

**Bend Cultural Tourism Fund
Commission Meeting
Approved Minutes
October 17, 2018 – 10:00am to 12:00pm
Bend Environmental Center, Audubon Room
16 NW Kansas Ave, Bend, OR 97703**

In attendance: Noelle Fredland; Erin Felder; Michelle Mercer; Zak Boone; Kiel Fletcher; Mindy Aisling; Jenny Malone; Rika Ayotte; Jenny Green; Aaron Switzer, by telephone; Laurel MacMillan, Administrator; Shari Crandall, Minutes.

Absent: John Flannery; Kevin Barclay.

Guests: Scott Greenstone, Greenstone Financial Reporting; Dani Wyeth, Tower Theatre Foundation; Scott Brees, Network 911; Heidi Hagemeyer, High Desert Museum; Judy Campbell, Campbell Consulting Group.

The meeting was called to order at 10:03am.

Fredland opened the meeting. Introductions were made. Fredland is resigning from the Bend Cultural Tourism Fund Commission to become Chair of the Visit Bend Board; Old Mill District has appointed Erin Felder to replace Fredland.

Because Switzer was traveling and had to attend by telephone, the order of the agenda was changed to best cover the agenda items while Switzer was available.

I. Public Comment (3 minutes each)

Brees, Network 911, addressed the company's 2018 catalyst grant application. After the application did not receive funding, Brees requested, received, and reviewed commissioner scorecards and feedback; he understood Network 911 would not have reached the point level to receive funds. However, he felt he was not given an opportunity at the meeting on June 11, 2018, to explain the application as it applied to Bend's culture and tourism. He then gave an example how Network 911's proposal would have aided one of Bend's arts organizations this last year. He noted that the BCTF catalyst grant is not a traditional model. He encouraged the Commission to review the current process to better meet the intent of the grant. He finished by stating Network 911 would again apply this year and thanked the Commissioners for the work they do.

II. Budget Report – Scott Greenstone: FY 2019 as of September, 2018

Greenstone presented the "Bend Cultural Tourism Fund Financial Reporting Package, September 2018 [Package]."

Greenstone noted FY19 is now at the first quarter mark. The Package is a budget almanac that captures historical, current, and future financial projections and the grant amounts pledged, paid and unpaid. His presentations to the Commission are to provide an overview of the Package. If commissioners have any questions, he will be happy to answer them.

Due to an anticipated economic slowdown, the current budget is conservative with a revenue projection of 2% above last year. Year to date revenue is currently about 4% ahead of the budget based on the transient room tax, while expenses are behind budget. (See Package, p3) However, timing rarely aligns with the budget until the end of the fiscal year when the numbers are trued-up at which time he foresees the expenses will be close to those budgeted.

\$205,000 was pledged in FY18. Currently, FY19 revenue is budgeted for \$190,000. Since this number is conservative, revenue may actually be higher. Further, BCTF will always have a cash surplus ahead of payout which could add an additional \$5,000-\$10,000, if desired. BCTF will have the ability to reevaluate the available grant funds throughout the year.

To a query whether the BCTF budget is posted online, Greenstone stated the budget has not been posted in the past. MacMillan will speak with Visit Bend to see if future budget reports should be posted online.

To a query regarding the software subscription expense, Greenstone noted BCTF receives an annual bill that is then distributed monthly across the expense line.

Fredland noted three grantees have not submitted final reports from FY18 (see Package, p8). She further noted the Commission had changed the policy to allow 30 days following grantee's "event" for grantee to submit its final report and receive the remaining 25% payment.

MacMillan stated she has been in contact with the outstanding FY18 grantees. A grantee had a tech problem and is now out of town; other delays in obtaining final reports may have occurred during the transition between Planchon and herself.

Per Greenstone, grantees to date have not forfeited pledged funds. He also noted High Desert Museum has an unpaid balance from FY17.

