



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

Monday, September 13, 2010

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A regular meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 3:02 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, 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 Jonah Weinberg, CAC consultant for external affairs.

### 1. APPROVAL OF MINUTES

Motion by Trustee Feldman, seconded by Trustee Coburn, to approve the minutes of the July 12<sup>th</sup>, 2010 Regular Meeting of the Board of Trustees. Discussion: None. Vote: All ayes. Motion carried.

#### Arts in Education Week

Ms. Gahl-Mills provided information about the the new Federal initiative, Arts in Education Week, stating that this is the first time such an initiative has been adopted at a national level. She stated arts education was an important part of the Issue 18 campaign and continues to be very important to the activities of CAC's grantee partners. Ms. Gahl-Mills read the resolution to be adopted by CAC's Board of Trustees:

Resolved that the Board of Trustees of Cuyahoga Arts & Culture officially recognizes Arts in Education Week, designated by the United States House of Representatives, as beginning on the second Sunday of each September. The access to arts education programming, including dance, music, theatre, media arts, literature, design, and visual arts, is an essential element of a complete and balanced education for all students.

Arts education enables students to develop critical thinking and problem solving skills, imagination and creativity, discipline, alternative ways to communicate and express feelings and ideas, and cross-cultural understanding, which supports academic success across the curriculum as well as personal growth outside the classroom.

Further, the Board of Trustees of Cuyahoga Arts & Culture recognizes and supports the value of arts education for the youth of Cuyahoga County and we salute all of the arts and culture

organizations of Cuyahoga County for their continued efforts to bring quality arts education to all students regardless of economic status.

To be signed by Board Chair, Steven A. Minter and attested to by Board Secretary, Vickie Eaton Johnson.

Motion by Trustee Minter, seconded by Trustee Coburn, to approve the resolution supporting Arts in Education Week, beginning the first Monday of the second week of each September.

Discussion: None. Vote: All ayes. Motion carried.

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

Ms. Gahl-Mills introduced and welcomed Jonah Weinberg, external affairs consultant for CAC. She stated that Mr. Weinberg will handle all manner of external affairs and public relations work, including the creation CAC's next Report to the Community. Mr. Weinberg is engaged until the end of the calendar as a contractor.

Ms. Gahl-Mills stated that a revised draft of CAC's bylaws had been included in the materials for this meeting. She added that although the bylaws will not be discussed until the October meeting, she and Mr. Minter wanted each board member to have ample time to review the proposed changes in sections 5 and 11 between now and October 25th. She concluded, stating that CAC will continually work to ensure that the operating practices of CAC are appropriately codified in the bylaws. She thanked Barbara Hawley for her ongoing counsel in this arena.

Ms. Gahl-Mills said that she had been in dialog with Maureen Robinson regarding the next steps for addressing the larger questions raised at the June Board retreat, namely what the community impact of CAC's funding will be over the long term. The next phase of work with Ms. Robinson will be conducting a planning charrette. This method will allow CAC to address the specific questions that it faces in a fruitful and focused way. The charrette is expected to take place in early December and will include individuals that will provide both a local and national perspective.

Mr. Tom Schorgl, President and CEO of Community Partnership for Arts and Culture, provided an update on the third cycle of the Creative Workforce Fellowship (CWF) program run by CPAC. Mr. Schorgl stated that there had been a 42% increase in applications to the Visual Arts Cycle of CWF. CPAC held five workshops on the CWF program, including one that demonstrated what a "bad" application looked like. Mr. Schorgl said that in order raise awareness for the CWF program, CPAC engaged in more social media than in previous cycles. Mr. Schorgl said that the adjudication of the 368 applications would take place on November 20<sup>th</sup> – 23<sup>rd</sup>.

Ms. Gahl-Mills said that CAC is very pleased with the roll-out of the program and the increased reach CPAC was able to achieve in the third cycle of the CWF program.

## **QUESTIONS AND ANSWERS ON STAFF REPORTS**

Ms. Gahl-Mills inquired as to whether there were questions regarding the staff reports submitted to the Board. Mr. Minter asked if there had been any update regarding Opera Cleveland. Ms. Gahl-Mills said that she had met with management from Opera Cleveland but that she had no additional information than that which had been published in The Plain Dealer earlier in the month.

## **REVIEW AND DISCUSSION**

Ms. Gahl-Mills introduced Mr. Mark Salling, Director of Cleveland State University's Northern Ohio Data & Information Service (NODIS). Ms. Gahl-Mills explained that CAC had been working with grantees and NODIS to update how CAC looks at the reach of its funding by focusing not only where grantee organizations are based but also on where 1) participants live and 2) programming takes place throughout Cuyahoga County. Mr. Salling presented a series of maps stating that 40 organizations of 63 participated in at least one aspect of this project. A discussion by the Board ensued. It was agreed that looking at these specific data points was useful and should be an ongoing collaborative project between the grantees, CAC and NODIS.

