

Cuyahoga Arts and Culture

Minutes of Meeting of Board of Trustees

Tuesday May 22, 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 Ideacenter Building at 1375 Euclid Avenue, Cleveland, Ohio. The three Trustees of the CAC Board were in attendance: Steven Minter, Santina Protopapa and David Bergholz.

1. Approval of Minutes

Secretary of the Board, David Bergholz, presented the minutes for the May 8, 2007 Regular Board Meeting. President Minter requested a change in the minutes to accurately reflect one of his comments on the differences between the two forms of grant applications. He had stated that Application A is more like an essay exam (not Application B). Trustee Bergholz moved to approve the Minutes as corrected from May 8, 2007 Meeting. President Minter seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

2. Approval of contract with M+R Strategic Services for public relations and communications services

President Minter asked Executive Director Boyle to comment on contract status of M+R Strategic Services, which was tabled from the previous Board meeting.

ED Boyle stated that she met with Jeff Rusnak from M+R and all parties are in agreement with the deliverables contained within the contract, which is to run through the end of November 2007. These provisions include putting together a communications plan for the next six months, assisting CAC in promoting its grants programs and creating an interactive and informational website.

President Minter stated that the fees are not to exceed \$5,000/month + approved expenses, with an invoice for services performed to date not to exceed \$10,000. All parties are now satisfied and CAC is in a good position to work with M+R Strategic Services.

Trustee Bergholz moved to approve contract with M+R Strategic Services for public relations and communications services. Trustee Protopapa seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

3. Executive Director Update

ED Boyle stated that CAC will be moving into new offices located in Suite 407 of the Bulkley Building, 1501 Euclid Avenue in Playhouse Square. Office systems (computers and telephones) should be up and running by May 29, 2007. Office supplies will be purchased with the assistance of Cuyahoga County Office of Procurement and Diversity from suppliers under state contract.

ED Boyle stated that CAC received \$1,649,000 for April plus \$914,768 from the floor stock tax for the month of February. Jeff Rusnak of M+R Strategic Services noted that it appears funds are in line with earlier income projections. President Minter added that it seems CAC is within 95% of its projections so far.

ED Boyle informed the Board that CAC has opened a STAR Ohio investment account.

In updating the CAC Board, ED Boyle stated that the deadline for Intent to Apply forms is June 1, 2007. Trustee Bergholz asked for an overview of the universe of possible GOS applicant organizations and asked about the process of informing organizations of the Intent to Apply application and deadline. ED Boyle responded that CAC e-mailed to a distribution list provided by CPAC, which includes executive directors of arts and cultural organizations in the County, merged with lists collected by CAC to date, such as those who signed up on the CAC website and those who have called the office since January. While the Intent to Apply form is not mandatory, it will help CAC determine the potential pool of GOS applicants. The discussion continued about GOS-specific eligibility and how and whether to inform organizations, based on the information in the Intent to Apply forms, if they are ineligible to apply for a GOS Grant. It was agreed that this should be handled delicately with a carefully crafted message from CAC to ineligible organizations. ED Boyle agreed to seek assistance in creating a response letter to organizations ineligible for GOS funds.

Trustee Bergholz asked if a press release would go out when CAC releases the guidelines and application and ED Boyle explained that the plan is to put out a press release explaining that CAC has issued guidelines and an application for its first grant program and would present a series of grant workshops where questions about eligibility would be addressed.

It was noted that organizations are inquiring about how much money would be available for the GOS grants and other CAC grants for budgeting purposes. President Minter acknowledged that it is nearly impossible to tell at this early date. He added that CAC should make public that it is up and running, the Board has been meeting, and that the projections of available funds are still not clear.

President Minter reported that he, ED Boyle and Barbara Hawley had the opportunity to meet with Bill (William J.) Reidy of Coopers and Lybrand (a very

knowledgeable source about governmental finances), and County Administrator Dennis Madden. They discussed such matters as liability insurance and the pros and cons of establishing certain audit processes. It was suggested that CAC consider establishing an advisory committee with one or two outside experts to assist with finance decisions and projections.

4. Additional Business and Public Comment

President Minter opened up the floor for any public comments.

Jamie Ireland asked what the timeline for operating support application is, and if there are any additional issues with the formula being used for operating support? ED Boyle responded that the due date will be August 24th and that gives applicants approximately 2 months to complete the application. Tom Schorgl from CPAC commented that the formula used to compute the GOS grant amounts is contingent on the number of organizations in the pool, their respective budget sizes and the amount available for the GOS grants.

Deena Epstein from the Gund Foundation asked if organizations should expect to receive funds in 2007. Discussion ensued regarding CAC grant funding and fiscal years, particularly around the question of whether CAC would be back funding or forward funding, as relates to the varying fiscal years of the organizations recommended for funding? Legal Counsel, Barbara Hawley, noted that public entities cannot obligate beyond the current fiscal year and obligations are subject to annual appropriation by the CAC Board of Trustees. An organization can use the funds for the fiscal year it is in at the time the contract with CAC. Trustee Bergholz added that organizations granted GOS funds must manage their finances according to their respective fiscal year, not according to CAC's fiscal year. Barbara Hawley again noted that CAC must state that all grant awards are subject to the annual appropriation of the cigarette tax collections. Therefore an organization may be approved for three years of GOS funding, but it is subject to annual renewal based on the Board of Trustee's budget appropriation for that year, as well as the requisite review and evaluation for compliance with the terms of the grant contract.

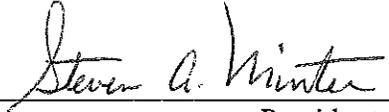
After further discussion, the consensus of the Board was to award grants on a calendar year basis, with the first grants being funded in January 2008, soon after the start of CAC's fiscal year.

Mr. Schorgl noted that CAC should send a brief letter to the House/Senate leadership regarding budget bill that includes the CAC provision to expand the board of trustees from 3 to 5 members. Trustee Minter agreed to do that and ED Boyle will get to him a copy of the original letter from the County Commissioners to the Governor.

Trustee Bergholz made a motion to move to Executive Session to discuss CAC personnel matters, specifically a staff position of Grants Manager. President Minter

seconded the motion. On roll call vote, Trustees Bergholz, Minter and Protopapa each voted yes.

There being no further business, the Special Meeting of the CAC Board of Trustees was adjourned at 11:03 am, May 22, 2007.



President

Attest:



Secretary