



**Regional Arts Commission
Executive Committee Minutes
July 17, 2024 via ZOOM
8 a.m.**

Continued from July 11, 2024 meeting.

Call to Order & Roll Call – Johnson & Sutherlin

Johnson called the July 17, meeting to order at 8:03 a.m.

Committee Members in Attendance

Roz Johnson, chair, Jerry Gennaria, Tino Ochoa, secretary, John Russell, treasurer, Sam Fiorello, Member-at-Large, Andréa Purnell, Member-at-Large

Yea – Johnson, Gennaria, Ochoa, Russell, Fiorello, Purnell

Nay – none

Abstain - none

Staff Attendees

Vanessa Cooksey, Rita Dillard, Ann Haubrich, Angie Peters

Others in Attendance

Rick Gratza, KEB

Johnson reminded that this meeting was a continuation of the Executive Committee Meeting held on July 11, 2024, and asked Cooksey to revisit agenda items 4, 5 and 6.

Cooksey reminded that a robust conversation was held at the July 11 meeting about revenue trends, and that she would provide an update for members of this committee who were unable to attend. Cooksey also reminded that the July 11 recording had already been sent to this committee.

Revenue Trends (Cooksey)

Cooksey shared that as of the date of this meeting (7/17/24), RAC still had not received any communication from Explore STL regarding the June or July revenues.

Review Resolution for Unrestricted Net Position (All)

Cooksey noted, as follow-up to the June 20 full Board meeting conversation, RAC's unrestricted net position, (included in the packet for this meeting) as follows: (1) unrestricted net position range was updated as part of the fiscal policy approved by the full Commission at its March 14, 2024 meeting; and (2) RAC is within the 25% minimum and 60% maximum range. Cooksey asked Gratza to comment.





Gratza noted that the policy was adopted approximately five or six years ago with the minimum at 10% and the maximum 25%, and with this revision in March 2024, the minimum increased from 10% to 25%, and the maximum increased from 25% to 60%.

Russell added historical context by noting that the policy was put into place pre-Covid because of high cash reserves. He added that the reason for the recent change is because of the fluctuation and uncertainty of cash coming in from Explore STL.

Cooksey thanked Russell for the context and added that because of RAC's current financial situation, both the continued decline in business travel, and delay in convention travel, and the situation RAC is now in with Explore STL not sending Hotel/Motel Tax Revenue on time, flexibility to increase cash reserves is important to be able to run the business.

Gratza then gave an update on unrestricted cash and annual budget expenses as related to the current policy.

Open discussion was held as follows: (1) ending cash balance after grants processed following the last Executive Committee meeting [7/11/24]; (2) staff continues to be disciplined and thoughtful with spending toward saving dollars; (3) Explore STL delay in sending Hotel/Motel Tax Revenue; (4) lack of response from Explore STL; (5) possible meeting of RAC chair and Explore STL chair; (6) unrestricted net position policy compliance; and (7) grant disbursement policy.

Review Resolution for Investment of 6128 Delmar Building Sale Net Proceeds (All)

Cooksey noted, also as follow-up to the June 20 full Board meeting conversation, the revised Resolution for Investment of 6128 Delmar Building Sale Net Proceeds, (included in the packet for this meeting) does account for greater flexibility in terms of use of the proceeds for RAC to designate those funds for specific use versus the original resolution which was specifically noted, 'to purchase real estate.' Cooksey then reviewed the following: (1) transactions that require Finance Committee approval, (2) her [Cooksey's] scope of decision making; (3) reputation management; (4) approach and thought process to managing RAC's finances with a focus on ending cash balance and commitment to deliverables at the end of the year – while looking at different revenue options coming into the organization; and (5) intentionality about savings.

Cooksey then welcomed feedback from this Committee.