## **EXTERNAL AFFAIRS FRAMEWORK**

Ms. Gahl-Mills presented a three-part external affairs construct for consideration by the Board: consisting of the following:

1. External messaging
2. Marketing and awareness collateral for use by CAC and grantee-partners
3. Internal CAC staff support to manage the above projects

Mr. Minter asked Ms. Gahl-Mills to address the cost considerations of this proposal. Ms. Gahl-Mills said that within the 2010 budget, there is enough money allocated to support this framework through the end of 2010. She projected that for 2011, the framework would represent approximately a 10% increase in expense over 2010.

Ms. Gahl-Mills stated that: Liggett|Stashower (L|S) is recommended to handle the creation and production of the marketing and awareness collateral. L|S would provide these services in an amount not to exceed \$50,000. Ms. Gahl-Mills said that in the past CAC had paid approximately \$40,000 for design, printing and related services and pointed out that the scope of services to be provided by L|S goes beyond what has been done by CAC in the past. She continued, stating that Burges & Burges (B&B) would be engaged at a monthly rate of \$4,000 to provide consulting services related to external messaging, which is a fee 25% less than CAC has paid in the recent past for similar contracted services. Galen Schuerlein will take the lead for B&B. Finally, Jonah Weinberg will be contracted at rate of \$3,500 month, through the end of the year, to provide external relations support. The goal is to transition this function to a full-time staff position in 2011.

Ms. Gahl-Mills summarized that she is asking the Board to approve this external affairs framework and to authorize Ms. Gahl-Mills to move forward with entering into contracts with these organizations and individuals.

Mr. Coburn inquired as to the blended hourly rate for Liggett|Stashower. Ms. Gahl-Mills responded that she did not have that information but would request this information as part of next steps taken with L|S.

Motion by Trustee Minter, seconded by Trustee Feldman, to approve the external affairs framework and to authorize Ms. Gahl-Mills to enter into contracts with: Liggett|Shashower in an amount not to

exceed \$50,000; Burges & Burges in a monthly amount of \$4,000; and Jonah Weinberg in a monthly amount of \$3,500 through December 31, 2010. Discussion: None. Vote: All ayes. Motion carried.

### **GRANT PROGRAM ALLOCATIONS/SPENDING POLICY**

Ms. Gahl-Mills stated that at the last Board meeting, the Trustees had begun the discussion of the GOS 2011-12 grant program allocation. An outcome of that meeting was the interest in receiving feedback from the approved GOS 2011-12 grantees via a survey. Cypress Research was engaged to create, conduct and aggregate data from GOS 2011-12 grantees regarding the topic of the allocation of funds to the GOS 2011-12 program. Ms. Gahl-Mills presented the findings:

- 50 of 68 grantees participated
- 72% responded that they would rather see gradual grant reductions than maintain higher funding with a large drop in a year or two
- Grantee budget cycles differ from CAC's fiscal year allocation
- Organizations crave the ability to have input into CAC's process

Ms. Gahl-Mills asked the Board for their reaction to the survey results and comments. Mr. Charboneau stated that there were also some organizations that responded that they would prefer more money sooner and less later rather than a gradual step-down. He continued, asking how should CAC sustain these organizations over the next few years, is this important? Ms. Gahl-Mills responded saying that this was a good question for the Board to consider. She reiterated that CAC's funding is not need-based funding and that the Board has to determine what it means to sustain organizations.

Ms. Gahl-Mills stated that in consideration of determining the allocations to grant programs in general, she had provided the Board with a draft of a Spending Policy in order start the conversation around setting parameters around spending. She added that it is important to formalize how annual grant allocations are made as CAC annual receipts from the excise tax continue to decline.

Ms. Gahl-Mills posed the question to the Board regarding the current reserve held by CAC, she asked what the reserve was for; a 10<sup>th</sup> year of funding or an endowment for the future? She stated that the document provided to the Board was a discussion document and she asked to Board to consider what may be missing and who else should be involved in making decisions around a spending policy.

A discussion of the document ensued with the following questions posed:

What does historical and forward funding of programs look like when percentages are translated to dollars?

How might the document be written to capture a range of funding for each program rather than a limit?

How should the percentage allocation to each program be determined? Rather than looking at has been done, future objectives of the current programs, and possible new programs, should factor into the determination.

Ms. Feldman stated that she supported the idea of the reserve being preserved for a 10<sup>th</sup> year of funding and also asked that there is a consideration for some portion of the reserve being designated for entrepreneurial or capacity building projects.

*\*Ms. Johnson arrived at 4:07*

Ms. Gahl-Mills asked who else should have input into the development of a spending policy, The Cleveland Foundation, The Gund Foundation, others?

