



Minutes of the Regular Meeting of the Board of Trustees

Monday, June 13, 2011

A regular meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 4:04 p.m. in the Concert Hall at Karamu House, Cleveland, Ohio.

The roll call showed Trustees Matt Charboneau, Sari Feldman, Vickie Johnson and Steven Minter to be present. Chris Coburn was absent. 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; and Donnie Gill, program manager.

1. APPROVAL OF MINUTES

Motion by Trustee Minter seconded by Trustee Charboneau, to approve the minutes of the April 4th, 2011 Regular Meeting of the Board of Trustees. Discussion: None. Vote: All ayes. Motion carried.

2. EXECUTIVE DIRECTOR'S REPORT

Ms. Gahl-Mills thanked Karamu House for hosting the Board meeting. She welcomed Ms. Feldman to her first meeting as Board president, adding that she was delighted that Steve Minter has been reappointed to the Board.

Ms. Gahl-Mills, highlighting items from her more-detailed written report, stated that today's Board meeting would include several action items that continue to move CAC's agenda forward:

- Review and discuss staff's initial thinking on adjustments to the GOS program, as staff looks ahead to creating guidelines for GOS 2013-2014, which the Board will be asked to approve at the end of the calendar year.
- Ask the Board to approve the Spending Policy that has been in development since the fall of 2010,
- Approve a roster of panelists for the Project Support panel review, which will take place in October,
- And approve a new, two-year service agreement between CPAC and CAC.

Ms. Gahl-Mills stated that today each Trustee received a copy of the print version of the 2010 Report to the Community, along with a memo detailing how it was rolled out. She summarized the roll out plan:

- CAC's cultural partners were asked to distribute the report to their trustees and their staff, and the initial response has been very positive.
- CAC is working to extend the report's life in the media. Ms. Gahl-Mills thanked Galen Schuerlein and the team at Burges & Burges for their hands-on assistance during the rollout.
- CAC encourages Trustees – and other friends – to please forward this liberally to your friends and colleagues.

Ms. Gahl-Mills stated that she has also spent this spring building relationships with members of the state legislature, under the guidance of CAC's consultants at VanMeter Ashbrook, including:

- Speaker Bill Batchelder
- Senator Nina Turner
- Representative Nan Baker

- Senator Chris Widener
- Senator Tom Patton
- Representative Mike Dovilla
- Senator Kevin Bacon
- Senator Gayle Manning
- Representatives Amstutz and Carey
- Representative Anielski
- Governor Kasich’s policy director Ben Kanzeg

Ms. Gahl-Mills stated that since CAC’s Board retreat over a year ago, CAC has been working on parallel tracks: continually working to improve our existing grantmaking, while also beginning to explore new avenues for our work and better understand how CAC might contribute to creating a diverse and resilient cultural “ecosystem” that contributes to community well being.

Ms Gahl-Mills said that with Maureen Robinson’s help, CAC will convene a group of arts organization leaders to talk about resilience: what it looks like, how to value it, how to foster it, and how to sustain it. CAC envisions this as the first in a series of conversations with the arts and cultural community, adding that she looks forward to reporting on the findings both at the Board retreat and at the September Board meeting.

The Board retreat on June 22nd, again facilitated by Maureen Robinson, will give the Board the opportunity to wrap all of this work together: to recap the work of the past year, to evaluate our progress, and to set some priorities for the coming year.

3. CONNECT WITH CULTURE

Ms. Paulsen introduced Greg Ashe, Executive Director of Karamu House.

Mr. Ashe provided a summary of the activities taking place at Karamu House.

4. REVIEW AND DISCUSSION

Ms. Paulsen stated that CAC has begun its review of the GOS program in preparation for issuing the 2013-2014 guidelines. She stated today’s goal is to begin early stage discussions of the key issues outlined in the memo the Board received for today’s meeting. The ongoing conversations on this topic will inform the GOS 2013-2014 program and will to be examined in more depth in at the September Board meeting and formally approved at the December Board meeting.

