



Minutes of the Regular Meeting of the Board of Trustees

Wednesday, February 10, 2010

A Regular Meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 9:00 a.m. in the Conference Room at the Idea Center at Playhouse Square, 1375 Euclid Avenue, Cleveland, Ohio.

The roll call showed Trustees David Bergholz, Sari Feldman, Vickie Johnson and Steven Minter to be present. It was determined that there was a quorum. Trustee Chris Coburn arrived at 9:30 a.m.

Also in attendance were: CAC Staff: Karen Gahl-Mills, executive director, Meg Harris, director of administration; Achala Wali, director of grant programs; Donnie Gill, grant program coordinator; and Stacey Hoffman, grant program coordinator.

1. APPROVAL OF MINUTES

Motion by Trustee Bergholz, seconded by Trustee Feldman to approve the minutes of the December 8, 2009 Regular Meeting of the Board of Trustees. Discussion: None. Vote: All ayes. Motion carried.

2. EXECUTIVE DIRECTOR REPORT

Ms. Gahl-Mills shared some thoughts she had had within her first ten days on the job. She stated that one of the questions she is often asked (particularly from life-long area residents), is, “Why did you want to come to Cuyahoga County?” She has responded that she is here because she thinks that this community has done something important: by putting public money into the arts, clearly demonstrating that the arts are not “extra”— they are central to maintaining a healthy and vibrant community. She is honored to lend her talents to this important work.

Ms. Gahl-Mills continued, stating that the statistics about what Cuyahoga Arts & Culture has done in just three years are also compelling: \$48million distributed to over 100 organizations; grant programs for individual artists, in partnership with CPAC; project support for a wide variety of initiatives; and the sorely needed general operating support grants that have sustained organizations large and small, particularly in today’s challenging economic climate.

Ms. Gahl-Mills stated that she was also here because the board has challenged her to help write the next chapter in CAC’s impressive story. This extraordinary community resource requires extraordinary clarity of purpose, dedication to stewardship, and also imagination and an innovative spirit, so that we can see beyond what we have done and look ahead to what we will need to do to help create a climate where arts & culture can continue to thrive.

Ms. Gahl-Mills shared her priorities for the first 100 days, in no particular order:

1. Raise public awareness about CAC and its programs.
2. Build relationships with our constituents: with all of our partner organizations in the arts community; with the local funding community; with business leaders and political leaders.
3. Demonstrate the impact that CAC's funding – community supported arts funding – is having on the arts sector and on the community at large. We can help our arts partners learn to tell good stories about what they are doing and the impact that it is having, so that everyone in the area realizes the value of supporting the arts with public money.
4. Imagine the next chapter in CAC's story. We need to ask "What's Next?". In this time and place, what does our community need – how can the arts help – and what's the role of public money in that equation, particularly knowing that the funding source is not static.

Ms. Gahl-Mills presented the following items requiring the Board's approval.

Board Meeting Schedule

Ms. Gahl-Mills said that due to schedule conflicts, the Board of Trustees meetings will be moved to the second Monday of each month at 4 p.m.

Motion by Trustee Minter, seconded by Trustee Feldman to approve the revised Board of Trustees meeting schedule to the second Monday each month at 4 p.m., with the exception of August. Discussion: Mr. Minter asked that after meeting the Board be polled to see if the meetings may be able to start at 3:00 or 3:30 p.m. rather than 4 p.m. Vote: All ayes. Motion carried.

(Subsequent event- Board Meetings will be held at 3 p.m. on the second Monday of each month with the exceptions of August where there is no meeting and October where the meeting will be on the third Monday of the month.)

MAA Contract

The Board had received and reviewed a proposal presented by the Musical Arts Association regarding the July 2, 2010 Star Spangled Spectacular.

Ms. Feldman stated that it was important to begin discussing the future of this event/project; perhaps there is a better way to invest in the community.

Mr. Bergholz agreed that it may be an opportunity for other funders to participate.

Jeff Rusnak, M&R Consulting, asked if it was possible to brand the event differently to attach CAC's name.

Mr. Minter confirmed that the proposal titled the project as CAC's Star Spangled Spectacular.

Ms. Feldman reiterated the importance of initiating the conversation regarding the summer programming for 2011.

Motion by Trustee Feldman, seconded by Trustee Bergholz to approve entering into a, agreement with the Musical Arts Association in the amount of \$250,000 for the Star Spangled Spectacular concert set for July 2 , 2010. Discussion: None. Vote: All ayes. Motion carried.

CWF Contract

Megan Van Voorhis, Community Partnership for Arts and Culture (CPAC), informed the Board that they were looking to enter into a contract for the Creative Workforce Fellowship for the years of 2011 and 2012.

Mr. Minter asked if many of the fellows had taken advantage of the health care provision.

