



Minutes of the Regular Meeting of the Board of Trustees
Monday, September 9, 2013

A meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 4:00 p.m. in the Miller Classroom at the Idea Center at PlayhouseSquare, 1375 Euclid Avenue, Cleveland, Ohio.

The roll call showed that Trustees Vickie Eaton Johnson, Matt Charboneau, Sari Feldman and Steve Minter were present. It was determined that there was a quorum.

Also in attendance were: CAC staff: Karen Gahl-Mills, executive director; Jill Paulsen, director of grant programs; Meg Harris, director of administration; program managers Jesse Hernandez and Stacey Hoffman; Jennifer Schlosser, communications manager; and Jake Sinatra, program associate.

1. APPROVAL OF MINUTES

Motion by Trustee Minter, seconded by Trustee Charboneau, to approve the minutes from the June 10, 2013 board meeting. Trustee Feldman commented that CAC would keep the attached remarks separate from the official minutes but that all would be available to the public upon request. Vote: all ayes. The motion carried.

2. EXECUTIVE DIRECTOR'S REPORT

Ms. Gahl-Mills welcomed guests and made a report to the board. In her remarks, she stated that CAC received an increased number of applications to the 2014 Project Support program compared with last year, and called upon Ms. Hoffman to make a brief report.

Ms. Hoffman stated that CAC received 154 applications to the 2014 Project Support program, compared with 128 in 2013. She added that 171 organizations were eligible to submit an application but it is normal that not all groups do successfully submit applications. Ms. Gahl-Mills stated that the increase was due to increased outreach by CAC staff. Ms. Feldman asked what things would make an organization ineligible in the Eligibility Check process. Ms. Hoffman replied that there were a variety of things such as the lack of 501c3 status or the inability to show past programming in the area of arts and culture. Mr. Minter asked how many organizations were funded in 2013 compared to the number of applications submitted. Ms. Hoffman stated that 128 organizations were reviewed last year and 118 grants were approved.

Ms. Gahl-Mills stated that the last CAC board meeting, held in June, included the Board's annual retreat. She stated that the retreat allowed time for the board to reflect on CAC's progress in the context of CAC's strategic framework and goals, and that staff and board members did a little "dreaming big" for CAC's future. She added that in this thoughtful conversation members of the board pointed out, rightly, that CAC's board has a slightly different charge than the boards of the nonprofit organizations that CAC funds and serves. But like all boards, in its oversight of CAC's work, this board does, first and foremost, work to ensure that the public interest is served by the work of this public agency.

Ms. Gahl-Mills stated that the items on today's agenda all trace back to the "public interest" work in some way; and the items all relate to our goals of helping to build stronger and more resilient arts and culture organizations, vibrant neighborhoods infused with culture, and establishing our County as a hub of creative activity.

Ms. Gahl-Mills stated that the Project Support panel review meetings would take place October 14-17 at the Idea Center at PlayhouseSquare and invited all to attend to see CAC's grantmaking in action. She also invited the Board and attendees to attend a Friday Forum program presented by Dennis Scholl, VP of Arts with the Knight Foundation, at the City Club on Friday, October 25.

3. CONNECT WITH CULTURE

Ms. Gahl-Mills introduced David Jurca, associate director of the Cleveland Urban Design Collaborative, who made a brief presentation on the Cleveland Urban Design Collaborative's COLD project. Trustee Minter commented that he hoped that CUDC's work would inspire other arts and cultural organizations to think even more creatively about their programming. Ms. Gahl-Mills stated that CAC would do everything possible to make sure that other organizations are aware of CUDC's work. Trustee Minter asked what size grant CUDC received for this project in 2013, and Mr. Jurca responded that it was around \$29,000. Ms. Gahl-Mills said that this an example of an organization accomplishing a lot with a relatively small grant.

4. FINANCE REPORT

Ms. Harris gave a report on Cuyahoga Arts & Culture's finances. She provided an overview of the organization's financial results year-to-date, stating that CAC had \$11,102,145 in revenue through August 31, which was \$309,597 or 2.9% over forecast. Ms. Harris stated that CAC's investment income through August was \$40,310 which exceeded forecast by \$17,510 or nearly 77%. Ms. Harris stated that year-to-date cash expenditures were \$13,994,014 which was slightly under budget for the period and primarily related to the timing of grant payments.