BACKGROUND

During its June 2010 retreat, CAC’s Board of Trustees issued a challenge to staff to continually assess, improve and refine our grantmaking policies and processes. As such, CAC staff has spent the past year reviewing the current GOS program framework in order to guide policy for upcoming grant cycles. This assessment is based not only on four years of staff experience administering GOS, but external input as well. Specifically, CAC has: actively encouraged its cultural partners and other local nonprofits to offer feedback on the GOS program; researched information on best practices; and commissioned formal program evaluations—a GOS impact report from the Community Partnership for Arts and Culture (CPAC) using grantees’ Ohio Cultural Database Project data, and an external assessment from consultant Vincent Kitch, a previous GOS and PS panelist and recently named director of Seattle’s Office of Arts & Cultural Affairs. Ms. Paulsen stated CAC’s proposed Spending Policy, to be approve today and first presented to the Board at the June meeting, **“General operating support remains the primary means of fulfilling CAC’s mission.** The program provides the predictable and substantive support that sustains our arts and cultural institutions. GOS grants are also not replicated in institutional funding settings, so maintaining a high level of support for

this type of funding is key to ensuring the vibrancy of the institutional arts sector. Accordingly, CAC will continue to endeavor to invest the majority of our annual excise revenue in the GOS program”. Ms. Paulsen emphasized that **the issues outlined today, while important, serve as modest revisions—not dramatic overhauls—to a strong and vital program.**

FINDINGS AND OPPORTUNITIES FOR IMPROVEMENT

Through CAC’s review of the guidelines, three areas worthy of further discussion have been identified: 1) elevating public benefit; 2) rewarding organizational strength; and 3) incorporating grantmaking best practices. Ms. Paulsen outlined the three issues in detail and provided a timeline for CAC’s next action steps.

I. Define and Elevate Public Benefit

Currently, GOS funding is based on three equally-weighted criteria: 1) artistic/cultural excellence; 2) management practice; and 3) public benefit (sometimes referred to as community impact or engagement). Considering CAC’s role as a steward of public funds whose primary purpose is to serve the community, it merits strong consideration that we reconfigure the scoring system, weighting ‘public benefit’ more heavily than any other criterion. This finding is backed by external assessment and mirrors the practice of many public funding agencies.

CAC Action: In upcoming months staff will clearly define what is meant by public benefit and establish clear scoring criteria so nonprofits are better prepared to complete their applications. The resulting guidelines may return to some of the helpful language used in the 2008 funding cycle (originally written by CPAC). This definition sets clear expectations and requires applicants to demonstrate programming that, for example:

- addresses the educational, economic and cultural needs of the community and improves the quality of life for people who live in or visit Cuyahoga County;
- demonstrates cooperation and collaboration with other community organizations and local stakeholders; and
- reaches a clear and definable audience.

II. Reward Organizational Strength, Not Simply Growth

Examine Funding Formula

Currently, GOS grant awards are determined using a formula driven solely by an organization’s operating revenue. The more an organization earns per year, the higher its potential grant award. The formula is a solid starting point, but there is room for improvement. We recognize that simple bottom line growth is not always the answer. *While staff does not intend to recommend major changes to the formula, any modest shifts proposed should consider the complexities of nonprofit finances*, including the implications of longstanding deficits, substantial endowment draws, and general undercapitalization. Also taken into consideration is how the current formula impacts nimble, lean organizations that have made smart management decisions to reconfigure their operations (in effect making them eligible for less GOS funding).

CAC Action: CAC engaged the nationally respected Nonprofit Finance Fund (NFF) to examine the formula used by CAC and to explore potential mechanisms to award grants based on a more complete picture of organizational health (www.nonprofitfinancefund.org). Over the next three months CAC staff and NFF will evaluate and bring forth options for a revised GOS funding formula to our September Board meeting. All recommendations will stay grounded in our values of fairness and impartiality.

Make Scores Count

As the current funding formula was examined, it was clear that CAC should find a way to “make scores count.” Cultural partners and past panelists are vocal in sharing their frustration with the current process that treats scoring as essentially a pass/fail system. In the past two cycles, applications were scored on a 100 point scale. All organizations receiving a 75 or above were eligible for “equal” funding, as their budget size and the funding pool allowed. There was no reward for an organization that demonstrated exceptional ability to

meet the funding criteria, no penalty for squeaking by with mediocrity. Effectively, a score of 75 was the same as a score of 99.

CAC Action: When the Board reviews future GOS guidelines in November, it will likely see score-based merit funding incorporated into the proposed NFF formula referenced above.

