



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

Tuesday, July 7, 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 10:06 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, Vickie Johnson and Steven Minter to be present. It was determined that there was a quorum.

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 Sari Feldman and seconded by Trustee Chris Coburn that the minutes of the June 9, 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 June 9, 2009 Regular Meeting of the Board of Trustees are approved.**

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

### **2. APPROVAL OF BUSINESS MATTERS**

Ms. Harris stated that due to various upcoming vacations and the need for two signatures on all CAC checks, she would like a motion to add Trustee Christopher Coburn as a signatory to CAC's KeyBank account.

It was moved by Trustee Sari Feldman and seconded by Trustee David Bergholz that Trustee Christopher Coburn be named a signatory to CAC's KeyBank account effective July 7, 2009.

**Resolution: Be it resolved Trustee Christopher Coburn be named a signatory to CAC's KeyBank account effective July 7, 2009.**

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

Ms. Harris stated she would like a motion to make a payment to the Cuyahoga County Treasurer in the amount of \$6,034.90 for the printing and mailing of CAC's First Report to the Community. Ms. Harris added that while the original quotation for this job was below the \$5,000 payment approval threshold, the addition of posters to the order increased the overall expense.

It was moved by Trustee David Bergholz and seconded by Trustee Steven Minter to approve a payment in the amount of \$6034.90 to the Cuyahoga County Treasurer.

**Resolution: Be it resolved to approve a payment in the amount of \$6034.90 to the Cuyahoga County Treasurer.**

Ayes: Bergholz, Coburn, Feldman, Johnson and Minter.

Nays: None.

Ms. Harris stated that she would like a motion to approve the renewal of Director's and Officer's Insurance in an amount not to exceed \$10,000 for the period of September 2009 through September 2010. Ms. Harris stated that the renewal of this insurance would take place prior to the next board meeting which is scheduled for September 15, 2009.

It was moved by Trustee Sari Feldman and seconded by Trustee Steven Minter to approve a payment not to exceed \$10,000 for Director's and Officer's Insurance.

**Resolution: Be it resolved to approve a payment in an amount not to exceed \$10,000 for Director's and Officers Insurance.**

Ayes: Bergholz, Coburn, Feldman, Johnson and Minter.

Nays: None.

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

#### **Finances and Operations**

Ms. Harris stated that the cigarette excise tax revenue for May represented a 20% decrease over the previous May. She said that this drop in revenues for May could be related to several factors including the increase in the federal cigarette tax that took place in April 2009 and reduced investment in stockpiling by wholesalers. Ms. Harris emphasized that May is typically a very large tax receipt month, usually running twice that of other calendar months. Ms. Harris stated that year to date tax receipts are now running 7.2% behind 2008 receipts which is slightly lower than the 6.8% projected decrease. Ms. Harris stated that the StarOhio yield is currently .19%.

Ms. Harris stated that expenditures through June were within budgeted figures and that over half of the GOS grantees had completed their mid-year reports and had received their final grant distribution for 2009. Additionally, approximately half of the 2008 PS grantees had been paid out; two projects were not started and will not be paid out.

Mr. Minter asked if there were common issues regarding the two PS grants that will not be paid out.

Ms. Harris replied that there was not a common issue between the two; one was a public art project and the sites could not be secured. The other project was an after school program in which the scope of the project was too large.

Ms. Wali stated that in an effort to avoid such issues in the future, staff had met with all 2009 PS grantees to review the grant agreement and the responsibilities involved. Additionally, the introduction of a project assessment plan will help staff in determining issues earlier in the project period.

### **Audit/Audit Committee**

Ms. Harris provided an update on CAC's financial audit stating that she expected that within the next day or two the audit would be scheduled by the Auditor of State, most likely for the last week in July. She added that she had met with two volunteers from KPMG who were now in the process of assessing CAC's internal financial controls in order to create a Scorecard and recommendations for policies and protocols regarding accounts payable, payroll and grantee compliance. The Scorecard will be completed in advance of the August 17<sup>th</sup> Audit Committee Meeting.