Ms. Harris stated that the Audit and Finance Committee of Cuyahoga Arts & Culture met on September 4. The committee reviewed CAC's Investment Policy, as it does annually, and had no recommended revisions for the Board to consider. The committee also reviewed the investment of inactive monies and recommended that CAC consider shifting additional monies to Baird from STAR Plus in order to improve returns.

Trustee Minter noted that Cuyahoga Arts & Culture had received a commendation from the Ohio House of Representatives under the sponsorship of Bill Patmon for having received the Ohio Auditor of State Award. Mr. Minter added that members of the Audit and Finance Committee were particularly complimentary of Ms. Harris' work and the way that CAC is managing its funds.

Trustee Feldman asked if, at a future Board meeting, Baird could give a brief presentation to CAC's Board, and Ms. Harris replied that she would arrange such a presentation.

5. BOARD DISCUSSION

Ms. Paulsen gave an overview of CAC's 2015 program planning for the Project Support and General Operating Support programs, and stated the staff's wish to receive feedback from the Board. She stated that their insights will inform the next set of application guidelines (that the Board will have an opportunity to approve in April 2014). Ms. Paulsen referred to the 2015 Program Planning Memo, which was provided to the Board in advance of the meeting. She stated that CAC staff's evaluation process includes data analysis, work with external consultants such as Nonprofit Finance Fund and a feedback loop with cultural partners and the broader community.

Trustee Feldman stated that on June 17, 2013, she, Trustee Minter and Ms. Gahl-Mills met with several of the larger organizations that receive operating support, at these organizations' request, to hear their feedback on the

2013-14 cycle. Trustee Feldman stated that in their meeting, which included representatives from PlayhouseSquare, The Cleveland Orchestra, the Cleveland Museum of Art, the Cleveland Play House, ideastream, the Rock and Roll Hall of Fame and Museum, the discussion revisited the issue of having score matter in the application process. Trustee Minter stated that while some organizations want CAC to revisit the pass/fail system, he recalled past panelists and other applicants being concerned that scores were not considered in the first rounds of GOS funding. Panelists asked “why bother doing such an intricate panel process when it’s simply pass/fail?”

Trustee Minter asked whether any organizations were using the Cultural Data Project as a tool to strengthen their own organizations, instead of simply for compliance. Ms. Paulsen stated that on September 18 CAC is holding a workshop to help organizations do just that, and that some do use the data for self-analysis. She stated that last year CAC retained the Nonprofit Finance Fund to work with organizations to assess their financial health, which was a great tool for mid-sized and smaller organizations. Trustee Minter stated that the CDP is a great opportunity for CAC to help organizations improve financially, and hopes that they see it as a valuable use of their time.

Trustee Charboneau asked whether CAC staff were analyzing the panel review process in response to an issue that had arisen, or whether it was just a matter of course. Ms. Gahl-Mills stated that the panel process is a bedrock principal to CAC, and a large amount of work for panelists. CAC is simply evaluating whether we can streamline the process to make it better for all involved. She stated that CAC is also looking into creating a definition of what nature and science means to CAC. Not to be exclusive, but to be clear about what is eligible, and what is not.

Ms. Paulsen stated that CAC plans to hold some informal roundtable events to gather feedback from cultural partners and the public, and stated that the Board would be welcome to attend.

6. BOARD ACTION

Approval of panel roster for 2014 Project Support Panels

Mr. Sinatra gave a brief presentation outlining the panelist selection process. He stated that CAC staff have proposed nine additional people for the 2014 Project Support panels, four of whom are returning panelists. One panelist who CAC was planning to recommend is no longer able to participate, so staff will find a replacement in the coming weeks. Mr. Charboneau asked Mr. Sinatra to recap the panel selection process. Mr. Sinatra stated that the selection process is done through personalized outreach, interviews and phone calls. Mr. Charboneau asked Mr. Sinatra how staff ensured the panel would be diverse and represent an independent voice. Mr. Sinatra replied that staff considers many different factors when making panel recommendations including gender, race, age, discipline expertise and experience. He also provided a demographic breakdown of the recommended cohort of panelists. Mr. Charboneau asked the cost to run panels and the compensation rate for panelists. Mr. Sinatra replied that total panel costs were budgeted for \$30,000 this year and that each panelist would receive \$275 per day of service, or a total of \$550. Additionally all travel expenses are reimbursed. Mr. Sinatra reminded the Board that the panel roster will remain confidential until the day of the panels.

