



**Regular Meeting of the
Cuyahoga Arts & Culture Board of Trustees**
Miller Classroom, Idea Center at Playhouse Square
Monday, February 13, 2017, 3:30 pm

1. Call to order, approval of minutes

- a. Call to order
- b. Call the roll
- c. Motion to move into executive session for personnel matters relating to compensation of public employees (roll call vote)

**** Executive Session ****

- d. Motion to conclude executive session
- e. Motion to approve December minutes

2. Public Comment on Today's Agenda

3. Executive Director Report

4. Finance Report

5. Connect with Culture

6. Discussion

- a. Preview of 2018 Operating Support and Project Support

7. Board Action

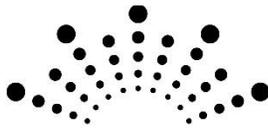
- a. Administrative matters
 - i. Lease Amendment & Construction
 - ii. Contracts and misc.
 - iii. Approval of Personnel Report
 - iv. Else

8. Public Comment

Next Meeting: Annual Meeting
Monday, April 17, 2017 at 4 pm ***please note new date**
Ensemble Theatre
2843 Washington Boulevard
Cleveland Heights, OH 44118

9. Work Session

10. Adjourn



cuyahoga
arts & culture
strengthening community

About Cuyahoga Arts & Culture

Our Mission

Cuyahoga Arts & Culture's mission is to inspire and strengthen the community by investing in arts and culture. CAC was approved by Cuyahoga County voters in 2006, and since 2007, CAC has invested more than \$158 million dollars in more than 300 arts and cultural organizations in Cuyahoga County.

Our Grantmaking

Cuyahoga Arts & Culture funds arts and cultural organizations in Cuyahoga County through its two primary grant programs: General Operating Support and Project Support. To ensure an impartial and transparent application review process, CAC convenes a panel of arts and cultural professionals from outside the region who discuss, evaluate and score all eligible applications in a public setting.

Our Values

We ground our work in our values and guiding principles:

- Connection
- Discovery
- Equity
- Service
- Stewardship
- Trust

Our Board of Trustees

Cuyahoga Arts & Culture is governed by a board of five trustees with broad knowledge and experience in the arts or cultural heritage. The board is appointed by the Cuyahoga County Executive and confirmed by Cuyahoga County Council. All Board of Trustees meetings are open to the public.

Current Trustees:

[Mark Avsec](#), Musician and Attorney, Benesch, Friedlander, Coplan & Aronoff, LLP

[Gwendolyn Garth](#), Artist and Activist, Kings & Queens of Art

[Joseph Gibbons](#), Attorney, Schneider Smeltz Spieth Bell LLP

[Steven Minter](#), Executive-In-Residence, Cleveland State University

[Charna Sherman](#), Attorney, Charna E. Sherman Law Offices Co., LPA

For more information, visit www.cacgrants.org.

Executive Director's Report
Regular Meeting of the Board of Trustees
13 February 2017

Welcome to the first Board meeting of 2017.

Our work this year is guided by the organizational planning work that we completed in December, 2016. As you will read in the reports from the staff, we launched the website, future.cacgrants.org, and all of the final planning documents (roadmap, summary of learnings from community listening project from Nick Rabkin and Holly Sidford, data and methodology) on January 19. We are now working to ensure that we circle back with all who participated in the process and share what we learned and how it will influence CAC's work in the coming years. Later this winter, we will gather cultural organizations and artists to brief them on the planning work and listen to their feedback. We will use our work session at the end of today's meeting to talk more about the rollout and get your input about key stakeholders who we want to hear our message.

Today's agenda includes an important discussion about the 2018 project support and operating support grant programs. Staff has been working for the past six months to determine the ways our programs can be improved, grounded in feedback from cultural partner organizations, panelists, and those organizations who have yet to succeed in receiving a CAC grant. **We are not recommending any major changes to the core programs or to our criteria.** Operating support will remain flexible, multi-year funding available to organizations with arts and culture as their primary mission that connect their work to the community; the two project support programs will remain as annual grants to support arts and culture projects that connect with the community in a variety of settings. We are, however, recommending a change to the grant award amounts for project support, given the reduced revenues that we anticipate. We also want to discuss a potential simplification of the operating support panel process that would not require those receiving operating support in the past 5 years to be evaluated by the panel. (We would run a panel for new applicants only.) Today's discussion will help shape the guidelines that will be before the Board for decisions at the April meeting, and we look forward to hearing your input and feedback, and to answering your questions.

Staff reports contain important information about our progress on other CAC activity not on the agenda today, including:

- A new year = new objectives for our team (page 18), which are aligned with our planning roadmap but specific to a one-year timeframe. Note the thread of equity work throughout these objectives. Each team member has at least one of these objectives in her/his own workplan for the year, and we look forward to reporting on our progress toward them at each Board meeting.
- CAC is celebrating 38 new cultural partners in 2017, our largest number of new partners to date. See page 13 for more information.
- Our partnership with Neighborhood Connections, the grassroots grantmaking program of The Cleveland Foundation, continues in 2017. The next deadline to apply for modest funds to support projects in Cleveland and East Cleveland is February 10th.
- Following on the Board's unanimous approval of a set of guiding principles for our new direction in funding for artists, staff is creating a process roadmap and timeline for developing new approaches for funding artists. The development process will include a variety of ways for residents to weigh in on the kind of programs that would be most useful. We are also assembling an informal group comprised of artists and residents who will help shape our approaches. Thanks to Raymond Bobgan, executive artistic director at Cleveland Public Theatre, for volunteering to assist us in the process.
- Note that we are recommending that the Board approve a modest expansion to our office space and replacement of our HVAC (page 17). This work is an important and necessary expenditure to ensure

our productivity, and we are grateful to our landlord, Playhouse Square Real Estate Services, for their ongoing partnership and commitment to keeping construction costs low.

