



Minutes of the Regular Meeting of the Board of Trustees
Wednesday, September 13, 2023

A meeting of the Cuyahoga Arts & Culture (CAC) Board of Trustees was called to order at 4:03 pm at the Cleveland Public Library Main Branch, 2nd Floor Conference Room B, 325 Superior Ave., Cleveland, OH.

The roll call showed that Trustees Blakemore, Mendez, Scott Taylor, and Sherman were present. It was determined that there was a quorum. Trustee Isenhart was absent due to illness.

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

Board President Mendez welcomed Katie Semo from the Ohio Auditor State's office. She presented the Ohio Auditor of State Award to Cuyahoga Arts & Culture. Ms. Semo stated that only ten percent of audited entities receive this award annually and that it is an achievement.

President Mendez welcomed the audience to the meeting.

1. APPROVAL OF MINUTES

Motion by Trustee Scott Taylor, seconded by Trustee Blakemore, to approve the minutes from the April 19, 2023 Annual meeting.

Discussion: Trustee Sherman stated that she believes the recording of the meeting should serve as the meeting minutes rather than the current method of presenting typed minutes.

Vote: Ayes: Blakemore, Mendez, Scott Taylor; Nays: Sherman. The motion carried.

2. PUBLIC COMMENT ON MEETING AGENDA ITEMS

Public comment was made by:

Liz Maugans, artist

Dale Heinen, BorderLight Theatre Festival, project support grant recipient

Rebecca Gruss, Valley Art Center, general operating support grant recipient

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 packet.

4. BOARD ACTION – Finance and General Business

Finance Report

Ms. Harris stated that tax revenue through August 31 was \$6,736,251. This is \$523,249 (7.2%) below forecast and \$678,531 (9.2%) lower than the same period in 2022. The rate of decrease over the prior year is 9.2% YTD. Interest revenue through August was \$348,541 which is \$53,541 (18.5%) over forecast. This

is the result of increases in interest rates. She stated that expenditures for non-grant expenses were \$624,059 and are tracking \$66,570 below budget primarily due to timing of payments.

Trustee Sherman asked where she could see the balance of the reserve in the financials. Ms. Harris responded that the general fund balance (or reserve) is on the balance sheet and is approximately \$10.5mil. Ms. Harris said grants are recorded at the beginning of the fiscal year which reduces available funds. Funds are then built back up with monthly tax receipts over the following year. She stated that CAC needs to have funds on hand to make grant awards (enter into contracts), after which the general fund or reserve will be reduced to approximately \$1.6mil.

Personnel Report

Ms. Paulsen stated that Dayvon Nichols joined CAC in June 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.

Motion by Trustee Mendez, seconded by Trustee Scott Taylor, to approve the personnel report dated September 13, 2023.

Discussion: Trustee Sherman asked who Mr. Nichols replaced. Ms. Paulsen said he replaced Johnnia Stigall. Trustee Sherman requested an organizational report along with job descriptions for each staff person to understand what work they do. Ms. Paulsen said she could provide this if the Board wished. Trustee Mendez asked that this be provided at the next board meeting.

Vote: Ayes: Blakemore, Mendez, Scott Taylor. Nays: Sherman. The motion carried.

5. OTHER UPDATES

R Strategy Update

Jeff Rusnak, Founder and Principal of R Strategy Group, provided the Board with an update on his work with CAC, Assembly for the Arts, and the Assembly for Action regarding the plans for a new levy. The update, including a recommendation for CAC's Board to consider a potential levy in November 2024, questions and answers and discussion with the Board lasted from approximately 4:33 p.m. until approximately 4:56 p.m.

Topics discussed and Mr. Rusnak's responses:

- Levy timing: 2024 primary is in March (not May) which is too soon for an arts levy. The groundwork is not yet done, building a campaign structure takes time. R Strategy does not advise doing a campaign in six months.
- Resources needed: previous campaigns \$1.4 – 1.5M. CAC cannot contribute as a public body.
- Roles: CAC makes decision, council approves it, advice comes from Assembly.
- Tax amount: Still needs to be determined.
- Need to demonstrate impact of arts on youth: use of data to demonstrate impact.
- Need to address public health: Taxation has strong public health benefit.

Board Discussion: 2024-2025 Allocation Scenarios

Ms. Paulsen presented the background of where CAC is today and what some possible future options are for next year's allocation and implications of each. The presentation of scenarios (see board materials) including questions, answers and discussion lasted from approximately 4:57 until approximately 5:57 p.m.

Ms. Paulsen's presentation included the following information, based on a memo in the Board packet:

- Anticipated tax revenue continues to decline. It is 50% less than when CAC first started and 9% less this year than last year, through August.

- The General Operating Support allocation has been the same for the past six years at: \$10.2mil annually. During this same period, CAC revenue has declined by 30%. Other grant areas have had cuts.
- The Ohio Revised Code states that CAC must have received the money it needs to cover its contracts (grant agreements) before making grants. This is a state law.
- A successful November 2024 levy would mean increased tax receipts starting in March 2025. Therefore, potential additional funds are not included in the models, given the timing and other considerations listed above.

Ms. Paulsen presented to the Board for its discussion three general scenarios for 2024 and 2025 funding approaches. She noted that staff is looking to the Board to set direction heading into grantmaking in November.

Trustee Sherman motioned to have Ms. Paulsen formalize notes and that the Board have two meetings in the next month for the cohorts of grantees to respond to what they want and to have Mr. Rusnak and Mr. Bidwell prepare forecasts of revenue from new levy. There was no second to the motion.

Trustee Blakemore motioned to proceed with scenario two: an estimated grant allocation for 2024 and 2025 of approximately \$11.1mil. per year, second Trustee Scott Taylor.

Discussion: Trustee Scott Taylor asked Ms. Paulsen to share the implications of moving forward with scenario two. Ms. Paulsen responded that this model is consistent with community feedback of a preference for consistent multi-year grants. This approach allows CAC to put the most money into the community over the two-year period. Trustee Scott Taylor asked what this meant for funding for artists. Ms. Paulsen said the funding would remain the same for the next two years [2024 and 2025].

Vote: Ayes: Blakemore, Mendez, Scott Taylor. Nay: Sherman.

Assembly for the Arts

Jeremy Johnson, President of Assembly for the Arts provided an update on their CAC grant for artist community planning and engagement. The update, including questions, answers, and discussion with the Board lasted from approximately 5:58 p.m. until approximately 6:07 p.m.

8. PUBLIC COMMENT

None

9. ADJOURNMENT

Motion by Trustee Sherman seconded by Trustee Blakemore, to adjourn the meeting at 6:07 p.m.

Vote: Ayes: All Nays: None. The motion carried.

Attest:

Michele Scott Taylor, Vice President