### **First Report to the Community**

Ms. Harris stated that last week 2,104 Reports to the Community were sent to individuals in the community including grantees, grantee board members and key individuals in the community. Mr. Coburn asked whether the reports were mailed to the Trustees homes. Ms. Harris stated that they were not. Mr. Coburn asked that any future mailing include trustees at their home addresses.

## **4. GRANT PROGRAMS**

### **PS10 Grants Program Cycle Modification**

Ms. Wali stated that at the last meeting CAC staff had proposed that the PS10 grant cycle shift six months to begin on January 1, 2011. She said that the Board had asked that the staff provide a period of public comment on this change. Ms. Wali stated that an e-mail had been sent to 132 individuals representing all organizations that have applied for or received project support funding from CAC. She said that there were 10 responses, which were provided to the Board for review, during the two week comment period. She concluded that while there were some organizations who opposed the move, primarily those who had summer projects, most organizations understood the reasons for the shift and supported it.

It was moved by Trustee David Bergholz and seconded by Trustee Vickie Johnson to approve the following draft schedule for the Project Support Grant Program:

- January 2010 – Guidelines Posted (both programs)
- Application Deadline – July 2010 (GOS); September 2010 (PS)
- Panel Adjudication – September 2010 (GOS); October 2010 (PS)
- January 1, 2011 – Grant Cycle Begins (both programs)

### **Resolution: Be it resolved to adopt the below draft schedule for the next grant cycle:**

- January 2010 – Guidelines Posted (both programs)
- Application Deadline – July 2010 (GOS); September 2010 (PS)
- Panel Adjudication – September 2010 (GOS); October 2010 (PS)
- January 1, 2011 – Grant Cycle Begins (both programs)

Ayes: Bergholz, Coburn, Feldman, Johnson and Minter.

Nays: None.

**GOS Eligibility Criteria**

Ms. Wali stated that the next matter related to the General Operating Support guidelines. Mr. Minter stated that he would like to present the matter to the Board.

Mr. Minter informed the Board that two educational institutions had been receiving GOS support which was technically not in compliance with CAC’s GOS guidelines. He stated that it is important to recognize this error and to begin having conversations with the two organizations as there is a lot at stake financially for them.

Ms. Wali stated that the two organizations, Cleveland Institute of Art and Cleveland Institute of Music, were granted eligibility and adjudicated into the pool of grantees.

Ms. Harris suggested that a change would need to be made moving forward, whether that meant changing the guidelines to allow such institutions into the pool of grantees or to adhere to the established guidelines. Ms. Harris added that she had also reviewed CAC’s Bylaws which state that CAC will make grants “in accordance with the Investment Models”. The Investment Models state that Colleges and Universities are not eligible for operating support.

Mr. Bergholz agreed that the Board needed to make a decision about whether or not CAC would provide funding to these types of institutions moving forward. He stressed the importance of not punishing these two organizations in the third year of funding. Mr. Bergholz said that as the Board considers issues related to eligibility, they should all be reviewed at once rather one at a time.

Mr. Coburn was supportive of providing GOS funding to both organizations.

Ms. Feldman suggested that the Board communicate this error to the two organizations and make it clear to them that there is a possibility that they will need to make up this funding in other ways if the grant program is not open to them in future cycles. She agreed that the Board needed to commit to the third year of funding in the cycle.

It was moved by Trustee Sari Feldman and seconded by Trustee Christopher Coburn to commit to the third year of funding for both Cleveland Institute of Art and Cleveland Institute of Music.

**Resolution: Be it resolved that the Board of Trustees of CAC will commit to its third year of funding in the cycle for both Cleveland Institute of Art and Cleveland Institute of Music.**

Ayes: Bergholz, Coburn, Feldman, Johnson and Minter.