III. Incorporate Grantmaking Best Practices

CAC is committed to continual improvement; we are open to examining what's working and what's not with our GOS grant process and funding criteria. As such, we must benchmark ourselves against our peers, aiming for alignment with national best practice, as identified by Grantmakers for Effective Organizations (www.geofunders.org) and comparison studies of other private/public funding entities.

Through an initial review, staff identified four grantmaking practices worth reconsidering:

- ***Customize Applications*** While the majority of questions will remain consistent for all applicants, staff will explore offering several discipline-specific questions in the next GOS cycle. For example, arts learning organizations would have the opportunity to provide detail on their curriculum and teaching artists, while neighborhood-based public art organizations could highlight their relationships with other community groups. This new practice stems from Kitch's GOS report, as well as CPAC recommendations for improving CAC's Project Support program.
- ***Reexamine Funding Private Colleges & Universities*** CAC is reexamining our position of funding private colleges and universities through our GOS program. As Board members will recall, this has been an ongoing point of discussion, one worth returning to in light of recent feedback from the external evaluation conducted by Vincent Kitch.
- ***Explore Program Audits*** Many public funders include third party program audits and objective staff notes in the panel adjudication process, as a way to present a more robust picture of each organization to outside panelists unfamiliar with the local landscape. Over the summer, CAC will explore mechanisms to integrate potential program audits (including both staff and volunteer evaluation) into future panels.
- ***Consider Ohio Experts*** National best practice indicates, and many grant applicants and former CAC panelists agree, that using a mix of in-state and out-of-state panelists may afford CAC the opportunity to infuse regional expertise and insight into the adjudication process while still maintaining the impartiality that is a hallmark of our work. Staff would recommend excluding any panelists from Cuyahoga County or any of the contiguous counties.

NEXT STEPS

This is an exciting time for CAC, as we build on our experience and plan for an even stronger GOS program in 2013-14 that is grounded in research and reflects community need. Between now and the end of the year, staff will conduct stakeholder meetings, solicit feedback (including a public comment period and more focused outreach to our cultural partners), as well as ongoing research to refine our recommendations. With Board feedback and guidance, staff will propose programmatic solutions, via ongoing policy discussions and memos. The process will conclude in December when we seek formal approval of new General Operating Support guidelines.

5. **BOARD ACTION**

Spending Policy Memo

Ms. Gahl-Mills asked the Trustees to refer to the Spending Policy Memo in their packets. She summarized, at the October 25th, 2010 meeting, staff put forward a framework for a spending policy that would govern how CAC spends the dollars managed by CAC. The policy was then vetted in a series of community forums in November, 2010. Matt Charboneau attended those forums with staff.

Ms. Gahl-Mills stated that the policy presented to the Board for approval is not materially different than what was presented at the public forums. At those meetings, the message that was stated clearly by attendees was “Don’t Mess with GOS”. As seen in the policy presented for approval, this feedback is incorporated.

Ms Gahl-Mills summarized the differences in the policy language, which was shortened and tightened, since it was last presented to the Board –

- GOS will continue to be the Majority of funds expended – cleaner than picking any percentage and more reflective of the intent.
- Updated 10th year funding amount
- Eliminated language about matching funds to tax receipts because it is administratively difficult.
- The policy will be in effect retroactively to January 1, 2011.

It is CAC’s intention to update this policy annually, likely at the time the budget is appropriated for the coming year.

Motion by Trustee Charboneau, seconded by Trustee Johnson, to approve the Spending Policy for CAC. Discussion: None. Vote: All ayes. Motion carried.

2012 Project Support Panelists

Ms. Paulsen stated that the Board had received a list of proposed panelists for the 2012 Project Support panel. She asked for a motion to approve the proposed panelists.

Motion by Trustee Minter, seconded by Trustee Charboneau to approve the 2012 Project Support panel pool. Discussion: None. Vote: All ayes. Motion carried.

CPAC Service Agreement

Ms. Paulsen presented details related the continued service agreement with the Community Partnership with Arts & Culture (CPAC). Ms. Paulsen summarized the key points provided in a memo to the Board:

- Relationship with CPAC has evolved – the kinds of services CAC needs have evolved over the past four years.
- This new agreement leverages CPAC’s core competencies around research, public policy & advocacy
- A lot of new work for and with CPAC is planned over the next two years.
- The increase in the contract amount is both appropriate and warranted
- Two year contract so that CPAC can staff and budget appropriately.

