trustee Gibbons, seconded by Trustee Avsec, to appoint Ms. Harris the Public Records Manager for CAC for the next year. Discussion: None. Vote: All ayes. The motion carried.

Contract with TRIAD Research Group

Ms. Harris stated that CAC would like to enter into a contract with TRIAD Research Group in an amount up to \$27,800 to conduct a telephone survey in order to assess residents' awareness of CAC and ask other questions related to countywide arts and cultural programming.

Extension of Contract with Van Meter, Ashbrook & Associates

Ms. Harris stated that CAC would like to extend its contract with Van Meter, Ashbrook and Associates for public affairs consulting for one year in an amount not to exceed \$48,000.

Acceptance of Grant from the Cleveland Foundation

Ms. Harris stated that CAC will work with the Cleveland Foundation to host an intern through their Summer Intern Program. The Cleveland Foundation has provided a grant \$6,200 to support the employment of the intern by CAC.

Contract with Flying Hand Studio

Ms. Harris stated that CAC would like to enter into a contract with Flying Hand Studio in an amount up to \$14,000 to conduct create the printed Report from the Community and accompanying microsite.

ALL CONTRACTS: Motion by Trustee Minter, seconded by Trustee Gibbons, to approve all the contracts at the amounts noted above. Discussion: None. Vote: All ayes. The motion carried.

Election of Officers

Trustee Minter presented the following slate of officers: Joseph Gibbons to the position of President, Charna Sherman to the position of Vice President; and Gwendolyn Garth to the position of Secretary of the Board of Trustees.

Motion by Trustee Minter, seconded by Trustee Avsec, to elect Joseph Gibbons to the position of President, Charna Sherman to the position of Vice President; and Gwendolyn Garth to the position of Secretary of the Board of Trustees for the term April 1, 2017-March 31, 2018. Discussion: None. Vote: All ayes. The motion carried.

8. PUBLIC COMMENT

Liz Maugans (Zygote Press). Lee Kaye (County resident and CAC consultant).

Next meeting: The next meeting will be held at 4:00 pm on June 12, 2017 at Harvard Community Services Center, 18420 Harvard Avenue, Cleveland.

9. Recognition of Steve Minter

Staff and Board recognized Trustee Minter's tenure at CAC with a [resolution](#).

10. ADJOURNMENT

Motion by Trustee Gibbons, seconded by Trustee Sherman, to adjourn the meeting. No discussion. Vote: all ayes. The motion carried. The meeting was adjourned at 6:00 pm.

Joe Gibbons, President, Board of Trustees

Attest:

Gwendolyn Garth, Secretary, Board of Trustees