- Please pay special attention to our financial results for 2016 and our forward-looking projections of future revenues (page 21). Kudos to director of administration, Meg Harris, for her continued and diligent management of our finances.

Thank you, as always, for your attention to the important matters before the Board today.

CAC Board Meeting February 13, 2017 Updates from Staff

Each year, Cuyahoga Arts & Culture staff members identify team objectives to guide our work that are mindful of the staff team [agreements](#) that we have made with one another, and grounded in CAC's [Mission, Vision & Values](#). This year we've revised our team objectives to ensure that we focus on our two constituencies: 1) the local arts and culture sector and; 2) Cuyahoga County residents, as well as noting our efforts to continuously improve our operations so we can deliver on our mission: 3) building internal capacity. **Our 2017 Team Objectives are listed immediately following this staff report.**

What follows are highlights of the work the team has accomplished since our November 2016 Board meeting, as well as several key notes regarding our important work to come in 2017 – with a focus on our recently completed organizational planning work.



Cuyahoga Voices & Vision: A Roadmap for CAC's Next Decade

Results of 18-Month Organizational Planning Process Announced Jan. 19. As Cuyahoga Arts & Culture begins its tenth year, the findings of a comprehensive organizational and community-wide planning process focused on the next decade were released to the public and CAC's stakeholders in mid-January. The resulting **Cuyahoga Voices & Vision** includes:

- A new, [robust website](#) and hub for the project's methodology, stories from many of the more than 2,000 participants, and the key findings and next actions resulting from the work.
- [Recommendations](#) for Cuyahoga Arts & Culture to consider over the next decade, presented by CAC's listening project collaborators and experts: Nick Rabkin and Holly Sidford.



Residents participate in a CAC-led listening session.

- Opportunities for the public to continue to [provide feedback](#), and engage with CAC, as part of CAC's intentional approach to making direct connections with Cuyahoga County residents.

Key Finding: CAC is focused on serving more residents, addressing equity through next decade of investments in arts and culture. As a result of our comprehensive research and qualitative listening project, it is clear that over the next ten years, CAC must:

- Continue to support a wide variety of Cuyahoga County's cultural institutions, artists and

creative people, to develop and present arts and cultural programs to the public; and

- Acknowledge that there are significant differences in the way arts and culture are experienced among different segments of our community, and find ways to recognize and equitably support our community's varied cultural ecology.

What's Next? In the short term, Cuyahoga Voices & Vision provides a framework for conversation, convening, and incremental changes to CAC's grantmaking and communications.

- Conversation: In the first 24 hours of our launch, our Cuyahoga Voices & Vision [website](#) was visited over 500 times. We continued this positive momentum in engagement by following up with key stakeholders using mailed copies of the summarized report and sending postcards to thank participants. Cuyahoga Voices & Vision also received positive media attention in a Steve Litt article published on January 19 in tandem with the launch of our website (see below).
- Convening: In the first quarter of 2017, CAC staff will bring together the arts and cultural community and county residents for a Cuyahoga Voices & Vision briefing, to share the findings and as part of a continued effort to raise awareness about our vision for the next decade. CAC Board and staff will also meet with key leaders in the community in the coming months to have in depth conversations about the planning process.
- Next Actions: In line with our [Board-approved roadmap](#), CAC's action plan for 2017-18 provides different approaches to support this new work. These include:
 - Creating our 2018 program guidelines in line with our mission, and updated vision and values, while providing a portfolio of learning opportunities for cultural organizations and artists, to help them achieve their goals.
 - Building shared knowledge about areas of Cuyahoga County currently lacking CAC support, to better understand what local cultural assets are and how we would deliver support that would best benefit residents.
 - Piloting projects that can expand access and testing communications strategies help broaden public awareness of existing cultural offerings.

Cuyahoga Arts & Culture aims to improve equity in access to the arts



By Steven Litt, The Plain Dealer

Follow on Twitter

on January 19, 2017 at 12:48 PM, updated January 19, 2017 at 1:52 PM

View the full report and additional experiments CAC may undertake over the next 18 months at future.cacgrants.org

For more information, visit future.cacgrants.org.

Media coverage of CAC's organizational planning on Cleveland.com – January 19, 2017.

1. CONNECTING WITH THE ARTS/CULTURE SECTOR

CAC's Primary Grant Programs: Progress Update. The 2016 cycle of Project Support is nearing a close. All 152 projects have now concluded and any outstanding final reports are due by March 1. At this same time, the 2017 cycle of Project Support is already well underway. Most of the 184 2017 Project Support cultural partners have signed their grant agreements, and 85 have already begun their project activities in the month of January.

2016 General Operating Support year-end reports were due at the end of January for our 58 GOS cultural partners. 2017 marks the beginning of the third year of a three year cycle for General Operating Support, extending the grant cycle that began in 2015. 2017 grant agreements are also in progress, as are final 2016 disbursements and initial 2017 disbursements.