Trustee Charboneau stated that the roster consists of highly qualified individuals who represent exemplary organizations. Ms. Gahl-Mills asked Mr. Sinatra to clarify how many of the panelists are from inside and outside of Ohio. Mr. Sinatra stated that three of the panelists are from inside Ohio but outside Northeast Ohio.

A motion was made by Trustee Johnson, seconded by Trustee Minter, to approve the roster of panelists for the 2014 Project Support panels. Discussion: None. Vote: all ayes. The motion carried.

Approval of Allocation and Cash Reserve Policies

Ms. Harris stated that the Board had received a memo summarizing recommended changes to and renaming of the Spending Policy to [Allocation Policy](#) and the proposed addition of a [Cash Reserve Policy](#). Ms. Harris gave a brief presentation outlining the changes and reasons for changes to the Spending Policy.

Trustee Johnson stated that the proposed changes make sense and asked about the removal of language stating CAC's administrative costs would be limited to no more than 10%. Ms. Harris stated that CAC has generally spent between 5-6% of its budget on administrative costs, but that CAC doesn't feel it is appropriate to adopt a policy that dictates a specific percentage of acceptable overhead. CAC believes it is not appropriate to signal to other organizations that general and administrative costs should be capped at any specific amount. Organizations should set their budget to meet their goals and objectives, which may change year to year. Trustee Johnson stated that overhead costs can fluctuate and that Ms. Harris' explanation was very acceptable.

A motion was made by Trustee Johnson, seconded by Trustee Minter, to approve the Allocation and Cash Reserve policies. Discussion: Trustee Minter stated that it is useful and practical for CAC to state in a policy that the cash reserve is intended to be the tenth year of funding. Vote: all ayes. The motion carried.

7. ADMINISTRATIVE MATTERS

Approval of Public Participation Policy

Ms. Harris stated that the Board had received in its packet a draft of a policy addressing [Public Comment](#) at CAC board meetings. Ms. Harris stated that it is important that the public understand their role in participating in CAC's public meetings. She stated that all CAC policies would be posted on CAC's website.

Trustee Minter asked for clarification on when public comment would take place at future meetings, would it be at the beginning of the meeting. Ms. Gahl-Mills stated that it would be up to the Chair's discretion, and that the agenda would drive the discussion. Trustee Minter asked whether there would be a specific point in the agenda when the public would be asked to comment. Trustee Feldman stated that her interpretation is that it would be indicated on the agenda going forward.

A motion was made by Trustee Minter, seconded by Trustee Charboneau, to approve the Policy on Public Participation at Board Meetings. Discussion: None. Vote: all ayes. The motion carried.

Approval of Bank Signatories

Ms. Harris stated that with the departure of former Trustee Chris Coburn from the board, it was necessary to update approved signatories listed on CAC's KeyBank business account. She asked that the board approve the following signatories: Sari Feldman, Karen Gahl-Mills and Margareta Harris.

Motion by Trustee Johnson, seconded by Trustee Charboneau, to approve the following signatories on the KeyBank account: Sari Feldman, Karen Gahl-Mills and Margareta Harris. Discussion: None. Vote: all ayes. The motion carried.

Special Project

Ms. Harris stated that after Ms. Gahl-Mills' annual performance review in February 2013, the board requested she conduct a salary scan in order to assure that the compensation for CAC's executive director was in-line with other like organizations. Ms. Harris stated that she had conducted a scan of salaries of executive directors and CEO's using several compensation studies. Based on the data compiled, she said that the salary of CAC's executive director is within range of those benchmarked and that there is no recommended adjustment at this time. She added that she discussed the possibility of engaging a firm to conduct a compensation study and the

firm said it may be difficult given that CAC has a limited number of peer organizations. Ms. Harris stated it is her recommendation at this time that CAC should not contract with an outside consultant for this project. Trustees Minter, Feldman and Johnson stated their support and appreciation for this report, and that it was satisfactory.

8. PUBLIC COMMENT

There were no public comments.

Next meeting: The next meeting will be held at 4:00 pm on November 18, 2013 at the Jennings Center for Older Adults.

9. ISSUE BRIEFING

Robert Klaffky of VanMeter, Ashbrook & Associates provided a legislative update.

