



Minutes of the Regular Meeting of the Board of Trustees

Tuesday, July 8, 2008, 10:00 am

A Regular Meeting of the Cuyahoga Arts and Culture (CAC) Board of Trustees was called to order at 10:04 a.m. in the 2nd floor Board Room in the Idea Center at Playhouse Square, 1375 Euclid Avenue, Cleveland, Ohio.

The roll call showed Trustees Linda Abraham-Silver, David Bergholz, Steven Minter and Santina Protopapa, Chris Coburn to be present. It was determined that there was a quorum.

Also in attendance were CAC Staff: Catherine Boyle, Executive Director; Meg Harris, Director of Administration; Achala Wali, Director of Grant Programs.

1. EXECUTIVE SESSION

The Board of Trustees left the Regular Meeting for Executive Session at 10:05 a.m. and returned from Executive Session at 11:12 a.m. President Minter stated that in the executive session they discussed the interim performance evaluations of the Executive Director and CAC staff.

2. APPROVAL OF MINUTES

Motion: To approve the minutes of the May 13, 2008 Annual Meeting of the Board of Trustees which were previously submitted and read by the Board.

Motion: To approve the minutes of the June 10, 2008 Special Meeting of the Board of Trustees which were previously submitted and read by the Board.

It was moved by Trustee Coburn and seconded by Trustee Abraham-Silver to approve the minutes of the May 13, 2008 Regular Meeting and the June 10, 2008 Regular Meeting of the CAC Board of Trustees.

Vote on Motion was as follows:

Ayes: Abraham-Silver, Bergholz, Coburn, Minter, Protopapa

Nays: None

3. FINANCES AND OPERATIONS

Meg Harris, CAC Director of Administration, stated that the cigarette excise tax revenue for May was \$3,136,869 and that CAC had not yet received figures for June. The May figure, while declining 5.1%, was slightly higher than had been forecast. Year to date, the revenues are

\$9,199.400 and 1% under last year's revenues using the .045 Stadium Tax as the basis for comparison. The StarOhio interest rate for June was 2.18%.

Ms. Harris stated that the revenues and expenditures through June were within budgeted figures with expenditures lower than had been forecast.

President Minter inquired as to whether the annual budget should be reappropriated based on lower than expected expenditures. Ms. Harris responded that it was possible the board might have to reappropriate the budget at the September board meeting.

Ms. Harris provided an overview of the status of CAC's annual audit underway by the Ohio Auditor of State. Ms. Harris stated that staff from the Auditor of State's office had been performing the audit since June 23rd at the CAC offices and were concluding today, July 8th. She continued that while she was not provided a specific date for the completion of the audit, she expected it would be within the next 4-6 weeks.

Ms. Harris continued that prior to releasing the audit to the public the Auditor of State staff will meet with CAC staff to make them aware of any citations or recommendations. The Auditors will then schedule a post-audit review meeting for CAC staff and board. Trustees Minter and Coburn stated that they would like to be present for the presentation of the findings.

Ms. Harris provided an overview of recommendations she expects will be in the audit report. They include, but are not limited to, increased control policies especially around the areas of cell phone use, credit card use, parking and travel; and the board adoption of the internal accounting and finance policies document that is currently being used internally.

Approval of Expenses

ED Boyle stated that in compliance with the By Laws of CAC, she was seeking board approval for the payment of two expenditures greater than \$5,000. One to Villa Beach in the amount of \$6,498 for the design/layout and printing of 100,000 pieces of promotional literature and the other for renewal of the Directors and Officers insurance policy which will expire prior to the next board meeting. ED Boyle stated that last year's premium was just over \$5,000 and an invoice for next year's premium has not yet been received.

Motion: To approve payment of invoice from Villa Beach in the amount of \$6,498 for design/layout and printing of 100,000 CAC promotional literature pieces.

It was moved by Trustee Abraham-Silver and seconded by Trustee Minter to approve payment of \$6,498 to Villa Beach for the design/layout and printing of 100,000 CAC promotional literature pieces.

Vote on Motion was as follows:

Ayes: Abraham-Silver, Bergholz, Coburn, Minter, Protopapa

Nays: None

Motion: To approve the renewal and payment of the Directors & Officers Insurance

It was moved by Trustee Bergholz and seconded by Trustee Minter to approve the renewal and payment of Directors and Officers Insurance for the period of September 2008-August 2009.