Motion by Trustee Johnson seconded by Trustee Minter to approve a two year contract with Community Partnership for Arts and Culture in the amount of \$150,000 annually. Discussion: None. Vote: All ayes. Motion carried.

Contracts

Ms. Harris informed the Board of the following contracts entered into since the last Board meeting:
Danielle Boyke- To perform an environmental scan of program audits. \$2,000

6. PUBLIC COMMENT

Next Meeting

The next meeting of the CAC Board of Trustees is scheduled for Monday, September 12th 2011 at 4:00 p.m. at Maltz Museum of Jewish Heritage, 2929 Richmond Road, Beachwood, OH 44122.

Motion by Trustee Minter seconded by Trustee Johnson to adjourn. Discussion: None. Vote: All ayes. Motion carried. Meeting adjourned at 5:10 p.m.

Sari Feldman, President, Board of Trustees

Attest:

Vickie Eaton Johnson, Secretary, Board of Trustees



Minutes of the Meeting of the Board of Trustees

Wednesday, June 22, 2011

A special meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 3:12 p.m. at the Cleveland Institute of Music, 11021 East Boulevard, Cleveland, Ohio.

The roll call showed Trustees Matt Charboneau, Sari Feldman, and Steven Minter to be present. It was determined that there was a quorum.

Also present were: CAC Staff: Karen Gahl-Mills, executive director, Jill Paulsen, director of grant programs; Donnie Gill, program manager; Meg Harris, director of administration and retreat facilitator, Maureen Robinson.

Ms. Gahl-Mills invited Joel Smirnoff, president of the Cleveland Institute of Music, to say a few words about the facility and the organization's work.

Ms. Gahl-Mills then introduced Maureen Robinson, facilitator, who led the board and staff in discussion per the attached agenda. Discussion ensued.

Trustee Chris Coburn arrived at 3:30 p.m.

Discussion continued.

Motion by Trustee Coburn, seconded by Trustee Feldman to adjourn. Discussion: None. Vote: All ayes. Motion carried. Meeting adjourned at 7:45 p.m.

Sari Feldman, President, Board of Trustees

Attest:

Vickie Eaton Johnson, Secretary, Board of Trustees

CAC Board Retreat

June 22, 2011

Agenda

Goals:

- Place the past year in strategic perspective
- Focus on the “most promising” investments that leverage CAC’s impact at the community and regional levels as well as nationally
- Assess the ongoing evolution of the board, its role and levels of engagement

I. CAC: Strategic overview

- Scope and scale of service in the county
- Refining mission/purpose
- New initiatives

II. Shaping long term value and impact

- Investing for community-wide impact
- Understanding and investing for resilience
- Active versus passive investment: risk capital, small bets, unconventional investments
- Facilitating public/private partnership

III. Recognition and influence as a strategy

IV. Strengthening the board’s role

- building effective engagement
- using meetings to generate discussions/advance decision making
- leadership succession

V. Next steps



Minutes of the Meeting of the Board of Trustees

Tuesday, August 30, 2011

A special meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 8:02 a.m. at the Global Cardiovascular Innovation Center, 10000 Cedar Ave., Cleveland, Ohio.

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

Also present were: CAC Staff: Karen Gahl-Mills, executive director, Jill Paulsen, director of grant programs; Stacey Hoffman, program manager; Meg Harris, director of administration and Nonprofit Finance Fund consultant, Nicole Simoneaux.

Ms. Gahl-Mills stated that the purpose of today's meeting was to review the current general operating support funding formula used by CAC and to hear a presentation on the proposed options for enhancement of the formula, developed by external consultant, Nonprofit Finance Fund. Ms. Gahl-Mills added that no decisions would be made at this meeting regarding the information presented today, that today's presentation was an informational session only.

Ms. Gahl-Mills introduced Nicole Simoneaux, director, pacific northwest & southwest, of the Nonprofit Finance Fund. Ms. Simoneaux presented the current general operating support funding formula and presented several options for enhancing the general operating support formula in order to include applicant score and organizational financial health in the determination of grant awards. Questions and discussion ensued.

Motion by Trustee Minter, seconded by Trustee Johnson to adjourn. Discussion: None. Vote: All ayes. Motion carried. Meeting adjourned at 9:50 a.m.

Sari Feldman, President, Board of Trustees

Attest:

Vickie Eaton Johnson, Secretary, Board of Trustees