Open discussion held regarding the following: (1) question/concern raised during June 20 full Board meeting regarding Cooksey's scope and permission to take action as it relates to Resolution for Investment of 6128 Delmar Building Sale Net Proceeds; (2) continued transparency in operations; (3) review of Division of Responsibilities [included in the packet for this meeting]; and (4) possibly include President & CEO management and focus of control for decision making in September 2024 full commission meeting packet.

Theory of Change Update (Cooksey)

Cooksey reminded that much of the content for Theory of Change was generated during the June 14 Board/Staff Retreat and that this presentation was the first draft and had been emailed to this Committee following its July 11





meeting. Cooksey welcomed feedback from this Committee in terms of next steps in moving this work forward, then shared, in detail, the Theory of Change (TOC) Update/PPT as follows: structure - including inputs, activities, outputs, outcomes and impact/goal.

Feedback from Committee members included the following points: (1) the retreat was beneficial for collaborating with fellow commissioners and staff, leading to a deeper understanding of RAC's past, present, and future direction; (2) suggestion to revisit the work of the group during the retreat, particularly focusing on expanding RAC's scope as a grantmaking organization; (3) committee members highlighted RAC's adaptability in terms of capacity, building, education, and other ongoing activities; (4) emphasizing the importance of concentrating efforts on specific areas where RAC can have the most impact; (5) acknowledging grantmaking as the cornerstone of RAC's operations while also recognizing the significance of other initiatives; (6) possibly broaden the language; (7) structure of TOC is forward-thinking - pleased with progress and direction; (8) TOC is the vision casting portion of the strategic plan; (9) TOC is a way to use the power of RAC dollars; (10) TOC gives RAC the room to grow and expand; and (11) set guidelines and rules should be followed specifically.

Cooksey added that the TOC is evolution as opposed to revolution, and that this feedback will be shared with Dr. Harvey.

Adjournment

Motion made by Gennaria, seconded by Purnell, and unanimously approved to adjourn the July 17, 2024 Executive Committee meeting at 9:04 a.m.

Votes were as follows:

Yea – Johnson, Gennaria, Ochoa, Russell, Fiorello, Purnell

Nay – none

Abstain - none

Submitted by

L. Sutherlin (per recording)

Exec. Asst. & Commission Administrator

ATTACHMENTS

- Executive Committee Meeting Minutes, February 28, 2024
- Resolution for Unrestricted Net Position
- Resolution for Investment of 6128 Delmar Building Sale Net Proceeds
- Fiscal Policy – Budget Approval





**Regional Arts Commission
Executive Committee Minutes
July 11, 2024 via ZOOM
8 a.m.**

Call to Order & Roll Call – Johnson & Sutherlin

Johnson called the July 11, meeting to order at 8:03 a.m.

Committee Members in Attendance

Roz Johnson, chair, Jerry Gennaria, vice chair, John Russell, treasurer, Sam Fiorello, member-at-large

Yea – Johnson, Gennaria, Russell, Fiorello

Nay – none

Abstain - none

Committee Members Absent

Tino Ochoa, secretary

Purnell, member-at-large

Staff Attendees

Vanessa Cooksey, Rita Dillard, Angie Peters, Lea Sutherlin

Approval of February 28, 2024 Minutes

Johnson called for a motion to approve the minutes from the February 28, 2024, Executive Committee meeting.

Motion made by Russell, seconded by Fiorello, and unanimously carried to approve the February 28, 2024 Executive Committee minutes. Votes were as follows:

Yea – Johnson, Gennaria, Russell, Fiorello

Nay – none

Abstain - none

Johnson then called for the following reports:

Revenue Trends (Cooksey)

Cooksey noted that this report would provide a mid-year update on cash flow and other documents and noted that this information would be sent to this committee following the meeting. Cooksey then reviewed in detail, the Revenue Trends PPT and concerns of management as follows: (1) June CFA with potential savings for the year; (2) staff doing a good job of being disciplined and thoughtful of spending because of the Explore STL forecast; (3) cont ext on flooding at 6128; (4) necessary spending only; (5) grants budget; (6) anticipated end of year balance;





