



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

Monday, July 12, 2010

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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 Matt Charboneau, 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: 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 Feldman, seconded by Trustee Coburn, to approve the minutes of the May 10<sup>th</sup>, 2010 Regular Meeting of the Board of Trustees. Discussion: None. Vote: All ayes. Motion carried.

Motion by Trustee Feldman, seconded by Trustee Johnson, to approve the minutes of the June 10<sup>th</sup>, 2010 Special Meeting of the Board of Trustees. Discussion: None. Vote: All ayes. Motion carried.

### **2. EXECUTIVE DIRECTOR'S REPORT**

Ms. Gahl-Mills commented on the Star Spangled Spectacular held in Public Square on July 1. The concert by The Cleveland Orchestra was the highlight of the evening but beyond putting on a great performance, the Orchestra did a terrific job of branding the event for Cuyahoga Arts & Culture and helping to raise the audience's awareness of our work.

Ms. Gahl-Mills stated that a crowd of 70,000 enjoyed pre-concert performances that included groups from the Music Settlement, the Contemporary Youth Orchestra, Progressive Arts Alliance, and Heights Youth Theatre, all organizations funded by CAC.

Ms. Gahl-Mills praised Ms. Harris for her hard work coordinating the logistics of the day with the Orchestra and for bringing her idea about video content to light. Interspersed throughout the preconcert festival, the Jumbotron broadcast a series of videos, created by videographer Don Pavlish and supervised by Ms. Harris, that demonstrated the impact of CAC funding on four different kinds of organizations: BAYarts, CityMusic Cleveland, Jennings Center for Older Adults and the Great Lakes Theater Festival.

Ms. Gahl-Mills, again, thanked The Cleveland Orchestra for their willingness to take CAC's ideas and make them work.

Mr. Minter commented that he had heard from others that they enjoyed the pre-concert performances by the various groups.

Mr. Minter presented a resolution commending the Musical Arts Association for its partnership with CAC in producing this year's event.

Motion by Trustee Coburn, seconded by Trustee Feldman to approve the resolution. Discussion: None. Vote: All ayes. Motion carried.

Ms. Nadine Stafford, Director of Institutional Giving at the Musical Arts Association, accepted the signed resolution and stated that they were grateful for the support and recognition.

Ms. Gahl-Mills began her report by stating that the meeting would look and sound different from recent board meetings. The retreat in June made it clear that the board meetings should be used for substantive exploration of issues relating to CAC's mission, in addition to reports from staff. This meeting was the first experiment with the new format.

Ms. Gahl-Mills acknowledged that a significant amount of material was sent out prior to the meeting for review by the board to keep oral reports on current activity to a minimum. Half of the meeting time would be used for board action on specific areas of grantmaking oversight, and the other half of the time would be used to make progress on issues discussed at the retreat. The format change is a work in progress and will be adjusted as necessary.

Ms. Gahl-Mills presented a slide of the financials, pointing out that the cigarette tax collections for the month of May 2010 were \$2,404,568.74. She stated that revenues continue to track ahead of projections, while expenses continue to track below budget. She reported that the June aggregate figures from the State Department of Taxation indicate that total cigarette revenues were up 21.4% above the State's estimate but still 4.1% below 2009 collections.

Ms. Gahl-Mills reminded the Board that they had received reports from staff regarding the two grant programs with the Board materials. She pointed out that 91 intent to apply submissions had been received for the 2011 project support grant program; 42% were new applicants to CAC.

Ms. Gahl-Mills informed the Board that the staff had begun to address the improvements work as discussed at the board retreat. CPAC has been asked to research and report back to CAC on the impact of the first round of GOS funding; information should be available at the October board meeting. Additionally, CPAC is taking a comprehensive look at the Project Support program, again to better understand what's working and what opportunities for improvement might exist. CAC has considered entering into an audit of the GOS program by an outside expert. The results of the audit could then be worked into the guidelines for the next round of GOS in 2013-14. And finally, staff has started working on creating a revised service area map based on population served by the programs and organizations funded by CAC, rather than by where the headquarters of organizations that we fund are physically based. This should be finalized by the September board meeting.

Ms. Gahl-Mills continued, stating that beyond oversight of daily operations and management of the organizational capacity building work, she continued to work to raise CAC's visibility in the community. She spent a day in New York City in late May, along with representatives of the Rock Hall, Cleveland Orchestra, Cleveland Museum of Art, Playhouse Square, and Cleveland Play House, participating in meetings with national media institutions such as the *Wall Street Journal*, *Travel & Leisure*, and *TIME*. Cuyahoga County has a compelling story to tell about the role that public money plays in our cultural landscape, and CAC pitched story ideas about Cleveland's vibrant arts scene and the role that CAC plays in sustaining it.