Commissioners discussed the need to provide consistent application and adherence to policy. If there is a known failure to report, resulting in potential forfeiture, BCTF needs to report to Valerie Warren at Visit Bend and/or to Greenstone to create a new revenue "bucket" in which to reabsorb forfeited funds during the current fiscal period. There was a suggestion that current outstanding grantees be given notice and/or granted a grace period, thereafter BCTF needs to institute a firm policy in which future grantees may incur forfeiture of funds. Since the unpaid funds could have been awarded to other grantees at time of scoring, a query arose whether BCTF should discuss a stricter policy that concerns future grants for grantees who have failed to timely meet the final report criteria.

Commissioners agreed BCTF policy needs to reflect a potential forfeiture of funds if a grantee does not meet the 30-day final report requirement. It was agreed that the Executive Committee would review the current policy and make a policy-change recommendation to the Commission at the next meeting. In the interim, MacMillan will contact High Desert Museum and report back to the Commission.

III. Policy Issues

a. Executive work session before public meeting

Events that occurred following the June 11, 2018 grant session precipitated a conversation regarding BCTF grant processes and policies.

MacMillan submitted the following Proposed Changes to the Grant Review Process for Commission discussion. After the grant deadline, the Commissioners and external reviewers will review the submitted applications, and:

- "Commissioners and external reviewers add recommended score, comments via the online portal.
- Commissioners and external reviewers gather for the spring Commission meeting to discuss merits of the applications and provide final scores.
- 9:00am - A two-hour executive session consisting of all Commissioners and external reviewers will occur directly before the Commission Meeting to deliberate applications. A list of questions will be developed, if needed, to ask applicants at Commission meeting. No decisions will be made, final scores will be made during the commission meeting.
- 11:15am - Commission meeting begins, start with official commission business, then discuss applicants in alphabetical order. Applicants may be asked clarifying questions regarding the application during this meeting, but cannot make presentations."

Discussion:

Following the grant award meeting on June 11, 2018, BCTF commissioners were approached individually by applicant(s) who stated their frustrations and complaints on how the funds were awarded, creating a hostile verbal event directed toward, and increased stress for, those recipient commissioners.

With the financial stakes getting higher, the grant review process is complicated with many nuances to consider. There are several challenges to scoring, and then discussing applications and awards in an open forum. Some of the challenges the Commissioners cited include:

- The Commission meets four times a year. BCTF grant reviewers are at different stages of education and experience.
- All reviewers need a forum that facilitates free discussion and questions to improve the standard of review.
- Certain grant applications, particularly Catalyst grants, require more thought and open discussion.

- Reviewers are seen by the public as individuals rather than as a body; anonymity is important to do a fair and thorough review and the Commission needs to be seen as one entity.
- Recusals can leave a limited number of reviewers to determine the financial outcome of a grant. In an open meeting, this places public/applicant attention upon those few reviewers, which can result in higher levels of stress.
- Reviewers are volunteers and not covered by board liability insurance in the event of a legal action.
- The Visit Bend Board [the Board] ultimately has the fiduciary duty to make the final decision regarding BCTF awards. The grant process needs to provide ample time for the Board to understand and deliberate upon the Commission's recommendations before approving or amending the recommendations.

The Board desires to be more actively involved in the award process. Visit Bend has authorized a closed-door session, prior to an open public session, for the initial application review.

No matter whether an open or closed session, the Commissioners agreed that an application is to be reviewed on what the applicant submitted; the grant needs to be clear on its face value. A reviewer may present a question to the applicant during the open session but the applicant cannot advocate for its application.

With the closed session, the reviewers could prepare appropriate questions for the applicants. Each (non-recused) reviewer would submit an initial "soft" score, but would have an opportunity to change the score during the open session.

Questions arose: Will two hours be enough for a closed session? Should the closed session be held on another day? Should the final scores and BCTF recommendation not become public until the Board has finalized the awards?

Boone noted that "executive session" is a legal term defined by state statute; rather than "executive session" he recommended "closed-door session."