Vote on Motion was as follows:

Ayes: Abraham-Silver, Bergholz, Coburn, Minter, Protopapa

Nays: None

4. GRANT PROGRAMS

Project Support

ED Boyle stated that staff has revised the Project Support (PS) guidelines for the 2009 grant program to reflect issues raised by staff, applicants, and the 2008 PS Panelists. The revisions were presented to Board in advance of the meeting for review. As part of the revision, CAC staff is recommending that the process be broken into two steps, the first being eligibility verification and the second being completion/submission of the application by eligible organizations. ED Boyle said that she believes shifting to this two-step process would address some of the stress and confusion experienced by applicants in the 2008 PS grant cycle.

ED Boyle said CAC would begin the eligibility verification, or first step of the PS09 grant application process, in September. In doing so, organizations would have four to five months to provide the eligibility documentation to CAC. The deadline for step one of the application process would be approximately 30 days before the complete application is due, in January, 2009.

Trustee Abraham-Silver asked if we received feedback from PS applicants during the last grant cycle. Trustee Bergholz asked what the downside may be to moving to the two step process. Achala Wali, CAC's Director of Grant Programs, responded that the downside could be that some organizations may not learn about the first step of the process until after the deadline, 30 days prior to the application deadline, and therefore would not be eligible to apply for a PS09 grant. Trustee Bergholz ask if the Ohio Arts Council (OAC) has a similar step in their application process. Tom Schorgl, President and CEO of the Community Partnership for Arts and Culture (CPAC), stated the OAC does not have this process but that the OAC has files on organizations from their long history of grantmaking and it takes time for an organization to build these files up.

ED Boyle asked if there were any other questions on this two step process. Trustee Bergholz stated that he assumed this process would be monitored to ensure that potential applicants were completing this step early so they would be able to apply for the grant. ED Boyle responded that yes, the process would be monitored and that she felt that most of the organizations would get this step done quickly and early.

ED Boyle continued that the next request for change in the Project Support guidelines is the addition of a limit on request amounts for the PS grants and a requirement that CAC grants be matched on a dollar for dollar basis with cash rather than a combination of cash and in-kind contributions. ED Boyle stated that the funding request limit would be different for arts and cultural (A&C) organizations than for non-arts and cultural (Non-A&C) organizations. Under

the proposed model, A&C organizations are able to request up to 15% of the last fiscal year's operating expenses, not to exceed 50% of the project budget. Non-A&C organizations are able to request up to 10% of the last fiscal year's operating expenses, not to exceed 50% of the project budget. As in 2008, \$50,000 is the maximum any organization may request.

ED Boyle added that this shift to implement funding request levels is based mainly on feedback from the 2008 PS panelists. Panelists felt that it should not be a part of their responsibility to determine if grant requests were appropriate to the size of the organization.

Trustee Bergholz asked what was the proposed model was based on. Ms. Harris replied the Illinois Arts Council uses a similar, although more complicated formula.

ED Boyle emphasized that CAC needs to ensure that grantee organizations have the capacity to manage a CAC grant and that the grants are appropriate to their organization size. Ms. Wali added that many of the Non-A&C organizations do not know how to put together an appropriate request in terms of the grant amount and this is a way that staff can give them some guidance in determining an appropriate request for public funds.

President Minter stated that while he is not opposed to limiting the funding requests, he might have a hard time explaining how the process works to someone, and that was a concern of his. Trustee Coburn stated that he does not agree with the elimination of in-kind as part of the match requirement. He believes that it is a very important part of what the community gives back. Ms. Harris replied that not allowing in-kind as a part of the matching funds requirement does not preclude a grantee from using, and soliciting, in kind contributions for a proposed project. CAC will also continue to encourage grantees to utilize in-kind contributions and will track in-kind in the project budgets.

Trustee Bergholz stated that he was concerned that the calculation of the funding request limit would be too complicated to explain to applicants. Ms. Wali stated that CAC staff is aware of this and have discussed several ways CAC would assist applicants through this part of the application process.

Trustee Abraham-Silver said that the grant request limit and the elimination of in-kind match seems like it might be a double whammy to applicants. Trustee Bergholz wondered why CAC should have such a rule. Ms. Wali that this is a policy decision; that these issues can be argued on both sides on a policy level. She concluded that CAC staff believes that they will be able to give applicants enough assistance to make this a successful process.

Trustee Bergholz said that he would like to see examples of how the funding request limit would affect grantees based on PS08 grantees. Ms. Wali agreed that seeing examples does help to confirm that imposing the limit will work. President Minter said that he is comfortable with all components of the revisions to the PS guidelines with the exception the 10/15% funding request limit. Trustee Bergholz said that he would like to wait on approving this portion of the PS09 guideline changes until examples are provided on the impact of these changes.

