



Minutes of the Regular Meeting of the Board of Trustees

Monday, March 8, 2010

A Regular Meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 3:05 p.m. in the Conference Room at the Idea Center at Playhouse Square, 1375 Euclid Avenue, Cleveland, Ohio.

The roll call showed Trustees David Bergholz, Chris Coburn and Steven Minter to be present. Trustees Sari Feldman and Vickie Johnson were absent. It was determined that there was a quorum.

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 Coburn to approve the minutes of the February 10, 2010 Regular Meeting of the Board of Trustees. Discussion: None. Vote: All ayes. Motion carried.

2. EXECUTIVE DIRECTOR REPORT

Ms. Gahl-Mills shared a status update on the four priority areas of her work that were outlined at the February meeting, namely increasing CAC's visibility, building relationships, measuring the impact of our work, and thinking ahead to what's next.

Ms. Gahl-Mills outlined her work to date to increase CAC's visibility, starting with capitalizing on her arrival with local media outlets. A productive, initial planning meeting was held with the communications and engagement staff at the Cleveland Orchestra regarding the Star Spangled Spectacular, which was approved for funding at our last meeting. Director of Administration, Meg Harris, will take the lead on this project. Additionally, Ms. Harris will take the lead on refining our marketing communications strategy; we hope to use the highly visible July event as a platform for launching retooled messages and advertisements related to the impact of CAC's work.

Ms. Gahl-Mills continued, stating that she had spent the last five weeks beginning the work of building relationships with the community, both the community comprised of our arts & cultural partners and the broader community that is Cuyahoga County. To date, twenty-five one-on-one or small group meetings with leaders from the cultural community, including nineteen site visits to agencies large and small, had taken place. This has provided an opportunity to hear and see the work of some of our wonderful performing arts groups. Additionally, more than 70 people attended a wonderful breakfast reception at Trinity Commons

hosted by CPAC; this provided an opportunity to convene with many cultural partners at once. Thanks again to Tom Schorgl and his staff for putting together a terrific event.

Ms. Gahl-Mills informed the Board that she was beginning to meet with community leaders from outside of the arts and cultural sector. The objective for those visits was to build and strengthen the relationships that CAC has outside of their walls to construct a clear picture of the opportunities and challenges facing Cuyahoga County that will shape our future work.

Ms. Gahl-Mills continued stating that in addition to building relationships, the visits have provided an opportunity to hear stories of how CAC's funds have been used to positively impact the entire community. Residents of Cuyahoga County should be proud of the return being generated by their investment in arts & culture. She shared that she had also learned about the varied ways the cultural partners have used it to sustain and grow their work. Some organizations chose to invest public dollars in initiatives that they couldn't otherwise have afforded that can directly increase their community impact – expanding marketing efforts, hiring key staff, or improving arts education offerings. Others have used it to fill the gaps left by the current economic crunch.

Ms. Gahl-Mills stated that the amount of money that is being granted is not insignificant, but even more important than the actual dollar amount has been the predictability and multi-year nature of the funding. CAC funds are likely the only funding that these agencies have received that has been so predictable. This is important to the long-term sustainability and health of our partner institutions and to the arts & cultural sector as a whole.

Ms. Gahl-Mills noted that the regular financial report for this meeting will demonstrate that tax receipts are flowing as predicted, which means that CAC expects to receive just over \$17.4million in receipts in 2010, a 6.8% decrease from the receipts in 2009 and a 14% decrease since the first year of funding in 2007.

Ms. Gahl-Mills pointed out that General Operating Support applications would soon be submitted for 2011-2012. The Intent to Apply process has allowed us to know the potential number of organizations in the funding pool. Two items need to be determined: 1) Assuming that the predictive modeling holds true, how much tax revenue can we conservatively expect to receive in 2011 and 2012; and 2) Knowing that, how will we allocate our shrinking dollars to the best effect?