The role of the Commission is to review the BCTF grant applications in depth. It was suggested that following the June meeting, the Executive Committee then meet with the Board to explain why the Commission has made its recommendations and to answer any questions the Board may have.

It was agreed that minutes would be taken of the closed-door session to provide transparency of the reviewers initial scoring and funding discussions.

Action: Boone moved, Green seconded, to approve a closed-door session in which the reviewers may have initial scoring and funding deliberations before meeting in an open public session.

Vote: The Commission unanimously agreed.

b. Funding decisions - Formula

MacMillan submitted the following funding formula for Commission discussion:

- "Before 3pm - Commissioners will submit final scores to grant portal. Funding amounts will be assigned upon the formula:
 - 95 points or above: 100% of request
 - 90-94 points: 90% of request
 - 85-89 points: 80% of request
 - 80-84 points: 70% of request
 - 80 points or below: unfunded

Final scores and recommended funding will be forwarded to Visit Bend Board for approval at their May Board meeting."

Discussion:

First, if this formula is to be applied, the last line would need to be amended to read "79 points or below" rather than "80 point of below."

The process of awarding approximately \$200,000 is challenging. While a formula is appealing, it was noted if this particular formula were applied, it does not consider the amounts of the funding request, nor the number of applicants who might qualify to receive funding under the formula. For example, while extreme, what would happen if BCTF received 30 qualifying grants under the formula but with an overall funding request of \$1,000,000. Or another example, without a cap, a grant application could receive 90 or more points and the applicant could request \$200,000 for its cultural event. And, while other applications may be deemed worthy to receive some funding under the formula, the available funds would be gone.

The Commission further brainstormed additional ideas. Funding with a strict percentage could decrease the commission's flexibility. Can a funding formula be created that would tie to the organization's budget or project budget? Could the formula provide a lesser percentage of funding, for example an application receives 80-84 points and is awarded 40% of applicant's request. How would the Commission consider applications, as was a previous grant application, that are submitted by smaller organizations or individuals who do not have the finances to hire a professional grant writer, ineptly request funds for an excellent project and/or its fund request is minimal in comparison to other larger requests, and deserves 100% funding of its request? With the closed-door session, is a formula even necessary when the scores would be averaged as they currently are and the reviewers would have an open and clear conversation of the grant applications and the best investment of allotted funds?

Action: The Executive Committee will review this issue and make a recommendation at the December, 2018 meeting.

c. Grant Program Adjustments: longer grant period (2-year grants); smaller, mid-year grants (Responsive Grants); auditing Catalyst Grants. Develop a task force to review?

Currently, BCTF funds go to many of the same organizations every grant cycle. How might the awarded BCTF funds be expanded to serve more individuals/organizations? Examples include: smaller mid-year grants; allowing multiple-year for/or recurring year grants; more clearly defining Catalyst grants; create two separate grant cycles for Marketing/Programming grants and Catalyst grants.

Because these would not be implemented for this FY19 grant cycle, the Commission agreed to discuss these, and other, options at a later date.

While the Commission was discussing different options, Mercer emailed Kevney Dugan, Visit Bend. Later in the meeting, Dugan replied: Visit Bend has a contract with the City of Bend until 2022, but the entities meet every year. Visit Bend would be willing to consider a multi-year grant for a certain fund amount, possibly withholding up to \$100,000.

The Commission did not create a task force to look at different grant options at this meeting; however, the idea was well-received and the Commission may create this task force at a later date.

IV. Review Proposed Timeline

MacMillan proposed the following 2019 BCTF Grant Timeline:

- "October 17, 2018 – BCTF Commission meets to discuss updates to 2019 Grant Applications and Review Process
- Week of December 3, 2018 - BCTF Commission Meeting
- January 11, 2019 – Application goes live on website, open for applicant submission
- March 5, 2019 - BCTF Commission Meeting and Panel Training
- April 12, 2019 – Grant Deadline 5:00pm
- April 15, 2019 to May 1, 2019 – Grant Review Period
- April 24, 2019 – BCTF Commission Packets out to reviewers
- May 1, 2019 – BCTF Grant Review Meeting
- May 21, 2019 – Visit Bend Board Meeting
- May 22, 2019 – Award Letters/Declined Letters available to go out."