Planning for the **2018 Project Support and 2018-19 General Operating Support** cycles has led CAC staff to identify key issues and potential changes for the Board to discuss (see memo on pages 28-30). As always, our planning is conducted to ensure that these two primary grant programs are aligned with our mission, vision and values. Our proposed changes aim to continually improve our programs and streamline processes. Staff anticipates presenting 2018 Project Support and 2018-19 General Operating Support guidelines to the Board for their discussion and hopeful approval at the April Board meeting.

Celebrating and Serving our New Cultural Partners. In December 2016, we launched a social media campaign to promote our 38 first-time Project Support cultural partners. We received great engagement around this online campaign from both cultural partners and residents.

Additionally, beginning in mid-January, CAC held **five informational meetings** for our new Project Support cultural partners. 38 new cultural partners were invited, as well as returning cultural partners and organizations with new staff persons. Sixty people attended, representing 45 cultural partner organizations (with a few individual follow-ups scheduled).

In a departure from previous years, the 2017 meetings were held at some of our new cultural partners' locations. This allowed our new cultural partners to highlight their work, their communities and their neighborhoods. Changing the trend of hosting such meetings only downtown or at suburban libraries, CAC's staff intentionally chose to bring our new cultural partners to locations that would



An example of a Facebook post celebrating our newest cultural partners. We reached over 1,600 people through this post, introducing residents to the work of Harvard Community Services Center.

highlight our emerging equity value and our new vision that all residents can experience a meaningful cultural life.

The meetings were held at:

1. The LGBT Community Center of Greater Cleveland (Detroit-Shoreway, Cleveland),
2. The East Cleveland Public Library (East Cleveland)
3. The Far West Center (Westlake)
4. Mt. Pleasant NOW Development Corporation (Mt. Pleasant, Cleveland)
5. Esperanza (Clark-Fulton, Cleveland)

Neighborhood Connections. Through our continued partnership with Neighborhood Connections (Cleveland Foundation), CAC will continue to co-fund arts and culture, resident-led, grassroots projects throughout Cleveland and East Cleveland. Projects range from drumming circles and collective community art projects to educational activities centered on science, nature and the environment. **The next deadline for resident-led groups to apply for funding is Friday, February 10th at 5pm.** CAC has continued to assist in recruiting applicants through our email and social media marketing. Please help spread the word and encourage residents in Cleveland and East Cleveland to apply!

Artist Funding Update. CAC remains committed to providing support for artists. At its December 2016 meeting, the Board voiced unanimous support for supporting artists in 2017, and discussed [key elements](#) that will serve as a baseline for any future approaches. At the meeting, the Board also approved the 2017 organizational budget, which provides funding to develop and begin the implementation of new, mission-aligned approaches to provide meaningful support to artists. Starting in April, we look forward to launching a more public process and timeline, including opportunities for the public to provide input. The CAC team continues to meet individually and in groups with artists to inform our work.

Letters to the Editor

CAC strives to meet needs of artists and residents

The Jan. 16, 2017 *Crain's Cleveland Business* editorial "Two thumbs down" about Cuyahoga Arts and Culture's proposed new direction for funding artists, contained several inaccurate statements.

The editorial implies that there is a question as to whether Cuyahoga Arts and Culture will continue to support individual artists. This implication is false. At its Dec. 12, 2016, meeting, we, the members of CAC's Board of Trustees, clearly and unanimously voiced support for continuing to use public funds to support Cuyahoga County artists. To this end, the 2017 budget approved at that meeting includes \$400,000 to provide continued support for artists. This represents a consistent, annual investment in artists and demonstrates a commitment to developing a high-quality program.

The editorial also states that CAC wants to change its support for artists in a way that "overly defines what art is and isn't." This is also not true. CAC has said many times during the last three months of discussion that it wants to expand the pool of applicants to give more Cuyahoga County residents an opportunity to be part of the program.

Because CAC is a political subdivision of the state of Ohio, we use the broad definition of "arts or cultur-

impact that many of the past fellows' work has had on our neighborhoods, and we celebrate their achievements.

Because CAC makes grants with public dollars, we believe it is imperative that all of our grantmaking provides a demonstrable public impact. Our project support and general operating support grants have had this requirement since 2011; it is the individual artists funding program that has lagged behind, and so it is time for us to rework the program. The issues of equity, meeting our mission, and opening the doors to new artists are at the top of our minds as we continue to provide meaningful support for artists.

In 2017, we will continue to actively seek public input to ensure that our new program for providing funding for artists meets the needs of both artists and residents in our county. We are committed to listening - and to making sure every resident of Cuyahoga County can benefit from the amazing arts and culture offerings that define our community.

Joseph P. Gibbons, President, Cuyahoga Arts & Culture Board of Trustees
Mark Assec, Gwendolyn Garth, Steven Minter and Charna Sherman, Trustees

A "Letter to the Editor" from CAC's Board of Trustees appeared in [Crain's Cleveland Business](#) on January 30, 2017, outlining CAC's intent to continue support for artists and directly benefit residents.