Seth Beattie, CPAC, confirmed that nearly 50% of the fellows in the first cycle had taken advantage of the access to health coverage provided through the COSE Arts Network. Mr. Beattie stated that the second group of fellows have just completed their orientation and have not yet had the opportunity to take advance of their membership to the COSE Arts Network.

Motion by Trustee Bergholz, seconded by Trustee Feldman to approve entering into an agreement with the Community Partnership for Arts and Culture for the Creative Workforce Fellowship for the period of January 1, 2011 through December 31, 2012 in the amount of \$1,154,000. Discussion: None. Vote: All ayes. Motion carried.

3. DIRECTOR OF ADMINISTRATION REPORT

Finances and Operations

Ms. Harris recapped the 2009 financials. She stated that revenue collected in 2009 was \$18,222,183. This figure was \$122,183 above the budgeted amount. Interest revenue totaled \$50,002, \$326,333 short of the projected \$376,334 budgeted figure. Expenditures during 2009 were within budgeted figures. Over \$16.4 million in payments to grantees were made in 2009.

Ms. Harris recommended that the Board may want to consider alternate investment options since the interest rates have declined. Interest revenue as a source of funds is especially important because Units of Government can only be funded with interest revenue through the Project Support grant program.

Ms. Feldman suggested that the library's financial director would be a good resource for advice.

Ms. Harris stated that revenue figures for January had not yet been received. Expenditures were below budget, primarily due to the timing of payments. She added that to date, over \$4.6 million of the nearly \$7.5 million semi-annual general operating support grant payments had been made. Contracts were outstanding from 10 grantees.

Ms Harris reported that CAC's 2009 financial compilation was underway with the Local Government Services of the Audit of State.

**Trustee Coburn joined the meeting at 9:30 a.m.*

Mr. Minter commented on the revenue trend line; the figures were in line with the predicted 7% decline.

Ms. Harris stated that if the trend continued, CAC would end up with annual receipts of \$10 million in 2016.

Mr. Bergholz commented that he had expected the decline to plateau at some point, however, we haven't seen that happen. Mr. Minter and Mr. Bergholz discussed that CAC must continue to make the community aware of the decrease in funding and the impact that will potentially have on grant award levels.

Ms. Harris summarized the highlights from a meeting of CAC's Audit and Finance Committee held on December 14th, 2009:

1. The committee agreed to recommend the Internal Financial Controls document to the Board for approval.
2. The committee requested that an outside audit firm be contracted to review the implementation of the Internal Financial Controls. An RFP will be created for this service.
3. The committee questioned whether CAC needed to have an external audit of its own, other than the one conducted by the Ohio Auditor of State. Discussions with CAC's legal counsel, Barbara Hawley, concluded that this does not need to be done.
4. The committee asked how long the Ohio Auditor of State would continue to conduct CAC's annual audit. In follow-up discussions with the Auditor of State it was determined that the Board of Trustees could write a letter to the Auditor of State in order to request that an outside audit firm be considered for the 2010 audit.

Ms. Harris stated that the Internal Financial Controls document presented to the Board for approval and implementation would establish segregation of duties for CAC's administrative functions. This document was reviewed by the Audit Committee and their feedback incorporated. The Auditor of State is looking for CAC to have Board approved policies and procedures relating to the accounting and finance functions at CAC.

Motion by Trustee Feldman, seconded by Trustee Johnson to approve the adoption and implementation of the Internal Financial Controls policies and procedures. Discussion: Mr. Minter suggested that the President of the Board should periodically review the executive director's expenses in advance. Ms. Harris concurred and confirmed that she would add expense reports as a section to the document. Vote: All ayes. Motion carried as amended per the discussion.

Ms. Harris, referring to the CAC's 2009 audit, stated that while there were no specific recommendations for management, the Auditor of State, in a verbal recommendation stated that

there was a need for CAC to develop a Disaster Recovery Plan. She added that currently CAC's business documents are backed-up through the use of a tape drive and the tape stored in her home. Mr. Coburn made a recommendation that an CAC contract for off-site data back-up and recovery services.

4. GRANT PROGRAM UPDATES

Ms. Wali informed the Board that the General Operating Support (GOS) intent to apply forms were due by February 17, 2010. She was seeking several approvals regarding the GOS panel.

Panel Pool

Motion by Trustee Bergholz, seconded by Trustee Feldman to approve the 2011 panel pool. Discussion: None. Vote: All ayes. Motion carried.

Panelist Compensation

Motion by Trustee Bergholz, seconded by Trustee Feldman to approve the honorarium for 2011 panelists at the rate of \$250 per day/ \$750 per panel. Discussion: None. Vote: All ayes. Motion carried.

Panel Chair

Motion by Trustee Feldman, seconded by Trustee Bergholz to approve Achala Wali as the panel chair for the 2011-2012 General Operating Support panel. Discussion: None. Vote: All ayes. Motion carried.