MacMillan explained the BCTF Grant Review Meeting was moved from June to May 1, 2019 to provide more time for the Board to review BCTF's recommendations prior to its May 21, 2019 Board Meeting

Action: Mercer recommended after May 1, 2019 and before May 21, 2019 the Executive Committee meet privately with the Board to answer the board's questions. The Commission agreed with Mercer's suggestion; that meeting will be added to the proposed timeline. With this addition, the 2019 BCTF Grant Timeline was approved.

Switzer had to leave at 11:20am; BCTF took a five-minute break.

V. Approve Minutes from June 11, 2018 Meeting.

Action: Ayotte moved, Malone seconded, to approve the June 11, 2018 minutes as written.

Vote: The Commission unanimously approved the minutes.

VI. Commissioner Recruitment

a. Executive Committee

i. Vote on New Chair

Action: Boone moved, Green seconded, that Switzer serve as Chair of the BCTF Commission.

Vote: The Commission unanimously agreed.

ii. New member of Executive Committee

Currently Switzer, Boone, and Barclay serve on the Executive Committee. The Executive Committee meets approximately one time between BCTF scheduled meetings, often communicate through conference call or email. Malone volunteered to be the additional Executive Committee Member. Ayotte is a willing alternate, should the need arise.

Action: Green moved, Fletcher seconded, that Malone sit on the Executive Committee.

Vote: The Commission unanimously agreed.

b. Commissioners – New and Vacancies

i. Old Mill District – New Appointee

As noted at introduction, OMD appointed Erin Felder to replace Fredland as commissioner.

ii. Downtown Bend Business Association – New Appointee

Downtown Bend Business Association appointed Mindy Aisling, its new executive director, to replace Rod Porsche as commissioner.

iii. State or Regional Foundation – Vacancy appointed by Visit Bend Board

After Brian Wagner left, it has been difficult to find someone within the definition of "State or Regional Foundation." Boone proposed to change this Commission member title to: "State or Regional Arts Organization." Possible recruits suggested under this member title might include Liora Sponko from Eugene, who served as an external reviewer for FY18.

iv. Literary & Performing Arts – Vacancy appointed by Visit Bend Board

When BCTF was first created, an emphasis was placed on a stronger local arts' organization presence on the commission. With the close of several arts organizations, this Commission member position has been more difficult to fill. Malone suggested to change the commission member title to "Creative Community Representative." A potential member is Judy Campbell, Campbell Consulting Group.

Action: The Commission agreed with the two Commission member title changes, "State or Regional Arts Organization" and "Creative Community Representative;" these changes will be submitted to Visit Bend for review and approval.

v. City of Bend Arts & Beautification Committee – Appointed by the Mayor of Bend

The City of Bend Arts & Beautification Committee is currently inactive. Therefore, this Commission member position will now be listed as an appointment by City of Bend Mayor. The Mayor has appointed Malone as its representative.

vi. Retiring Commissioners and their Replacements

The following commission members have terms ending December, 2018: Mercer, nonvoting Visit Bend; Green, Bend Citizen Representative; Boone, Bend Citizen Representative; Switzer, Tourism Industry Representative; Aisling, Downtown Bend

Business Association. With the exception of Mercer, all others will sit another term. Visit Bend will select a new nonvoting Commission member to replace Mercer before the December BCTF meeting.

V. Adjourn

MacMillan thanked Fredland for her service with BCTF. Malone thanked Fredland for her grace under pressure. Fredland noted BCTF has experienced growing pains but the Commission's work has been important and valuable for the Bend community.

The meeting was adjourned at 11:50 am.