President Minter suggested approving the following changes to the PS09 process: two part application process, dollar for dollar match requirement consisting of cash only, the panel scoring and recommended deadlines for the PS09 grant cycle. He added that CAC staff should

prepare examples of how the 10/15% funding request limit would work using PS08 grantees as the model and present this to the board well in advance of the September board meeting.

Motion: To approve changes to the Project Support Guidelines for the 2009 Project Support cycle excluding limits to the funding request levels.

It was moved by Trustee Bergholz and seconded by Trustee Minter to approve the changes to the Project Support Guidelines with the exception of the limits to the funding request levels for the 2009 Project Support cycle.

Vote on Motion was as follows:

Ayes: Abraham-Silver, Bergholz, Coburn, Minter, Protopapa

Nays: None

General Operating Support (GOS)

Ms. Wali stated that detailed instructions sent to GOS grantees for 2008 annual grant report which is due in January, 2009. The online report form will be available for completion starting on October 15th. To date, there has not been any feedback regarding the report from GOS Grantees.

5. OTHER BUSINESS

Revision of CAC By Laws

ED Boyle stated that CAC's By Laws need to be revised to reflect the addition of two more trustees to the CAC Board, since the creation and approval of the By Laws at CAC's first board meeting on April 11, 2007. Section 3.2 of CAC's By Laws, "Number and Qualifications of Trustees" will now read, "There shall be five members of the Board of Trustees appointed by the Commissioners" to reflect the change signed into law by Governor Strickland in the 2008 Budget Appropriation. (ORC Section 3381.04)

Motion: To revise Section 3.2 of CAC's By Laws.

It was moved by Trustee Abraham-Silver and seconded by Trustee Protopapa to approve the revision of the CAC By Laws.

Vote on Motion was as follows:

Ayes: Abraham-Silver, Bergholz, Coburn, Minter, Protopapa

Nays: None

CAC Marketing and Design Update

ED Boyle stated that she and Jeff Rusnak met with three marketing and design firms to discuss the creation of a Cuyahoga Arts and Culture brand, marketing strategies, rewriting/rethinking of the web site and marketing tools for grantees.

Mr. Rusnak said that he had met with six agencies and recommended three to CAC based on their experience in the local arts and cultural sector and their demonstrated level of interest in CAC and its needs. ED Boyle and Jeff Rusnak met with representatives of the three agencies. President Minter asked that CAC request a proposal for services from all three before a decision was made. Mr. Rusnak agreed that he would request this from the agencies. President Minter confirmed that since CAC is a public agency, it is in the best interest of CAC to get all three proposals. He added that the Trustees have the responsibility to approve this decision, having several quotes to review would be beneficial for the Board. President Minter said he would like the three proposals by August so board can take action in September.

CAC Mission, Values, Vision and Goals

ED Boyle stated that the Board had before them a revised Mission, Values, Vision and Goals for Cuyahoga Arts and Culture and a handout was provided to meeting attendees. ED Boyle added that these revisions include input from staff, board, consultants and stakeholders and is the result of many hours of thought, discussion and debate. ED Boyle asked there were any comments from the board on the proposed mission, operating principles, vision and goals for CAC.

Trustee Bergholz asked if these revisions were just wordsmithing of what was presented after the strategic planning session. ED Boyle said that it was wordsmithing with the goal of providing a positive and optimistic view and a clear understanding of what CAC is in business to do. Trustee Minter stated that he found these revisions to be far superior to the mission, vision and goals presented as a result of the Stakeholder Report at the May board meeting. ED Boyle asked that the board move to approve the new mission, operating principles, vision and goals for Cuyahoga Arts and Culture as outlined.

CAC Mission: To sustain the excellence of the arts and cultural assets that enrich our lives and enhance our community's appeal.

CAC's Core Values

- **Accountability**—CAC will operate with integrity and employ the highest standards of excellence in our operations and grantmaking.
- **Impartiality**—CAC's grantmaking processes and procedures will be clear, fair, and consistent and free of conflict.
- **Transparency**—CAC's operations and grantmaking processes will be open and accessible.

CAC's Vision: A strong, vibrant and diverse arts and cultural sector through public funding and a community invested in the value of its arts, artists and cultural assets.

