

**Regional Arts Commission
Finance Committee Minutes
Monday, May 9, 2022 @ 9:00AM via ZOOM**

Attendees:

Rhonda Adams, Sam Fiorello, Cheryl Walker

Absent:

John Russell, Chair, Jerry Gennaria

Staff: Vanessa Cooksey, Ann Haubrich, Rita Dillard, Jay Scherber, Chloe Smith, Lea Sutherlin

Other: Rick Gratza (KEB), Trish Donovan (KEB)

Call to order

In the absence of Russell, Walker called the meeting to order at 9:03 a.m.

Review and Recommendation to approve Finance Committee Meeting Minutes, March 7, 2022

Walker called for approval of the March 7, 2022, minutes.

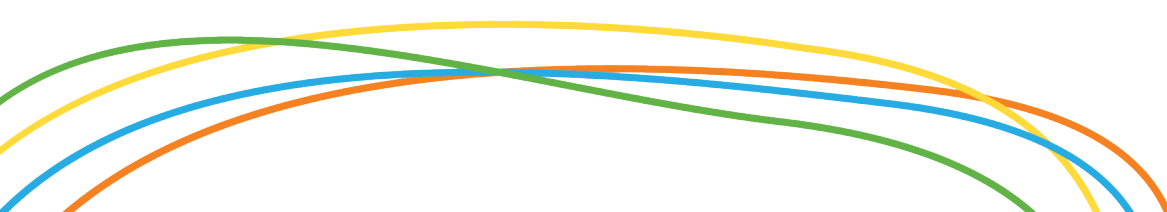
Motion made to approve the March 7, 2022, Finance Committee meeting minutes by Fiorello, seconded by Carter-Adams and unanimously approved.

Walker asked Gratza to present the following:

April 2022 Cash Flow Update (KEB)

Gratza reported on the April 2022 cash flow update included in the Board packets and highlighted the following: (1) Hotel/Motel Sales Tax revenue; (2) ending cash balance 43% of annual budgeted expenditures; (3) payroll and employee benefits for the year – under budget; and (4) anticipated year end cash totals.

Discussion held regarding payroll and employee benefits budget; the need for skill sets and infrastructure to support seven (7) new hires; and providing senior managers time to determine needs for their areas culturally, policies and procedures, onboarding, etc.



PPP Loan Update

Gratza shared amounts that will be forgiven, along with amounts repayable at an interest rate of 1% for the second PPP Loan.

FY22 Q1 Management Report

Gratza presented the first quarter Management Report; explained that report looked a little different from past reports due to formatting and basis of accounting; highlighted the following: (1) increase in revenues from the prior year; (2) miscellaneous income; (3) recap of expenses based on General Operating Support Grants and Program Support Grants; (4) cash balances for the year; (5) unrestricted net position threshold and baselines; and (6) administrative expenses and timing of disbursements.

Discussion held regarding possible short term cash investments; how to maximize cash holdings; diversifying revenues (as discussed at the March Finance Committee meeting); and legal consultation on reserves and endowments.

Cooksey noted that a report-out on possible near term and long-term cash investments will be made at the June or July Finance Committee meeting.

Gratza continued highlights of the first quarter Management Report as follows: operating revenues; contributions and grants; operating expenses; Strategic Plan priority investments; and variance between budgeted and cash.

FY21 990 Draft Review (KEB)

Gratza reported that Brown Smith Wallace prepared the 990 which has been reviewed by the management team; includes financial information, policy information, narrative; 990 aligns with - and reconciles with, the audited financial statement.

Cooksey then highlighted differences in the FY 2021/990 (included in the packet for this meeting) versus last year. She noted that the grants management system will be reflected in the FY2022/990.

2022 Grants Budget Update (Cooksey)

Cooksey noted that RAC is nearing completion of this year's grant making process; pleased with the number of grant applications received – particularly Program Support; more requests than money for Artist Support Grants (ASG); made recommendation to Grants & Programs Committee that because of positive revenue, funds be added to grants budget for both ASG and PSG; does not require a vote because will not impact bottom line of approved 2022 budget. Cooksey then shared report and recommendation made to Grants & Programs Committee.

Walker provided clarity on review process for ASG.

Cooksey showed breakdown of ASG applications received and noted that all art disciplines were represented among applicants.

Carter-Adams noted the review process provided her more insight and connection to the artists in the community.

Cooksey showed breakdown of PSG applicants received. She then shared next steps including (1) completion of meetings with reviewers; (2) grantee appeals; (3) will submit full list of both for approval at June Commission meeting; (4) press announcement; and (5) checks cut and distributed by end of June. She then extended kudos to A. Haubrich and C. Smith; and appreciation for Purnell's leadership in getting through this process.

Fiorello asked if winner demographics will be posted.

Cooksey noted that L. Deichmann is helping with evaluation process and helping to determine where that type of information could be captured.

Haubrich noted that Grants staff is beginning to capture and working with L. Deichmann on how to best frame and communicate that information; noted that it is a very diverse group of people and disciplines.

Cooksey reminded that RAC has started its AEP6 – Arts and Economic Prosperity study work with the Americans for the Arts; significant amount of work being done ensuring diverse audiences are being captured through an equity task force launched this year in conjunction with the study; includes audience intercepts and financial data collection from organizations requiring percentages from BIPOC and ALANA audiences; RAC will use information from this experience as a key factor in communicating and promoting grants opportunities, evaluating and reviewing applications and final reports; will provide a deeper dive at the August Commission meeting.

Open Discussion

Walker called for additional open discussion.

Fiorello congratulated Cooksey and Team for doing an amazing amount of work with few staff members.

Adjournment

Motion made by Carter-Adams, seconded by Fiorello, and unanimously approved to adjourn the May 9th Finance Committee at 9:42 a.m. Walker reminded that next full Board meeting will be on May 12th.

RAC



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

Attachments

- Finance Committee Meeting Minutes, March 7, 2022
- April Cash Flow Spreadsheet
- FY22 Q1 Management Report
- FY21 990 Draft