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REGIONAL ARTS
COMMISSION OF ST. LOUIS



**Regional Arts Commission
Finance Committee Minutes
April 5, 2021 @ 9:00AM via ZOOM**

Attendees

→ John Russell, Jerry Gennaria, Mont Levy

Staff: Vanessa Cooksey, Rita Dillard, Chloe Smith

Other: Rick Gratza, KEB, Lea Sutherlin, Admin Consultant

Call to order: John called meeting to order at 9:00 a.m.

KEB Finance & Accounting Update

2021 Cash Flow Update/990 Update/Employee Retention Credit (ERC)/ Q1 Management Report Reminder:

Russell asked Gratza to provide updates.

Gratza: Presented fiscal report for January – February 2021; hotel/motel revenue came in \$200K less; \$1.9M in cash reserves; budgeting low point in cash at approximately \$700K; budgeted revenue is from Explore St. Louis forecast.

→ Reminded Commission, that in order to receive an ERC, an employer must qualify as an “eligible employer.” An employer can receive a credit equal to 50% of the first \$10,000 of Qualified Wages paid per employee in the aggregate for all such quarters. The maximum ERC for all of 2020 would be \$5,000 per employee receiving Qualified Wages.

For 2021, an employer can receive 70% of the first \$10,000 of Qualified Wages paid per employee in each quarter. The maximum ERC for each such quarter would be \$7,000 per employee receiving Qualified Wages, and the maximum ERC for 2021 would be \$28,000 per employee receiving Qualified Wages.

The main question is whether or not RAC is eligible. He has reached out - but received no guidance to date from Tax Group and RAC auditors Brown, Smith & Wallace in making that determination.

Cooksey: Any additional resources would be useful; question to this Committee as to whether or not RAC should apply.

Gratza: Worst case scenario would be ineligibility and asked to pay it back.

Russell: Asked how long it would take to complete the forms.

Gratza: Not time consuming; must also include 990 which is currently being updated.

Levy: No down-side other than timing in paying back if required to do so.

Russell: If required to pay back, can be done out of RAC reserves.

Cooksey: Thanked this Committee for guidance to explore and pursue ERC for RAC.

Next steps:

Action item 1: Gratza will complete update to 990.

Action item 2: Gratza will complete ERC application (due by May 15), he will complete and request review by the Finance Committee and the Board prior to submission.

FY20 Final Audit Report Review: Russell asked Cooksey to provide updates.

Cooksey: Final corrections have been made to the audit review. As required by the statute, the audit will be sent by the second (2nd) Monday in April to the Governor, Mayor, County Executive and Board of Aldermen. She has tweaked the cover letter drafted by Lea and Rick, and will ensure audits are sent by the deadline.

Levy: Suggested capitalizing S.T.E.A.M., moving forward, in the audit letters.

Cooksey: Concurred.

Fund Development Strategy Discussion: Russell asked Cooksey to report.

Cooksey: Staying on top of \$135M American Rescue Plan; leader NEA mentioned guidelines for grant coming out in April; good opportunity for RAC to apply for additional resources; asked Commissioners what to pursue first as local and federal grants are important. She also asked for approval to hire a federal grant writer.

Levy: Asked about flow of funding coming into the City of St. Louis and how RAC can plug into those dollars.

Cooksey: Researching daily with other key stakeholders; intentional strategy around government relations is important; being able to articulate how to move RAC forward will be important with the next mayor; there could/should be an allocation to RAC through these dollars.

Russell: Recently learned that the Ford Foundation has changed its giving guidelines; might be good to watch closely.

Cooksey: Thanked Russell for that info and noted this is why greatest/current need for RAC is a good grant writer.

Russell: Consider possibly hire someone part-time or per project.

Cooksey: Kellie Trivers and Stephanie Riven have both offered support and suggested candidates; will start with securing government grant writer – national/local; then research national foundations.

Community Resource Center Building Strategy Discussion

Discussion held regarding guidelines and path forward for the Community Resource Center Building; Ad Hoc Facilities Committee will begin meetings.

Cooksey: Asked of any financial constraints if building is sold and results in large sum of cash/revenue. She also asked this Committee if cash from sale can be used to bolster the RAC cash reserve to weather the storm resulting from COVID.

Gennaria: It is his opinion that cash from a sale could go into reserves.

Russell: Concurred.

Levy: As example, set up fund for Arts & Education.

Russell: Possibly create a segregated account.

Gennaria: Or specifically identify use of the building.

Levy: Several stakeholders feel strongly about keeping and using the building; he anticipates a strong debate around this issue.

Gennaria: Basic ideal of building vs. space...important to have space for RAC to have a physical presence and host programs – not necessarily mean the current building, but possibly somewhere more integrated into the community.

Cooksey: Possibly adjust fiscal policy based on influx of cash; needs to be addressed by Finance Committee once decision is determined and based on current situation.

Gratza: Reminded that policy can always be amended by the Board.

Russell: Next Finance Committee meeting will be held in May.

Levy: Will set up Ad Hoc Facilities Committee meeting.

The Finance Committee meeting ended at 9:31 a.m.

Submitted by Lea Sutherlin
Administrative Consultant

Attachments

- April 2021 Finance Committee Meeting Agenda
- 2021 Cash Flow
- Final FY20 Audit