DataArts Training. Fifty representatives from area organizations and cultural partners attended the DataArts New User Orientation on December 7. The workshop was held at Cleveland Public Library's main branch, and was offered to CAC as part of our 2016 contract with DataArts. This event was part of CAC's learning agenda for cultural partners, reflecting our commitment to providing technical assistance for the PSI and GOS cultural partners who complete the Cultural Data Profile (CDP) in their applications and/or reporting. Data Arts' Katie Ingersoll reviewed recent changes to the DataArts platform, which is used to collect financial and programmatic data from cultural partners. Attendees were eager to understand how the changes, including a streamlined initial survey system might impact their year-end reporting. Many anticipated an easier process as a result of the new interface.

2. CONNECTING WITH RESIDENTS

Resident Meetings/Conversations. Through our continued efforts to connect and listen to residents, we are in the process of following up with those who we partnered with around the county. We are in the process of meeting with our community partners; Westlake Porter Library and Westlake Westshore Arts Council, City of Maple Heights, Detroit Shoreway Community Development Organization and their resident Community Forums, Care Alliance and residents from the CMHA Cedar/Central High Rise building, Future Heights in Cleveland Heights, PNC Fairfax Connection, Kamm’s Corners Community Development Corporation and Golden Ciphers in Slavic Village. These partners and groups hosted our eight listening sessions and are following up to share the results of our listening project (future .cacgrants.org) with the residents who participated. We are doing the same with most of the 18 street team site partners and volunteers. It is important for CAC to not just listen once and never return. Using community engagement principles, we will continue to engage residents to help inform our future work.

ClevelandArtsEvents.com Update. Through our listening process in 2016, we heard from residents that while they enjoyed the arts, they did not always have access to them or know about the events happening around them. With this issue in mind and with the usability updates to ClevelandArtsEvents.com complete at the end of 2016, we began conversations with Aztek—our website developers—to implement a digital marketing plan to widely promote this resource to County residents in 2017. We have set meaningful goals around engagement with the website. This project is intended to better promote the work of the artists and organizations in our community, as well as ensure that more residents can connect with arts and culture.

Promote your work and your events!

Are you an artist or group offering public programming in Cuyahoga County? Share your events on our events calendar, regardless of whether you’re receiving CAC funding.

Visit ClevelandArtsEvents.com or contact Mariam Ghanem at intern@cacgrants.org to learn more.

Media Placements. In addition to consistent crediting for Cuyahoga Arts & Culture in the media by our partners, below are a sampling of recent media clips focused on CAC’s work:

- [Cuyahoga Arts & Culture approves \\$14.5M in grants, fields questions about proposed shift in individual artist grant program](#) – *Cleveland.com* “Cuyahoga Arts and Culture, which manages public spending on the arts based on the county’s 30-cents-a-pack cigarette tax, on Monday awarded more than \$14.5 million in grants to 241 organizations in what arguably was its biggest vote of the year.” (November 15, 2016)
- [From flaming history to art therapy, grants foster eclectic projects](#) – *Freshwater Cleveland* “In 2017, CAC will fund 32 more projects than last year and devote an additional \$255,988 in public dollars. CAC deputy director Jill Paulsen attributes this upswing to increased outreach efforts and an eclectic cultural mix that includes music therapy, arts festivals and even science experiments.” (December 8, 2017)
- [Cuyahoga Arts & Culture aims to improve equity in access to the arts](#) – *Cleveland.com* “Equity is the new watchword at Cuyahoga Arts and Culture, the agency that distributes roughly \$15 million a year in cigarette tax money to the arts in Cuyahoga County. The organization, established in 2006 after voters approved a 10-year, 30-cents-a-pack levy on cigarettes to fund the arts, wants to broaden the arts audience in Cuyahoga County. (January 19, 2017)

See a full list of [media placements](#) since CAC’s last Board meeting.

3. BUILDING OUR INTERNAL CAPACITY

Expanding Our Capacity to Achieve our Mission.

- **Join our team.** Interested in working at CAC? Apply now to join our team. CAC seeks an energetic and detail-oriented associate to work across functions to efficiently and proactively provide support for CAC's grantmaking and communications work. The associate will streamline workflow, improve systems and lead key projects to better serve CAC's team and cultural partners (grantees). Learn more at cacgrants.org/jobs.
- **Congratulations** to our team member, Roshi Ahmadian, on her promotion to identity & systems manager. In her expanded role, Roshi will oversee CAC's visual identity and website, and will work across functions to develop and continuously improve systems and processes. Roshi has been with CAC nearly two years.
- Once again this year, CAC will host multiple **interns**. We are pleased that Mariam Ghanem, a junior at Cleveland State University, will continue with us several days a week helping manage our events calendar and assisting the grantmaking team. In addition, we are finalizing the details to host an intern through the Cleveland Foundation Summer Internship program. This intern will support our ongoing resident engagement and volunteer efforts over the summer by working on various projects including the street team and storytelling.