Ms. Gahl-Mills highlighted some of the larger issues that needed to be addressed by the Board, such as:

- Do we clearly understand *our purpose* and the *purpose* of this funding?
- Do we clearly understand the needs of the community at large, not just the community of cultural institutions currently being funded?
- What values and guiding principles will help us make these important decisions, decisions that will have an impact that reaches beyond any one cultural institution?
- And what, if anything, can we do to mitigate the decline in tax revenues so that the community at large does not experience a decrease in available arts & cultural programming?

Ms. Gahl-Mills stated that the Board held a retreat in 2008 to begin to address these very issues. With three years of work, and data about that work, it seems an appropriate time to revisit these strategic questions and begin to decide how we, as a board, are going to help move this agency forward.

Ms. Gahl-Mills suggested a course of action. She recommended the creation of an informal workgroup of board and staff members to revisit and update the facts regarding the funding stream. They could report back at the April meeting. She further suggested that a longer, facilitated session, in a retreat setting, be convened to surface and address some of these issues.

Ms. Gahl-Mills then invited discussion on these two suggestions.

Mr. Coburn stated that a retreat had been held and agreed that it would be appropriate to convene another retreat. He suggested a weekday evening retreat rather than a Saturday retreat, to ensure maximum board participation.

Mr. Bergholz agreed that another retreat was important for a number of reasons. He suggested that getting this message out to the community was important as there seemed to be a bit of denial around the declining revenue question. He also encouraged the use of a qualified facilitator, to ensure a productive outcome from the meeting.

Mr. Minter asked when the appropriation needed to be made.

Ms. Harris suggested that they had some time but the soonest would be at the September Board meeting.

Mr. Coburn stated that the formula needed to be examined sooner rather than later.

Mr. Minter asked Mr. Coburn and Ms. Harris to form an informal workgroup to review the tax revenue projections and to examine the reliability of CAC's predictive forecasting model by examining the forecast vs. actual tax revenue received in 2007, 2008, and 2009. He asked Mr. Coburn and Ms. Harris to report their findings to the Board at its April meeting.

Ms. Gahl-Mills stated that they would get some dates on the calendar for a possible retreat.

Ms. Gahl-Mills informed the Board that Jeff Rusnak would be leaving M&R Strategic Services as of March 31st to start his own company, The R Strategy Group. She explained that CAC's contract with M&R would be terminated at the end of March and a new contract would be issued to The R Strategy Group for the period of April 1, 2010 through June 30, 2010 for public relations, communications and research services in the amount of \$5,000 per month.

Motion by Trustee Bergholz, seconded by Trustee Coburn to enter into an agreement with The R Strategy Group for the period of April 1, 2010 through June 30, 2010 for public relations, communications and research services in the amount of \$5,000 per month. Discussion: None. Vote: All ayes. Motion carried. Meeting adjourned at 10:15 a.m.

3. DIRECTOR OF ADMINISTRATION REPORT

Finances and Operations

Ms. Harris summarized financial statements through February 2010. She stated that revenue collected in January was \$1,483,531.94. This figure was \$99,020 above the budgeted amount. Interest revenue totaled \$1,413 for January and February. Expenditures during this period were within budgeted figures. Ms. Harris stated that revenue figures for February had not yet been received.

Ms. Harris stated in the last meeting it was discussed that CAC should look at higher yield options for its investments. Since the last meeting Ms. Harris said that she had explored other investment alternatives and had exchanged e-mails with Scott Morgan of the Cuyahoga County Public Library. Mr. Morgan said that CCPL had most recently been investing in traditional CDs and a new kind of CD program called CDARS. The return on some of the CDARS has been better because the bank does not need to hold additional collateral for the investment because the money is spread between a number of banks and the principal is covered under the increased FDIC insurance.

Ms. Harris stated that she is in the process of determining the cash flow for CAC over the next twelve months to determine what amount might be appropriate for investment in either a CD or CDARS.

Ms. Harris stated that she had begun pricing offsite data back-up options. It is expected that the office will be transitioned to a new back-up system by the end of March or early April.