Ms. Gahl-Mills stated that she and Achala Wali attended the Americans for the Arts national conference held in Baltimore, Maryland. The first day was dedicated to the United States Urban Arts Federation, a group of arts councils and cultural service providers from major urban areas around the country. In general, CAC is in a much stronger position than other public funders in urban areas thanks to the type of dedicated funding that CAC enjoys. The challenges of most of CAC's peer agencies center around shrinking grants budgets, shrinking staff and administrative expenses, and, in some cases, outright fights for the existence of a local arts agency.

Ms. Gahl-Mills informed the Board that she and Achala had also met with staff from the Pew Charitable Trust, specifically about the Cultural Data Project. Having just completed CAC's first full grant cycle with the tool in place, CAC had a great discussion about some of the positives and negatives that we discovered. CDP is willing to design the summary reports for us that help panelists better determine the annual operating budget of an organization, without the complications of unrealized gains/losses on investments or increases in income due to one-time events.

Mr. Minter stated that there was a lot of material included but that it was very helpful to have it in advance. Additionally, he expressed appreciation for seeing notes from the Americans for the Arts conference.

### **3. BOARD ACTIONS**

#### **GOS Panel Scores**

Ms. Wali presented the board with several slides of information pertaining to the scores of the GOS panel. The slides illustrated the following:

- Overview of Panel Results - Sixty-eight (68) applicant organizations received an aggregate score of 75 points or higher, while four applicant organizations received an aggregate score below 75 points. Per CAC's guidelines, only organizations with a score of 75 or higher will be recommended for funding.
- Distribution of All GOS Applicant Scores - Ninety-four percent (94%) of reviewed applications received a score of 75 points or higher. The range of scores was 62 points to 96 points. The median score was 85.75 and the mean score was 85.4.
- Distribution by Organization Type - Grantees organizations fall into 12 broad categories based on their primary mission. Of note in the 2011/2012 cycle is the addition of an organization with a primary mission of literature/humanities. The organizations

recommended for funding for the GOS 2011/2012 cycle are diverse in size, discipline and geographic location.

- Categories of Organizational Scale for Organizations Recommended for GOS Funding - Operating budgets for the recommended grantees range from \$33,000 to \$62 million. Organizations are grouped in the four Categories of Organizational scale used in the panel review.
- Organizations by CAC Grant History - Seven organizations that are being recommended for funding will be new to the GOS program. Of the seven, three received project support grants in either 2008, 2009 or both years. Four of the organizations will receive CAC grants for the first time in 2011.

Ms. Wali asked for a motion to ratify the GOS panel scores.

Ms. Feldman asked if all of the current GOS applicants had applied.

Ms. Harris confirmed that they all had applied.

Motion by Trustee Feldman, seconded by Trustee Minter, to ratify the GOS panel scores. Discussion: None. Vote: All ayes. Motion carried.

### **Re-appropriation of CAC Budget**

Ms. Harris informed the Board that she was seeking an approval for a re-appropriation of CAC's operating budget for calendar year 2010 to accommodate a revised payment schedule for the Special Initiative grant to CPAC for the Creative Workforce Fellowship (CWF). In total, the re-appropriation would be increasing the allocation of arts and cultural expense for FY10 by \$477,250. This expense would otherwise have been included in the 2011 operating budget.

Motion by Trustee Feldman, seconded by Trustee Charboneau, to approve the resolution for the re-appropriation of the CAC budget as discussed above. Discussion: None. Vote: All ayes. Motion carried.

### **Eligible Revenue & Support Form**

Ms. Gahl-Mills stated that the Board was being asked to approve a slightly revised Eligible Revenue and Support (ERS) form. This form was first adopted for use by CAC in October of 2007 and is a financial tool that normalizes GOS recipient's operational budgets. The ERS form was adopted from the Ohio Arts Council's Form M with minor modifications.

Ms. Gahl-Mills summarized the two changes which include the addition of clarifying language for organizations with audit periods greater or less than 12 months and the addition of gallery sales to the line item Other Revenues.

Motion by Trustee Feldman, seconded by Trustee Coburn to approve the recommended changes to the Eligible Revenue and Support (ERS) form. Discussion: None. Vote: All ayes. Motion carried.

#### **4. DISCUSSION ITEMS**

##### **Allocation of Funds**

Ms. Gahl-Mills suggested that the Board begin a conversation regarding the allocation of dollars for the upcoming GOS and PS grant cycles. She presented two slides that illustrated different scenarios for possible allocations. In one scenario, CAC could maintain an allocation of \$15 million annually into the GOS pool; that scenario would exhaust CAC's reserves by fiscal year 2015. In another scenario, CAC could reduce the amount allocated to the GOS pool this year and then step down the allocation in future years; that scenario would exhaust CAC's reserve at the end of CAC's authorization period.