(7) revenue short of forecast; (8) better than expected interest income; (9) additional revenue anticipated with 50/50 raffle; (10) revised forecast from Explore STL; (11) Hotel/Motel Sales Tax Revenue update/June and July not yet received, and Program Support Grants and Organization Support Grant payments due in July 2024 – question to hold or disperse – as disbursement will result in a cash ending cash balance reminiscent of early pandemic; (12) Explore STL leadership/general management concerns; (13) increase in demand for artist support grants - next round to be paid in December; and (14) regular updates on responses from grantees, based on declines, are given to Johnson as Board Chair, and Gennaria as Board Vice Chair and Chair of the Grants Committee.

Review Resolution for Unrestricted Net Position

Cooksey noted, as follow-up to the June 20 full Board meeting conversation, RAC's unrestricted net position, (included in the packet for this meeting) as follows: (1) unrestricted net position range was updated as part of the fiscal policy approved by the full Commission at its March 14, 2024 meeting; and (2) RAC is within the 25% minimum and 60% maximum range.

Review Resolution for Investment of 6128 Delmar Building Sale Net Proceeds

Cooksey noted, also as follow-up to the June 20 full Board meeting conversation, Resolution for Investment of 6128 Delmar Building Sale Net Proceeds, (included in the packet for this meeting) as follows:

Use of Earned Interest and Proposed Building Proceeds for Possible Endowment

(1) The amended building proceeds policy provides RAC the flexibility to leverage the \$2 Million for operations, if needed, because of the delayed revenue situation with Explore STL; (2) staff continues to be disciplined and thoughtful with spending toward saving dollars; (3) RAC is in the process of distributing ARPA funds to arts organizations in the City; (4) all ARPA mural contracts have been paid; and (5) will wait until end of year for broad announcement of grantmaking because of the dynamic of what is happening with delay of receiving Hotel/Motel Tax Revenue.

Discuss Necessary Approvals for Use of Building Proceeds Designated for Operations

Cooksey then shared her belief that payment of Program Support Grants and Organization Support Grants should be made on time and requested a dialogue from this committee.

Open discussion was held as follows: (1) cash flow/timing issue due to Explore STL delay of sending Hotel/Motel Tax Revenue; (2) discourage operational cuts and focus on how to manage cash flow; (3) leveraging building proceeds as a line of credit and terms of repayment; (4) reasoning for Explore STL delay in sending Hotel/Motel Tax Revenue; (5) communication and staff challenges at Explore STL; (6) challenges affecting convention and business travel; (7) need for short term and long term revenue solutions; (8) diversifying funds and increasing funds from other areas; (9) possible meeting with Explore STL Board chair; (10) review of statute; (11) reputation risks associated with delaying Program Support Grants and Organization Support Grants; and (12) RAC's fiscal responsibility.

Johnson noted that it is important to protect RAC's integrity and image and reminded that Cooksey does a great job of communicating. She (Johnson) also noted that Cooksey has authority to make real time decisions and that it



would be incumbent for (Cooksey) to continue sharing with this committee the filter used to make those decisions.

Theory of Change Update

Due to time constraints, Committee members in attendance agreed to reconvene on July 17 for the Theory of Change Update and to revisit Resolution for Unrestricted Net Position, and Resolution for Investment of 6128 Delmar Building Sale Net Proceeds.

Fiorello left meeting at 8:56 a.m.

Adjournment

Motion made by Gennaria, seconded by Russell, and unanimously approved to adjourn the July 11, 2024 Executive Committee meeting at 8:59 a.m.

Votes were as follows:

Yea – Johnson, Gennaria, Russell

Nay – none

Abstain - none

Submitted by
L. Sutherlin, Exec. Asst. & Commission Administrator

ATTACHMENTS

- Executive Committee Meeting Minutes, February 28, 2024
- Resolution for Unrestricted Net Position
- Resolution for Investment of 6128 Delmar Building Sale Net Proceeds
- Fiscal Policy – Budget Approval