CAC's Goals *(draft objectives included)*

CAC will:

- I. Be an effective and efficient steward of public funds
- II. Support the arts and cultural sector
- III. Communicate the value of public support for arts and culture
- IV. Ensure enduring and reliable public funding

Motion: To approve Cuyahoga Arts and Culture Mission, Operating Principles, Vision and Goals.

It was moved by Trustee Bergholz and seconded by Trustee Abraham-Silver to approve Cuyahoga Arts and Culture's Mission, Operating Principles, Vision and Goals.

Vote on Motion was as follows:

Ayes: Abraham-Silver, Bergholz, Coburn, Minter, Protopapa

Nays: None

President Minter added that this was moved for approval with commendation to ED Boyle and CAC staff.

Report on State Appropriations Bill

ED Boyle explained that she provided the Trustees with a memo outlining the recent attempt in the Ohio Legislature to sunset the cigarette tax for arts and culture through an amendment in the 2009 Capital Budget bill as proposed by Rep. David Daniels of Greenfield, Ohio. Cuyahoga County is the only county in Ohio that uses a cigarette tax, and therefore it only affected Cuyahoga County.

By the time ED Boyle learned of this amendment on May 21, it had already passed the House of Representatives and was on its way to the Senate for approval. She explained that while CAC did not learn about this issue until it was almost too late, many people were instrumental in ensuring that this attempt was not successful. There were phone calls, emails and meetings on the part of Commissioner Jones, County Administrator Dennis Madden, government relations staff Jim Corrigan, the County's lobbyist Tom Hayes from LNE group, CAC counsel Barbara Hawley, Jeff Rusnak, Tom Schorgl, CAC Board Members, Jamie Ireland, Bill Blair, Jon Lindseth, Anne Hill from Governor Strickland's staff and Carol Caruso from the Greater Cleveland Partnership all should be commended for helping derail this amendment. The amendment was ultimately pulled from the appropriations bill because it was easier to pull it out than to try to change it.

President Minter on behalf of the Trustees expressed his appreciation to staff and colleagues noted in the memo who joined CAC with their access and clout, to influence this issue.

ED Boyle noted that she and President Minter discussed convening many of those who helped on this issue to discuss a legislative strategy for CAC going forward to ensure that CAC stays on top of issues such as this.

Trustee Coburn noted that ED Boyle's memo was thorough. He said it seemed likely that whoever took this action likely had someone, or some group, advising them and that it would be helpful to find out who they are if this is part of public record.

Jeff Rusnak said that this is public record and he had been told that this was written by the

tobacco lobby. He said it is easy enough to access this information and that he would get it to CAC in the next two weeks.

Tom Schorgl noted that it was his understanding that this was more about the gaming issue in Ohio, that by forcing alcohol and cigarette taxes off the table, it would make county commissioners to be more sensitive to gaming and the passage of gaming.

Cultural Data Project

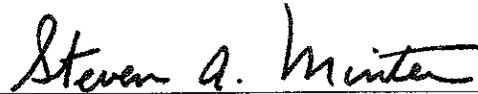
Ms. Wali concluded the meeting by noting that a presentation was made in April by Cultural Data Project (CDP) staff to funders and grantees in northeast Ohio. Other presentations were made to funders elsewhere in the state and the response has been very positive. Ms. Wali continued that the Ohio CDP taskforce received financial commitments from many members of taskforce and that to date, 78% of the necessary funds have been committed for the initial three year cycle, including a commitment from the Ohio Arts Council (OAC), which was crucial to moving this project forward. This puts the state of Ohio in a position to implement the CDP with a soft launch expected in the summer of 2009.

Tom Schorgl, a member of Ohio Arts Council, clarified that OAC committed \$20,000 for the current year with the hopes that this commitment can be sustained in years 2 and 3. He stated that CPAC supports this project and they want to see happen. Mr. Schorgl noted that at the September meeting the OAC Board a vote will take place to approve the \$20,000 expenditure for the first year's commitment.

Next Meeting- The next regular meeting of the CAC Trustees is September 9, 2008.

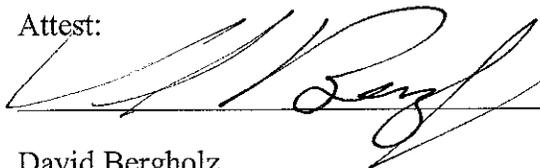
Public Comment- There was no public comment.

There being no further business, the Annual Meeting of the CAC Board of Trustees was adjourned at 12:16 p.m., July 8, 2008.



Steven Minter
President, Board of Trustees

Attest:



David Bergholz
Secretary, Board of Trustees