9. ADJOURNMENT

Motion by Trustee Johnson, seconded by Trustee Charboneau, to adjourn the meeting. No discussion. Vote: all ayes. The motion carried. The meeting was adjourned at 5:33 p.m.

Attest:

Sari Feldman, President, Board of Trustees

Matthew Charboneau, Secretary, Board of Trustees



MEMORANDUM

Date: September 9, 2013
To: CAC Board of Trustees
From: Jill M. Paulsen, director of grant programs
Re: 2015 Program Planning – early-stage discussion

Action Requested

At the September meeting, staff will present early-stage 2015 program planning. We will seek Board guidance as we consider policy level issues for our two primary grant programs: Project Support and General Operating Support.

Your feedback will inform our work plan from now through April 2014, when we will bring forward the 2015 Project Support and the 2015-16 General Operating Support Guidelines for your review and approval.

2015 Program Planning

CAC is a learning organization, committed to continually improving our work. Each cycle we strive to make our grant programs stronger. In recent years we've focused on technical improvements (simplifying the application process for our cultural partners; tying our applications to our reporting and grounding them in our mission, vision and values; and setting clear funding criteria that span all our grant programs). With this baseline work now integrated into our ongoing work, we are considering questions about the *real impact* of our work. Below are several key questions that we are tackling to prepare for the 2015 grant cycle.

Early-Stage Issues to Explore

Financial Health

- *How are the financial health indicators (measuring operating performance, risk tolerance and financial trajectory) that we used for the last General Operating Support application working?*
- *Are organizations stronger today than they were before CAC?*

How we're tackling this issue: We continue to work with the Nonprofit Finance Fund to cross-check the outcomes of our revised funding formula with the goals we set in 2012. We're also meeting with organizations one-on-one to gauge their understanding of the financial health measures and terminology.

Public Benefit

- *How are our cultural partners engaging their community in their work? How do we know?*
- *And are applicants able to demonstrate their public benefit in our applications and reports?*

How we're tackling this issue: In addition to our Bright Spots work with Helicon Collaborative, we focus on public benefit in our review of all grant reports. Likewise, our upcoming workshop, in partnership with the Cultural Data Project team from Philadelphia, will encourage

organizations to analyze their participation data to understand who they are serving – a baseline step to better community engagement.

Nature and Science

- *What does CAC mean by “natural history and the natural sciences”?*

How we’re tackling this issue: An independent contractor is conducting a scan to determine how science experts nationwide (universities, practitioners, other funders) define and fund nature/science. This work will be complete in October, giving us time to integrate it into future eligibility and outreach efforts.

Panel Structure

- *Is there a more effective way to conduct our panels? How can we decrease the workload for panelists?*

How we’re tackling this issue: We realize that our process – even with recent streamlining – is still intense for panelists. Previous work has focused on improving the process for applicants. Now, we turn to role of panelists and consider how we can maintain high standards of rigorous evaluation, while making panel work more manageable. Staff is conducting informational interviews with our public funding peers nationwide to spark new thinking.

Technical Issues

- *How are our eligibility criteria keeping pace with the changing arts and cultural landscape (definitions, emergence of new arts business models, etc.)?*
- *How should we factor decreasing tax receipt and investment revenue into the structure of our grant programs (grant amounts and programs, etc.)?*

How we’re tackling these issues: Each cycle we examine the technical issues; 2015 will be no different. In coming months we will consider several modest adjustments to our eligibility criteria and program structure, especially as they relate to our Project Support program.

Hearing from Small & Mid-Sized Cultural Partners

2015 program planning includes work with outside experts (Nonprofit Finance Fund), our public funding peers nationwide, and internal analysis of our grantmaking outcomes to date. It is important that this early-stage work also include the voices of our cultural partners. The Board has already heard from several of the largest organizations who receive operating support. In coming months, staff will hold informal listening roundtables with small and mid-sized organizations to hear their perspectives on specific elements of CAC’s grant programs. We welcome Board members’ participation in these meetings.

Next Steps for the Board

In addition to the listening roundtables with our cultural partners, the Board can anticipate 2015 program planning updates at future meetings, either in the form of brief highlights in the staff report (November/December) or a complete memo outlining any proposed policy changes (February). This work leads up to April 2014 when the Board will have the opportunity to review and approve the 2015 Project Support and 2015-16 General Operating Support Guidelines.