Commitment to Equity Learning. As a part of our organizational planning, CAC's reaffirmed its mission and developed a new vision and set of values that will support all our efforts for the next ten years. One of these values is our commitment to equity. As noted in the [Roadmap, Action Plan & Full Report](#), we are examining our own practices first and raising our own level of cultural competence and commitment to equity – starting with a focus on racial equity. Our team will work with an outside facilitator in late February to dive more deeply into this work. In addition, we have already taken the following steps:

- All CAC staff will participate in the **Racial Equity Institute** two-day training hosted by Cleveland Neighborhood Progress, a community-wide monthly opportunity. Jessica attended in January and notes that this training will allow staff to have a grounding and better understanding of race as a social construct and its historical implications on policies and programs. This builds off the half-day training that Jill, Nicole and Jessica have already completed. We invite Board members who are interested in participating in either a 2-day or half-day training to speak with staff.
- Staff is also seeking out learning equity opportunities offered by our membership organizations and from our public funding peers nationwide. Recent examples include:
 - ArtsU! Equitable Grantmaking webinar (Americans for the Arts)
 - Equity: Philanthropy's New Buzz Word or the Key to Achieving your Mission (National Network of Consultants to Grantmakers)
 - Equity Practice Now (United States Urban Arts Federation Winter Meeting)
- Jessica led our team through a learning session on unconscious bias, based off the work of Dr. Mahzarin R. Banaji and her book, [Blind Spot: Hidden Bias of Good People](#).

Additional Team Professional Development. All CAC staff have individualized yearly work plans, with accompanying professional development opportunities. Since last the Board met, staff took part in the following trainings:

- Roshi attended Introspective, a day-long training conference for in-house designers sponsored by Cleveland's chapter of AIGA (the professional association for design). Speakers included marketing staff from local businesses and nonprofits, including Cleveland Play House. Through this course Roshi learned practical tools which she used to design the campaign celebrating new cultural partners on social media, as well as the collateral materials used to promote CAC's microsite [Cuyahoga Voices and Vision](#) at future.cacgrants.org.
- Karen attended the United States Urban Arts Federation winter meeting which focused, in part, on integrating equity practices into work and understanding funding challenges facing local arts agencies.

Grant Application System Transition. In December, WESTAF, the nonprofit that we contract with for our online application system, notified us that they will no longer support the Grants Online system - effective June 30, 2017. This is a short window for a change that flows through all our daily work. Meg and Roshi are in the process of researching, evaluating and holding discussions with new vendors that can provide a similar service. Our goal is to select a new, cloud-based application system by the end of February so that we can launch the 2018 grant programs and migrate the 2017 cultural partners to a new system starting in May. While this is a tight timeline, we are confident, based on our initial vetting process, that we will be able to successfully manage this transition while adding enhancements to our grantmaking processes for applicants, panelists and staff.

Office Space Expansion and HVAC Upgrade. At the February meeting, the Board will be asked to approve expenditures related to a modest office space expansion and an amended 3-year lease for the additional 490 square feet and the installation of a new HVAC system. With the addition of a new associate and our commitment to several summer internship programs, additional office and meeting spaces are needed. Playhouse Square Real Estate has provided CAC with a construction estimate for the expansion to an adjacent office space. The cost is estimated to be \$39,900 and will include an additional conference room and new entry. Internal existing space will be reconfigured to create three more work spaces. Additionally, the current HVAC system in our space is very old and in need of replacement. Due to the extremely discounted rent CAC currently receives from Playhouse Square, CAC must incur the expense of the new system, estimated at \$16,700. Staff recommends that the cost of the new system be rolled into the amended lease so that the base rate increases approximately \$1.90 per square foot for a three-year period.



Team Objectives for 2017

Mindful of the [agreements](#) that we have made with one another, and grounded by CAC's [Mission, Vision & Values](#), we state the following objectives for 2017:

Connecting with the Arts & Culture Sector (cultural partners, artists, potential applicants)

1. By April 2017, complete a comprehensive review of CAC's two primary grant programs to ensure that 2018 Project Support and 2018-19 General Operating Support guidelines are aligned with CAC's mission, vision & values and organizational planning roadmap.
2. Throughout 2017, continue to build strong working relationships and *connections* with the 242 groups we fund (cultural partners) as well as potential, new applicants.
3. To ensure more *equitable* grantmaking: identify and work to reduce barriers to entry (ongoing); continue to streamline our Project Support program (Q1); offer increased and new opportunities for technical assistance in all programs (Q2-3); and begin planning for a potential small pilot program that aims to provide staff-approved funding opportunities for arts programming previously not funded by CAC (Q3-4).
4. In line with our value of *discovery*, starting in Q2, offer learning and discussion opportunities for cultural partners and artists that both respond to their needs and reflect CAC's goals and priorities, including offerings that emphasize our commitment to *equity*.
5. For Board approval in the second half of 2017, propose approaches for supporting artists that are aligned with CAC's mission, grounded in our agreed upon [key elements](#) and informed by broad public input, inclusive of artists' voices.
6. In the second half of 2017, with the support of the National Endowment for the Arts, work with partners to provide paid opportunities for organizations and artists to present programming in *service* of residents on the newly designed Public Square in downtown Cleveland.

Connecting with Residents

1. Starting in Q1, raise awareness of the Cleveland Arts Events website — CAC's digital resource for events in Cuyahoga County — by testing new communications strategies, and implementing targeted marketing to expand and create new *connections* with residents.

2. To build shared knowledge and inform our work, conduct assessments (including a potential community survey in Q2-3, listening sessions, mapping, as well as other formal/informal approaches) to continue to *discover* how and where residents are — and are not — connecting with arts and culture.
3. By the end of Q2, develop a relationship- and data-driven resident engagement strategy that builds *trust* and ensures residents' voices inform our work, while growing and evolving the role of CAC volunteers.