Mr. Minter asked Mr. Charboneau to be the point person for Board regarding the continued development of a spending policy for CAC. He asked that Mr. Charboneau be prepared to report back on this matter at the October 25<sup>th</sup> board meeting. Mr. Charboneau agreed to accept this responsibility. Ms. Gahl-Mills said that she would like to incorporate some informal focus groups into the development of this policy to make sure the input of the community is included as well.

Ms. Gahl-Mills stated that the Board had received a memo regarding the allocation to the GOS 2011-12 and PS 2011 programs. She stated that for GOS, there were three key parts of the award determination: the allocation, Eligible Revenue and Support amount for each organization and the percentage size of the grant made to the smallest organization, because the formula used by CAC is logarithmic. She stated that the following allocation recommendations allow CAC to stay positive when considering revenues and expenditure in 2011 and that for GOS, there is a 6.7% decrease in funding overall. She presented the recommendations to the Board:

#### GOS -2011-12 Program

- Allocation of \$14million per year to the GOS grant program
- Calculation of grant awards based on Eligible Revenue and Support (ERS) form figures, less CAC funding
- Calculation of smallest grant award consistent with smallest grant award for first cycle of GOS, adjusted for the percentage decrease in total allocation dollars

#### PS11 Program

- Allocation to 501(c)3 organizations of \$650,000
- Allocation to Units of Government of \$150,000

Ms. Gahl-Mills stated that she realized that the memo contained a lot of information because the determination of the allocation is not a simple topic. She presented the rationale for the recommended allocations:

- CAC revenue has steadily decreased since tax collection began in 2007
- CAC is funded by a 10-year tax and while CAC has a reserve, this should be viewed as the 10<sup>th</sup> year of grant funding since no grants were made in CAC's first year.
- The allocation recommendations were made using bedrock principals:
  - CAC wants to allocate as much money is prudent into the granting programs
  - Equality: whatever is done, it should apply equally to all grantees
  - Prudence: no GOS grantee should receive more than 25% of its operating budget from CAC

- Feedback: provided by the GOS grantees was that a gradual decrease in funding is easier to manage than a sudden decrease
- Best practice: CAC should not fund on its own grant dollars
- Units of Government may only be funded from earnings on investments

Motion by Trustee Minter, seconded by Trustee Coburn to approve the following regarding the GOS 2011-12 allocation and grant calculation:

- Allocation of \$14million per year to the GOS grant program
- Calculation of grant awards based on Eligible Revenue and Support (ERS) form figures, less CAC funding
- Calculation of smallest grant award consistent with smallest grant award for first cycle of GOS, adjusted for the percentage decrease in total allocation dollars

Discussion: None. Vote: All ayes. Motion carried.

Ms. Gahl-Mills stated that in relation to the PS 2011 grant allocations, the unit of government funding had been determined by the current reserve of interest income and future projections.

Mr. Minter said that the impact of funding on the units of government underscores the need to explore investment options for CAC's reserves in order to achieve higher returns. Mr. Minter asked that CAC commit to moving some funds to new investments by November 1<sup>st</sup>, 2010.

Motion by Trustee Feldman, seconded by Trustee Coburn to approve the following regarding the PS 2011 allocation:

- Allocation to 501(c)3 organizations of \$650,000
- Allocation to Units of Government of \$150,000

Discussion: None. Vote: All ayes. Motion carried.

### **3. BOARD ACTIONS**

Motion by Trustee Coburn, seconded by Trustee Johnson to approve the Project Support 2011 panelists and panel chairs. Discussion: None. Vote: All ayes. Motion carried.

Motion by Trustee Coburn, seconded by Trustee Minter to approve entering into a contract with Vincent Kitch for evaluation of the General Operating Support grant program. Discussion: None. Vote: All ayes. Motion carried.

Motion by Trustee Minter, seconded by Trustee Coburn to approve the contract and expenditure of \$7,875 with PavlishGroup of the creation of four videos. Discussion: None. Vote: All ayes. Motion carried.

Motion by Trustee Feldman, seconded by Trustee Charboneau to approve the Board Meeting Schedule for 2011. Discussion: None. Vote: All ayes. Motion carried.

Motion by Trustee Charboneau, seconded by Trustee Coburn to approve the Board of Trustees Roles and Responsibilities document. Discussion: None. Vote: All ayes. Motion carried.

4. PUBLIC COMMENT

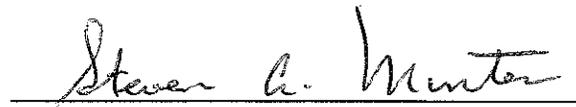
None

5. OTHER

Next Meeting

The next regular meeting of the CAC Board of Trustees is Monday, October 25, 2010 at 3:00 p.m. at the Beck Center for the Arts.

Motion by Trustee Feldman, seconded by Trustee Coburn to adjourn. Discussion: None. Vote: All ayes. Motion carried. Meeting adjourned at 4:28 p.m.



Steven A. Minter, President, Board of Trustees

Attest:



Vickie Eaton Johnson, Secretary, Board of Trustees