



Minutes of the Regular Meeting of the Board of Trustees
Thursday, September 25, 2025

A meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 4:03 pm at the Cleveland Public Library, Louis Stokes Wing, 2nd Floor Learning Center, 325 Superior Ave., Cleveland, Ohio.

The roll call showed that Trustees Blakemore, DiCosimo, Isenhardt and Vernaci were present. It was determined that there was a quorum. Trustee Scott Taylor arrived at 4:10.

Also in attendance were: Jill Paulsen, Executive Director and CAC staff.

1. APPROVAL OF MINUTES

Action: To approve the minutes of the April 16, 2025 Annual Meeting of the Board of Trustees.

Motion by – Trustee Blakemore

Second by – Trustee DiCosimo

Vote: To approve the minutes of the April 16, 2025 Annual Meeting of the Board of Trustees.

Ayes: Blakemore, DiCosimo, Isenhardt, Vernaci.

The motion carried.

Action: To approve the minutes of the August 13, 2025 Special Meeting of the Board of Trustees.

Motion by – Trustee Vernaci

Second by – Trustee DiCosimo

Vote: To approve the minutes of the August 13, 2025, Special Meeting of the Board of Trustees.

Ayes: Blakemore, DiCosimo, Isenhardt, Vernaci.

The motion carried.

2. PUBLIC COMMENT ON MEETING AGENDA ITEMS

There was no public comment on today's agenda.

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Paulsen thanked everyone for joining her and the Board. Ms. Paulsen's remarks can be found in the board materials on page 9.

4. CONNECT WITH CULTURE

Mary Ann Ponce from Chagrin Documentary Film Festival gave an overview of her organization to the Board.

5. FINANCE AND ADMISTRATIVE MATTERS

Finance Report

Ms. Harris stated that tax revenue through August was \$12,372,311. This is \$783,994 (6.77%) above budget and \$6.5mil. above the same period in 2024, as the result of the increased tax on cigarettes. She added that on a per unit rate of comparison, the sale of cigarettes at the wholesale level is 2.06% lower than it was for the same period in 2024. She noted that the monthly rate can vary significantly, and the year-to-date figure is always used to update long term forecasts for projected future tax receipts.

She stated interest revenue was \$362,706 and that non-grant expenditures through August were \$656,400. Non-grant expenditures are under budget due to timing of payments.

Ms. Harris said that interest revenue is tracking below budget due to the withdrawal of funds invested earlier in the year, necessary for cash flow to make grant payments. She added that while deposits have increased due to the new tax, interest rates have gone down since last year, meaning that CAC is generating less interest revenue. She added that with anticipated additional cuts by the Federal Reserve in the next year, CAC expects to continue to see less favorable rates of return in the investments its limited to by the Ohio Revised Code.

Ms. Harris said the Audit and Finance Advisory Committee met on July 9. The committee reviewed the Committee Charter and Internal Financial Controls Policy and Procedures. There were no changes recommended to the policies. The committee agreed that adding an additional section to the monthly financial report to track cigarette unit history and year-over-year changes (vs. dollars) will help to track and inform forecasts resulting from the increased unit tax. She noted that CAC's annual audit should be released in the coming weeks.

Administrative Matters: Personnel Report

Ms. Paulsen stated that Eric Hoffman joined CAC in July as a grants manager and referred the Board to the personnel report that she provided to the Board. She asked for a motion to approve the report.

Action: To approve the personnel report dated September 25, 2025.

Motion by – Trustee Scott Taylor

Second by – Trustee Vernaci

Discussion: None

Vote to approve the personnel report dated September 25, 2025.

Ayes: Blakemore, DiCosimo, Isenhardt, Scott Taylor, Vernaci.

The motion carried.

Administrative Matters: Contract for Services

Ms. Paulsen stated she was seeking the Board's approval to enter into a contract with Elizabeth Russell, LLC for communications services to support Board and staff work in the amount of \$21,000. Ms. Paulsen noted that these services were included in the FY25 budget.

Action: To approve the contract with Elizabeth Russell, LLC in the amount of \$21,000 for communications services to support the Board and staff.

Motion by – Trustee Blakemore

Second by – Trustee DiCosimo

Discussion: None

Vote to approve the contract with Elizabeth Russell, LLC in the amount of \$21,000 for communications services to support the Board and staff.

Ayes: Blakemore, DiCosimo, Isenhardt, Scott Taylor, Vernaci.

The motion carried.

6. GRANTMAKING ITEMS

Discussion of Grant Allocation Strategy

Ms. Paulsen reviewed the memo on page 19 of the materials provided to the Board in advance of the meeting to facilitate a discussion related to the allocation to grant programs for 2026-2027. She stated that CAC's goal is to provide stability for the nonprofits CAC funds, as CAC manages a finite resource which will decline annually over the ten-year levy period.

The Board held a discussion on this topic and strategy and posed the following questions:

Is CAC prepared if revenues come much lower than the current ten-year projection?

Yes, CAC reviews and adjusts long-term projections as revenue is received. If collected revenues are much higher or lower than projected over the next two years, the Board would need to take this into account for the following allocation period 2028-2029.

How did you arrive at the projection of \$137 million over the ten-year period?

CAC uses a three-year look back at the cigarette revenue on a year-over-year basis. For the current projection the most recent data for 2025 is being used, which is only 8 months, averaged with the tax receipt changes (all decreases) from the prior periods. This is then applied moving forward. This figure is always changing to reflect the most recent three-year average.

How would CAC pivot if tax receipts are very different than projections? Is there a strategy for this?

The CAC board closely follows the financial implications of the agency's tax revenue projections at every meeting and, as a result, is able to revisit its planned grant allocation every two years. The revenue decrease is a slow-moving change, but cumulative over time. CAC has been using this framework since its inception but this time considering the decrease in revenue over time with the goal in mind of having a level grant allocation over time, versus a declining one.

What are we hearing from grant recipients regarding their respective financial positions? What does CAC need to do given the current environment?

Arts and culture grantees continue to share that dollars are tighter, on par with other nonprofit sectors. Our recommendation is to invest long term so we can be the steady, reliable source of multi-year funding. There will always be more of a need than we could ever address.

7. PUBLIC COMMENT ON CAC BUSINESS

No public comment.

ADJOURNMENT

Motion by Trustee Blakemore, seconded by Trustee Scott Taylor, to adjourn the meeting.

Vote: all Ayes. The motion carried. The meeting was adjourned at 5:21 pm.

Attest:

Leonard DiCosimo, Secretary, Board of Trustees