4. GRANT PROGRAM UPDATES

General Operating Support (GOS)

Ms. Wali informed the Board that eighty-one (81) organizations had submitted an Intent to Apply; ten (10) of those organizations were new applicants to the GOS program, with two (2) of those being first time applicants to CAC grant programs. Seventy-three (73) were determined eligible and eight (8) were determined to be ineligible. A handout in the board packet provides details about the eligible and ineligible organizations.

Mr. Minter was pleased that there were ten (10) new organizations. He asked if all of the ineligible organizations had received notice of the determination.

Ms. Wali confirmed that they had received a letter informing them of the determination. To date, none of the ineligible applicants had contacted the office regarding the determination.

Mr. Minter asked if all of the current GOS grantees had submitted.

Ms. Wali confirmed that all sixty-three current grantees had submitted an Intent to Apply.

Ms. Gill informed the Board of the GOS Application Workshops that were held beginning in February. To date, five of the six scheduled workshops had been held. Organizations determined eligible to apply for the GOS grant program were invited to attend a workshop. The workshops

were not required but highly recommended for all applicants. New applicants to the GOS program were required to either attend a workshop or meet with CAC staff one-on one.

Ms. Gill continued, stating that forty-six applicants had already attended a workshop, with fifteen registered for the final workshop to be held this Wednesday, March 10 at 2:00 pm in the second floor conference room of the Bulkley Building.

After each workshop a short survey has been sent to all attendees. Overall, the response has been very positive on the location, time and format. The small group format and opportunity for applicants to ask questions has been well-received.

Mr. Minter asked if the applicants were using the Cultural Data Project (CDP).

Ms. Wali confirmed that everyone was able to complete the input of two years of data; most of the organizations had already input three years worth of data. Some of the organizations are already using the data for their reporting purposes. She further stated that the Ohio Arts Council had a statewide deadline for using the CDP in the beginning of April.

Mr. Schorgl asked if the technical support was being used.

Ms. Wali confirmed that it was being used and the users seemed pleased with it.

Project Support (PS)

Ms. Hoffman informed the Board that three Intent to Apply forms had been submitted; two of them were new organizations. The submission deadline is June 8, 2010.

Ms. Hoffman stated that all 2009 Project Support (PS) grantees were compliant.

Ms. Hoffman reported that the General Operating Support panel had been confirmed and would be making their travel arrangements for the May panel dates.

Ms. Hoffman noted that the CAC staff had been getting out to grantee events.

Ms. Gahl-Mills stated that she was pleased to see the staff getting out seeing events.

5. CPAC – RESEARCH INITIATIVES

Megan VanVoorhis, Community Partnership for Arts and Culture (CPAC), presented several research projects that had been implemented in accordance with CPAC's strategic plan. The first research task is related to CPAC's artist home, work and retail ownership project being completed in partnership with the Cuyahoga Land Bank. The main focus of this research is to inform the process of developing a program model for providing Land Bank properties to artists. The second research project is an economic impact study that will focus on Cleveland's music industry subsector. The research model developed will be used to quantify additional subsectors in the future.

Other

Mr. Minter stated that he had met with Tim Mueller, Tom Schorgl and Karen Gahl-Mills recently. He added that the meeting was productive and a good experience and that the group plans meet on a quarterly basis going forward.

Mr. Bergholz thanked everyone for the time he served on the Board. He said it was wonderful to see an investment pay off. This has been a wonderful Board and staff to work with.

Mr. Minter commented that a more formal recognition of Mr. Bergholz' service to the board would take place at the April meeting.

Mr. Minter asked Jeff Rusnak, M&R Strategic Services, to comment on a potential tax for state initiatives related to health funding; Mr. Rusnak provided some background and suggested that the situation be monitored.

Public Comment

None.

Next Meeting

The next regular meeting of the CAC Board of Trustees is Monday, April 12 , 2010 at 3:00 p.m. in the Second Floor Conference Room of Idea Center.

Motion by Trustee Bergholz, seconded by Trustee Coburn to adjourn. Discussion: None. Vote: All ayes. Motion carried. Meeting adjourned at 4:10 p.m.

President, Board of Trustees

Attest:

Secretary, Board of Trustees