Building Internal Capacity

1. By the end of Q2, expand staff capacity through the addition of a new communications and grantmaking associate, which will allow CAC to better *serve* cultural partners and residents.
2. Expand CAC's capacity by offering robust and ongoing internship and volunteer opportunities throughout 2017, in part, through participation in the Cleveland Foundation internship program and YOU's CMSD student program.
3. With an outside expert (selected in Q1), conduct year-long racial *equity* learning, as well as participate in the Racial Equity Institute, to inform CAC's policies and strategies for grantmaking, resident engagement, communications, and operations.
4. Continue to build and strengthen CAC's team through time dedicated to a retreat (by Q3) so we grow our *trust* in each other and have a shared understanding of our mission.
5. Continue to *steward* public funds in a responsible and transparent manner, ensuring that CAC achieves its 10th consecutive clean audit.

FINANCIAL UPDATE

2016

Revenue. Final, unaudited tax revenue for 2016 was \$14,767,137. Revenue for the year was \$232,863 (1.55%) below forecast. Tax collections were 7.63 below receipts in 2015. This represents a steeper year-over-year decline than we have typically had in the recent past. While this decrease is substantial, recall that in 2015 we saw no decrease in the tax over 2014. If we look at the change in tax revenue over the two-year period it is 3.6% per year, which is in line with normal year-over-year decreases in revenue. Investment revenue was \$221,557 for the year, exceeding forecast by \$101,557. Of note, the 2016 budget included \$100,000 related to the grant received from the NEA and matching funds committed by the Group Plan Commission. This revenue was deferred to 2017 along with the associated expenses.

Expenditure. Final, unaudited expenditures for FY2016 were \$16,248,895. This figure is \$407,105 under budget for the year. This is a result of several factors in addition to the deferment of the \$100k expense discussed above and includes open positions early in 2016, reduced expenses related to the panel review from the use of an online panel and lower than budgeted spending on the community planning which concluded last year. The draw from the reserve in 2016 was \$1,260,202, which was \$175,798 lower than anticipated.

Annual Audit. The Local Government Services division of the Ohio Auditor of State began work on CAC's GAAP conversion for 2016 in early January and will finish the conversion in February. We expect the annual audit to begin in March and to conclude by May 31.

2017 YTD

Revenue. Tax revenue through January 31 was \$1,257,349. This figure is \$71,479 (6.03%) above forecast and 28% above revenue for the same period in 2016. Interest revenue through January was \$3,800.00. This figure is below forecast by \$13,800 due to timing of interest payments generated by investments.

Expenditure. Cash expenditures through January were \$1,143,051. This figure is below the budgeted amount of \$1,789,617 primarily due to the timing of grant payments. Please note the expenditure figure varies from the financial statements because we recognized, or accrued, the full amount of grant awards for 2017 in January. We will draw down the balance sheet account as we remit payments to our cultural partners.

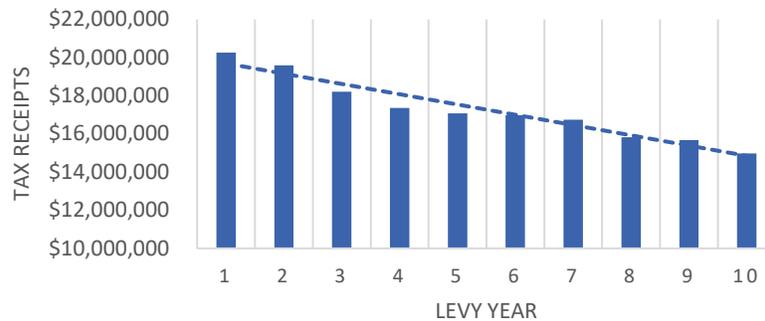
Investments. As of January 31, CAC inactive monies are invested as follows:

- STAR Plus: \$501.88 (yield .40%)
- RedTree Investment Group: \$16,377,293 (target yield 1.20%)
- STAR Ohio: \$4,890,185 (yield .76%)

10 Years of CAC Funding: A Recap

The first ten-year tax levy to support CAC, which was approved by voters in 2006, was for the period February 1, 2007 through January 31, 2017. During this ten-year period, \$172,783,000 was collected via the tax and \$1.28 million from interest on the investment of inactive monies. Tax receipts the first year were \$20,253,774 and the 10th \$15,044,964. Tax receipts in the 10th year of collection were 25.72% below receipts the first year the tax was collected. This is equal to an average decrease of 3.6% per year.

10 YEAR HISTORY OF TAX RECEIPTS 2/1/2007-1/31/2017

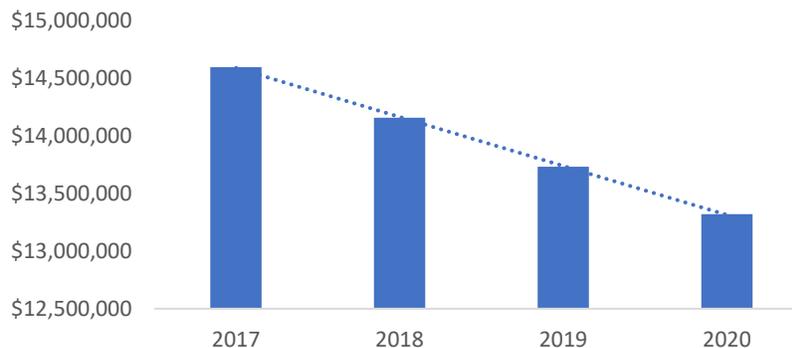


Graph 1. Revenue has declined at a steady pace over the last 10 years, down 25.72% from our first year.