Nays: None.

It was moved by Trustee David Bergholz and seconded by Trustee Christopher Coburn to review and update the bylaws.

**Resolution: Be it resolved that the Board of Trustees of CAC will review and update the bylaws.**

Ayes: Bergholz, Coburn, Feldman, Johnson and Minter.

Nays: None.

Mr. Minter thanked the staff for bringing the matter to the Board’s attention. [He wanted to call attention to the issue and get it on the record.]

### **Cultural Data Project**

Ms. Wali informed the Board that the soft launch of the Ohio Cultural Data Project was scheduled for this September. The training session information will be emailed to all arts and cultural organizations in the state.

Ms. Wali continued, stating that the first year of funds have been committed and the taskforce is in the midst of raising the second year funds. Commitments have been secured from throughout the state except for the northwest Ohio and Youngstown/Warren areas. The Ohio Arts Council has committed to the first year.

Ms. Wali recommended that the Board members review the Pennsylvania report on capitalization; it is a good example of how the Cultural Data Project can be used in a professional way.

### **5. CPAC- Creative Workforce Fellowship**

Seth Beatie, Community Partnership for Arts and Culture, reported on the first cycle of the Creative Workforce Fellowship which began July 1. The first round of funding has been dispersed and site visits with the artists had been conducted.

Mr. Beatie continued, stating that the recipients had expressed a lot of gratitude for the funding and were taking the fellowship very seriously. Acknowledgement and reporting requirements were also discussed with all recipients.

Megan Van Voorhis, Community Partnership for Arts and Culture, gave an update on the status of the second cycle of the Creative Workforce Fellowship. The guidelines, intent to apply and application were completed last week. The documentation requirements and statement of intent had been modified somewhat; the application now reflects these changes.

Ms. Van Voorhis informed the Board that workshops would be held in July and August with the application deadline in September. The adjudication for the second cycle would take place in November.

Mr. Coburn suggested that some branding be done to help tie the fellows to the CAC funding as it is hard for the voters to determine that relationship.

Mr. Bergholz suggested that may cause a conflict since CAC is not the granting organization.

Ms. Van Voorhis stated that communicating the public sector funding was most important. Through this fellowship a group of ambassadors (individual artists) could be created.

Mr. Minter concluded the meeting by thanking Jeff Rusnak, M & R Strategic Services, and his colleagues for their hard work on the first Report to the Community and the public meeting; it was well received.

### **6. OTHER BUSINESS**

#### **Executive Director Search**

Ms. Harris asked Trustee Coburn to provide an update on the search for the open Executive Director position at CAC.

Mr. Coburn stated that he did not have new information to report at this point but that he would like to have a conference call with Management Consultants for the Arts and Mr. Bergholz in order to expedite the search process.

**Public Comment**

Ms. Van Voorhis stated that she would like to comment on the earlier discussion regarding the investment models. She clarified that they were not designed for a particular funding source, but are simply a way to distribute public funds. They were created to garner support for Issue 18.

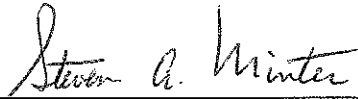
**Next Meeting**

The next regular meeting of the CAC Board of Trustees is September 15, 2009 at 10:00 a.m. in the Second Floor Conference Room of Idea Center.

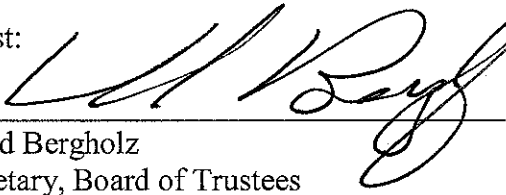
There being no further matters to come before the Board, Trustee David Bergholz moved to adjourn the meeting at 11:06 a.m. Trustee Vickie Johnson seconded the motion.

Vote on Motion was as follows:

Ayes: Bergholz, Coburn, Feldman, Johnson, 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