Ms. Wali gave a brief update on the Ohio Cultural Data Project (OCDP). Sixty-four GOS grantees have submitted a minimum of two years of data. More training will be taking place in Ohio.

General Operating Support (GOS)

Ms. Gill informed the Board that three general information workshops had been held; workshop locations included downtown, the east side and the west side. The purpose of the workshops was to explain the eligibility criteria for both the GOS and PS grant programs; to explain the differences between the two programs; to discuss which program an applicant should apply to; and to explain the application process.

Ms. Gill continued, stating that 126 of the 178 people registered for the workshops attended. Attendees were invited to participate in a survey to evaluate the workshops and overall the feedback was very positive.

Ms. Gill stated that the GOS application workshops would be beginning on February 11, 2010. There will be a total of five workshops that are intended for organizations that have completed the intent to apply process and have been determined eligible to apply. The workshop is recommended but not required; it will be a question and answer format.

Ms. Gill reported on the intent to apply process; to date 39 forms have been submitted (32 eligible, 1 ineligible, 6 under review/waiting for additional information). In regard to annual reports, most organizations have submitted their annual report for 2009 and are in the process of returning their contracts to receive their 1st disbursement for 2010.

Project Support (PS)

Ms. Hoffman reported on the compliance of 2009 PS grantees. The Mid Year Report was due February 1, 2010; 30 of 32 were received. Letters were mailed to the two grantees with outstanding reports giving them 30 days to submit or there would be an automatic 10% reduction off their final grant award amount. The Mid Year Report has been an opportunity to verify project dates and end dates for grant compliance; to catch changes in project scopes and budgets; and to receive feedback for potential use in the annual report. To date 38% of the PS grants have been completed. There is one outstanding final report and the grantee has been given notice.

Ms. Hoffman requested that the Board revoke the current 2009 PS grant from the Ohio Boychoir, Inc. In early December staff received a call stating that the Ohio Boychoir, Inc. would be closing. Staff requested a letter stating that they would not be accepting the 2009 Project Support grant that they were awarded. After several stories in the press regarding the matter, staff again requested a letter stating that they would not be accepting the 2009 PS grant. An email was received stating that they would be providing the letter but one has not been submitted.

Motion by Trustee Bergholz, seconded by Trustee Feldman to revoke the PS09 grant made to the Ohio Boychoir, Inc. Discussion: None. Vote: All ayes. Motion carried.

Ms. Hoffman reported on the intent to apply process for Project Support. To date, two have been submitted; both were incomplete and additional information was requested. The deadline for the Project Support intent to apply is June 8, 2010.

Ms. Hoffman stated that staff was planning to hold additional outreach workshops around the Project Support program; potential sites have been identified.

5. CPAC - CREATIVE WORKFORCE FELLOWSHIP (CWF)

Ms. Van Voorhis informed the Board that twenty fellows had been approved for the CWF literary and performing arts cycle. A report, containing the biographies of the fellows was provided to the Board.

Mr. Minter commented on how impressive the fellows are. He asked if the press regarding the fellowship and fellows was widely distributed.

Mr. Schorgl stated that the information was on the CPAC website. Additionally, they were working with the fellows and their national associations to begin placing stories with them.

Mr. Minter suggested that some of the fellow profiles be filtered to the press to call attention to the program.

Ms. Van Voorhis stated that they had had a good response from the fellows when asking them to share the national organizations they work with. It would be great to bring awareness to the fellows to hopefully leverage additional support.

Mr. Schorgl informed the Board that they had compiled a list of sixty-three organizations from their forty fellows.

Mr. Coburn asked about the mechanics of the program and payments.

Mr. Schorgl responded that after a orientation process fellows received \$16,000. Interim and final reports are required. The final payment of \$4,000 is disbursed after approval of the final report.

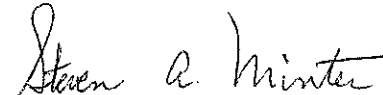
Public Comment

None.

Next Meeting

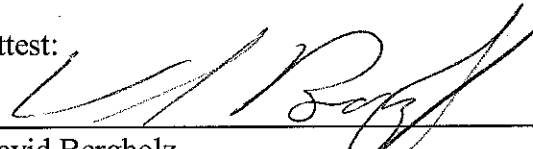
The next regular meeting of the CAC Board of Trustees is March 8, 2010 at 3:00 p.m. in the Second Floor Conference Room of Idea Center.

Motion by Trustee Minter, seconded by Trustee Feldman to adjourn. Discussion: None. Vote: All ayes. Motion carried. Meeting adjourned at 10:15 a.m.



Steven Minter
President, Board of Trustees

Attest:



David Bergholz
Secretary, Board of Trustees