Looking Forward: Estimated Revenue Through 2020

The second ten-year levy, which was approved by voters in November 2015 and began on February 1, 2017, supports the grantmaking and operations of CAC. As we enter this new levy cycle, it is important to look forward so that we may understand the resources that will be available to us to invest in our grant programs, specifically considering the General Operating Support 2018-19 and Project Support I and II 2018 and 2019 grant cycles. As stated above, the average decrease in tax collection year-over-year was 3.6%. Using that figure, we estimate that revenues will decrease at a rate of approximately \$500,000 per year through 2020. There are additional considerations that could also impact these estimates, namely the 2018-19 budget for the State of Ohio, which currently proposes a tax of an additional 65 cents per pack on cigarettes and increase of .5% to the sales tax. Any increases to either of these items will likely impact CAC's revenue stream.

Revenue Estimate 2017-2020



Graph 2. Using the first 10 years as history, revenue is forecast to continue declining at ~3.6% annually.

Cuyahoga Arts & Culture				
Through 12/31/16				
Accrual Basis			\$ Over/Under Budget	% of Budget
	Actual	Budget (cash)		
Ordinary Revenue/Expenditures				
Revenue				
Excise Tax	\$ 14,767,137	\$ 15,000,000	\$ (232,863)	98.45%
Interest	\$ 221,557	\$ 120,000	\$ 101,557	184.6%
Other revenue	\$ -	\$ 100,000	\$ (100,000)	
Total Revenue	\$ 14,988,693	\$ 15,220,000	\$ (231,307)	98.5%
Expenditures				
Arts & Cultural Programming				
Salaries, Wages and Benefits	\$ 384,508	\$ 409,239	\$ (24,730)	94.0%
Grant Panel Expenses	\$ 17,177	\$ 36,670	\$ (19,493)	
Grant Management Expenses	\$ 42,808	\$ 108,500	\$ (65,692)	39.5%
Awareness Activities	\$ 49,717	\$ 162,000	\$ (112,283)	30.7%
Grants**	\$ 15,058,425	\$ 15,162,124	\$ (103,699)	99.3%
Total A&C Exenditures	\$ 15,552,635	\$ 15,878,533	\$ (325,898)	97.9%
General & Administrative				
Salaries, Wages and Benefits	\$ 344,628	\$ 355,632	\$ (11,004)	96.9%
Facilities, Supplies, Equipment	\$ 102,784	\$ 123,536	\$ (20,752)	83.2%
Professional Fees	\$ 244,502	\$ 291,399	\$ (46,897)	83.9%
Depreciation	\$ 4,346	\$ 6,900	\$ (2,554)	63.0%
Total G&A Expenditures	\$ 696,260	\$ 777,467	\$ (81,207)	89.6%
Total Expenditures	\$ 16,248,895	\$ 16,656,000	\$ (407,105)	97.6%
Net Ordinary Revenue	\$ (1,260,202)	\$ (1,436,000)	\$ 175,798	

** Actual grants figure represents accrual for approved grants for 2016. Outstanding 2016 obligations are on the balance sheet.

	<u>Actual - Accrual</u>	<u>Budget - Cash</u>	<u>Actual - Cash</u>
Cash Expenditures	\$ 16,248,895	\$ 16,656,000	\$ 14,530,924

Cuyahoga Arts & Culture
Balance Sheet as of

Dec 31, 16

ASSETS

Current Assets

Checking/Savings

KeyBank	88,175.60
RedTree (U.S.Bank)	16,378,139.42
Star Ohio	4,694,135.94
STAR Plus	501.66

Total Checking/Savings 21,160,952.62

Accounts Receivable

11000 · Accounts Receivable 1,092,758.15

Total Accounts Receivable 1,092,758.15

Other Current Assets

12100 · Prepaid Expenses 181,437.77

Total Other Current Assets 181,437.77

Total Current Assets 22,435,148.54

Fixed Assets

15000 · Furniture and Equipment 72,702.67

15001 · Software and Webdesign 10,000.00

17000 · Accumulated Depreciation -75,171.19

Total Fixed Assets 7,531.48

TOTAL ASSETS 22,442,680.02

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 · Accounts Payable 1,732.92