Ms. Gahl-Mills posed some questions: Is it better to fall off a cliff or to step funding down? Is it more important to provide steady funding in a difficult economy or to provide more predictable funding over time? Ms. Gahl-Mills asked the Board to begin thinking about what kind of information would be helpful for them to make a decision at the September Board meeting.

Mr. Minter said he felt this was a judgment call and invited comment and discussion by the board members and interested persons attending the meeting.

Mr. Coburn noted that there was a greater attendance at the meeting and asked if the staff and/or community had had a conversation about the topic. Ms. Gahl-Mills responded for the staff, recounting conversations that she has had with GOS grantees in her first months on the job. She felt that the community is prepared for a reduction in support. She also stated that, in her impression, while no one wants to see grants reduced, in general, larger organizations have more ability to adjust to predictable funding decreases, while smaller organizations have more difficulty finding additional revenues to make up for lost public funding.

Ms. Feldman suggested that there would be real value in surveying the GOS grantees.

Ms. Johnson stated that there would be a variety of responses from the community regarding need.

Ms. Gahl-Mills asked about surveying the broader community, such as the general public and the other funders to see what their plans are for the coming years.

Mr. Minter suggested that we be cautious about asking the general public.

Mr. Coburn inquired about what the outlook of the finances would be when the tax renewal goes back on the ballot.

Mr. Minter stated if CAC receives a renewal of legislation, overall revenue would be down by 50% if the current trends continue.

Ms. Feldman clarified that two topics were now being discussed: 1) whether to step down funding for the next cycle of GOS based on the projections presented, and 2) the possibility of achieving increased revenues in the future through alternative avenues.

Deena Epstein, The George Gund Foundation, stated that there was an informal arts funder meeting being held in August that might be a good opportunity to discuss the plans of other funders for the future.

Ellen Worthington, Great Lakes Science Center, asked if losing the funding meant the death of some of the smaller organizations. And if so, was CAC willing to let them go or is CAC committed to sustaining them?

Tom Schorgl, Community Partnership for Arts & Culture, stated that CAC uses the adjudication process to determine which organizations should receive funding during the grant period. The adjudication process is more mechanical than philosophical. He added that organizations of all sizes played a role in the passage of Issue 18.

Ms. Harris pointed out that with the same allocation of \$15 million, some organizations may still get less money, or more, due to the many variables in the formula.

Mr. Charboneau asked about the allocations for the PS grant and the Special Initiative programs. He asked if these programs should be taken into consideration when determining the GOS allocations. He asked if expansions to these programs might be considered.

Ms. Feldman stated that these points are very important too. She cited the meaningful and unique impact of the Creative Workforce Fellowship program as an example.

Mr. Charboneau asked if CAC had a ten year vision for example, to have Cuyahoga County known as an area that attracts artists.

Mr. Minter stated that staff should collect as much data as possible in order to understand who is using the services of the arts and culture organizations funded by CAC. That perhaps this would factor into the funding, looking at those that provide access and the individuals taking advantage of the programming. He added that perhaps CAC should be looking at funding other new programs such as arts education.

Ms. Gahl-Mills summarized the work to be done for the September Board meeting, which consisted of surveying the GOS grantees about potential changes in the allocation for the program, determining allocations, keeping in mind the entire allocation picture, for the PS grant program and special initiatives, and addressing the Ohio Grantmakers Forum regarding the role of private funders in local arts funding.

### **Work Plan**

Ms. Gahl-Mills presented the Board with a work plan for the remainder of the year, as well as a Board roles and responsibility document for comment. She stated that these documents would be put forward for approval, with any requested changes, at the September board meeting.

Mr. Minter commented that the documents were very helpful and provided a nice game plan of what's to come.

**5. PUBLIC COMMENT**

None

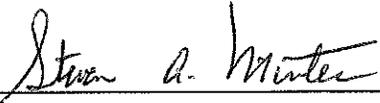
**6. OTHER**

**Next Meeting**

The next regular meeting of the CAC Board of Trustees is Monday, September 13, 2010 at 3:00 p.m. in the Second Floor Conference Room of Idea Center.

Please note that the October 25, 2010 regular meeting of the Board of Trustees will be held at The Beck Center.

Motion by Trustee Coburn, seconded by Trustee Johnson to adjourn. Discussion: None. Vote: All ayes. Motion carried. Meeting adjourned at 4:15 p.m.

  
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Steven A. Minter, President, Board of Trustees

Attest:

  
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Vickie Eaton Johnson, Secretary, Board of Trustees