Total Accounts Payable 1,732.92

Other Current Liabilities

24000 · Payroll Liabilities 30,384.27

24200 · GOS Grants 1,233,801.00

24300 · Project Support Grants 484,170.00

24400 · Other Grants/Program Contr: 27,500.00

Total Other Current Liabilities 1,775,855.27

Total Current Liabilities 1,777,588.19

Total Liabilities 1,777,588.19

Equity

32000 · Operating Reserve 21,925,756.78

Net Income -1,260,664.95

Total Equity 20,665,091.83

TOTAL LIABILITIES & EQUITY 22,442,680.02

CAC CIGARETTE TAX COLLECTIONS HISTORY AND 2016 ACTUAL REVENUE

Month	2015		2016	
	Monthly Tax	Monthly Tax	Monthly Tax	15-16% Change
JANUARY	\$ 1,289,666.03	\$ 979,521.54		-24.05%
FEBRUARY	\$ 1,086,964.52	\$ 1,060,158.47		-2.47%
MARCH	\$ 1,150,077.84	\$ 1,246,640.07		8.40%
APRIL	\$ 1,276,369.38	\$ 1,143,716.06		-10.39%
MAY	\$ 2,434,691.04	\$ 1,302,807.27		-46.49%
JUNE	\$ 1,268,582.63	\$ 2,435,737.96		92.00%
JULY	\$ 721,951.07	\$ 391,358.36		-45.79%
AUGUST	\$ 1,025,712.65	\$ 1,405,296.53		37.01%
SEPTEMBER	\$ 1,450,989.43	\$ 1,177,403.31		-18.86%
OCTOBER	\$ 1,389,226.45	\$ 1,266,539.62		-8.83%
NOVEMBER	\$ 1,368,395.91	\$ 1,265,199.34		-7.54%
DECEMBER	\$ 1,524,020.14	\$ 1,092,758.15		-28.30%
TOTALS	\$ 15,986,647.08	\$ 14,767,136.68		-7.63%

Cuyahoga Arts & Culture				
Through 1/31/17				
Accrual Basis	Actual	Budget (cash)	\$ Over/Under Budget	% of Budget
Ordinary Revenue/Expenditures				
Revenue				
Excise Tax	\$ 1,257,349	\$ 1,185,870	\$ 71,479	106.03%
Interest	\$ 3,800	\$ 17,600	\$ (13,800)	21.6%
Other revenue	\$ -	\$ -	\$ -	
Total Revenue	\$ 1,261,149	\$ 1,203,470	\$ 57,679	104.8%
Expenditures				
Arts & Cultural Programming				
Salaries, Wages and Benefits	\$ 18,128	\$ 39,193	\$ (21,064)	46.3%
Grant Panel Expenses	\$ -	\$ -	\$ -	
Grant Management Expenses	\$ -	\$ 50	\$ (50)	0.0%
Awareness Activities	\$ 3,149	\$ 8,600	\$ (5,451)	36.6%
Grants**	\$ 14,605,462	\$ 1,680,000	\$ 12,925,462	869.4%
Total A&C Exenditures	\$ 14,626,739	\$ 1,727,843	\$ 12,898,897	846.5%
General & Administrative				
Salaries, Wages and Benefits	\$ 12,728	\$ 30,900	\$ (18,171)	41.2%
Facilities, Supplies, Equipment	\$ 13,186	\$ 14,925	\$ (1,739)	88.3%
Professional Fees	\$ 5,196	\$ 15,950	\$ (10,754)	32.6%
Depreciation	\$ -	\$ -	\$ -	
Total G&A Expenditures	\$ 31,110	\$ 61,775	\$ (30,664)	50.4%
Total Expenditures	\$ 14,657,849	\$ 1,789,617	\$ 12,868,232	819.0%
Net Ordinary Revenue	\$ (13,396,700)	\$ (586,147)	\$ (12,810,553)	

** Actual grants figure represents accrual for approved grants for 2017. Outstanding 2017 obligations are on the balance sheet.

	<u>Actual - Accrual</u>	<u>Budget - Cash</u>	<u>Actual - Cash</u>
Cash Expenditures	\$ 14,657,849	\$ 1,789,617	\$ 1,143,051

Cuyahoga Arts & Culture
Balance Sheet as of

Jan 31, 17

ASSETS

Current Assets

Checking/Savings

KeyBank	356,606.80
RedTree (U.S.Bank)	16,377,292.66
Star Ohio	4,890,184.79
STAR Plus	501.88

Total Checking/Savings 21,624,586.13

Accounts Receivable

11000 - Accounts Receivable 1,257,349.49

Total Accounts Receivable 1,257,349.49

Total Current Assets 22,881,935.62

Fixed Assets

15000 - Furniture and Equipment 72,702.67

15001 - Software and Webdesign 10,000.00

17000 - Accumulated Depreciation -75,171.19

Total Fixed Assets 7,531.48

TOTAL ASSETS 22,889,467.10

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 - Accounts Payable 5,077.57

Total Accounts Payable 5,077.57

Other Current Liabilities

24000 - Payroll Liabilities 3,103.07

24200 - GOS Grants 13,402,771.00

24300 - Project Support Grants 2,182,624.00

24400 - Other Grants/Program Contr 27,500.00

Total Other Current Liabilities 15,615,998.07

Total Current Liabilities 15,621,075.64

Total Liabilities 15,621,075.64

Equity

32000 - Operating Reserve 20,665,091.83

Net Income -13,396,700.37

Total Equity 7,268,391.46

TOTAL LIABILITIES & EQUITY 22,889,467.10

CAC CIGARETTE TAX COLLECTIONS HISTORY AND 2017 ACTUAL REVENUE

Month	2016	2017	
	Monthly Tax	Monthly Tax	16-17% Change
JANUARY	\$ 979,521.54	\$ 1,257,349.49	28.36%
FEBRUARY	\$ 1,060,158.47		
MARCH	\$ 1,246,640.07		
APRIL	\$ 1,143,716.06		
MAY	\$ 1,302,807.27		
JUNE	\$ 2,435,737.96		
JULY	\$ 391,358.36		
AUGUST	\$ 1,405,296.53		
SEPTEMBER	\$ 1,177,403.31		
OCTOBER	\$ 1,266,539.62		
NOVEMBER	\$ 1,265,199.34		
DECEMBER	\$ 1,092,758.15		
TOTALS	\$ 14,767,136.68	\$ 1,257,349.49	28.36%