

Perpich Center for Arts Education (PCAE)

Board of Directors
Board Meeting Minutes
for December 11, 2008

3:00 PM in the Glassbox Conference Room of the PDR (GAIA) Building

Note: Handouts from the December 11 meeting that are included in the permanent, public record, may be found in the *2008 Board Meetings* binder, behind: (1) the *December Board Booklet* (materials snail-mailed to board members in preparation for the December Board meeting), and (2) these December 11 minutes (once approved by the Board at their January 8, 2009 meeting. The handouts will be numbered from page *Dec08:1-Dec08:6*.

1. Meeting called to order at 3:04 PM by Board Chair Howard Wilson.

2. Roll Call and Introductions.

Members Present: Peter Adolphson, Bari Amadio, Denis Biagini, Margaret “Maggie” DiBlasio, Ardythe “Ardie” Gallant, Penny Johnson, Roberta Jones, Virginia Katz, Susan “Sue” Mackert, Sonja Peterson, Alex Plechash, Dorothy Suomala, Howard Wilson and KaiMay Yuen-Terry.

Excused: none.

Guests Present: **PCAE Staff:** (from PDR:) Diane Aldis, Barbara Cox, Mike Hiatt. (from Administration:) Debra Ambright, Nathan Davis, Nedra Fitzloff-Meyer, Steve Greenberg, Valerie Osborn, Pam Paulson. (from AHS:) Bev DeVos, Mary Pietruszewski, Alice Woog. **From SmART (Small Agency Resource Team):** Pete Maurer, Kellie McNamara. **Representing the Office of the Attorney General:** Attorney Cindy L. Davis. **From Byron & Fredrikson, P.A.:** Lobbyist Shep Harris.

3. **For Action:** Call for modifications to the agenda for December 11 meeting, followed by request for approval of agenda.

Motion by: S. Mackert to approve agenda for the meeting.

Seconded by: B. Amadio.

Verbal Vote: passed unanimously.

4. **For Action:** Call for approval of the minutes from the November 13, 2008 Board meeting.

Motion by: P. Johnson to approve minutes for 11/13/08 Board meeting with one correction: *For item 6c at top of page 3, change who to will.*

Seconded by: A. Gallant.

Verbal Vote: passed unanimously.

5. **For Action:** Request that the PCAE Board sign an updated version of PCAE's 403(b) Plan for employees.

The IRS made some changes in July 2008 to the administration of company 403(b) plans for employees. All employers that have employees with 403(b)'s are obligated to implement these changes by 01/01/09 to be compliant with the IRS changes. PCAE currently has seven employees who have 403(b) plans.

By the 01/01/09 deadline, the options available to PCAE are:

1. Implement the changes,
2. Terminate the program, or
3. Temporarily freeze the program until Perpich administration and the Board have had the time to consider the IRS changes and decide what to do.

Motion by: A. Plechash to temporarily suspend contributions by each employee to her/his 403(b) account to allow ample opportunity for the Board to act:

1. The Board's Executive Committee would explore the issue and bring a recommendation to the full Board for a decision.
2. As Chair of the Board's Budget & Finance Committee, A. Plechash would be the signer on any related agreement/form.

Seconded by: K. Yuen-Terry.

Verbal Vote: passed unanimously.

6. **For Information +/-or Action:** Discuss holding a second out-state Board meeting for this fiscal year, possibly in the spring of 2009 in Rochester.

At the August 2008 Board meeting, the Board chose Moorhead in October as the location and monthly meeting for their annual out-state meeting. During the same discussion, the idea to have a second out-state meeting for this fiscal year was mentioned, noting that springtime in Rochester (March or April) would be ideal. Adding a second out-state meeting in a fiscal year would support the End Statement from the Center's Strategic Plan that states *PCAE will maximize public awareness of the agency and its mission throughout the state of Minnesota.*

Motion by: V. Katz to forego a second out-state meeting for FY 2009 to keep Board expenditures down, and to hold the FY 2010 out-state meeting in Rochester in October 2009.

Seconded by: R. Jones.

Verbal Vote: passed unanimously.

7. **For Action:** Fill the one-year-term position on the Board's Nominating Committee vacated by Bob Brandt on 06/30/2008. [The slate for the "calendar" 2009 (02/2009 thru 01/2010) Board chair and vice-chair will be presented at the Jan. 2009 meeting; vote will take place in Feb. 2009.]

V. Katz nominated S. Peterson to fill the vacancy on Nominating Committee.

9. **For Information:** Report on Compliance and Resolution of issues identified in the Legislative Audit Report for the Center, 2003-2007.

N. Fitzloff-Meyers referenced her multi-page report that was in the Board booklet/ mailing for this December 2008 meeting.

10. **For Information:** Executive Director's Report.

At this time, Executive Director N. Davis distributed the *Executive Director's Report for December 11, 2008 PCAE Board Meeting* (pages Dec08:1-Dec08:3).

Highlights of information added or comments made at meeting:

- a. Besides the planned December 29, 2008 date for staff training for policies relating to the legislative audit, a second session will be planned for any staff that miss the 12/29 date.
- b. Staff from SmART (Small Agency Resource Team) and the MN Department of Administration will deliver the trainings.
- c. The RFP (request for proposals) that was posted the week of 12/08/08 for a contractor to coordinate visual arts outreach, is to contract with someone to fulfill some of the duties that were part of the as-yet-unfilled position that PDR's Dave Beaman vacated when he retired in June 2008.
- d. Sr. Director of Policy Pam Paulson is working on final report due to McKnight Foundation at the end of the 5-year, \$2 million grant McKnight awarded to PDR.

- 10A. **For Action:** (This agenda item was interjected at this point during the meeting.)

Motion by: S. Mackert to change agenda item #14, *Legislative Liaison Committee report*, to #11 so it could be processed earlier, before presenter and lobbyist Shep Harris had to leave for another appointment. With this change, items that were originally #11-13 would become #12-14.

Seconded by: B. Amadio.

Verbal Vote: passed unanimously.

12. **For Information +/-or Action:** Legislative Liaison Committee report.

PCAE's Day at the Capitol is set for Monday, February 9, 2009.

Motion by: P. Adolphson to change the date of the February Board meeting from Thursday, February 12, to Monday, February 9 (PCAE's Day at the Capitol), and to hold it in a room located in the State Capitol complex.

Seconded by: D. Suomala.

Verbal Vote: passed unanimously.

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Highlights of information added or comments made at meeting:

- a. Shep Harris is a lobbyist from the Government Relations department of Fredrikson & Byron, P.A. He started a year ago performing *pro bono* work for the PCAE Foundation, and will do so for a total of two years.
- b. In connection to the recent amendment to the state constitution (approved by MN voters on November 4; raises state sales tax by three-eighths of a percent beginning July 2009 and will raise about \$275 million per year; for 25 years this money will fund clean water, the outdoors and the arts):
 - i. “The arts” refers to arts education, access to the arts, and art.
 - ii. Funds from this amendment won’t be disbursed until FY 2010.
 - iii. Perpich Day at the Capitol (Monday, February 9, 2009) will be an ideal time for members of the Board’s Legislative Liaison Committee and others to meet with legislators in order to influence them to earmark funds from this amendment to PCAE. Harris would like to meet with these people for briefing before they meet with legislators.
 - iv. S. Mackert—a PCAE Board member and also a current member and past Chair of the Perpich Foundation—thanked Harris for his work.

12. **For Information:** Public Comment at approximately 4:30.

Nobody present wished to speak at this time.

13. **For Information +/or Action:** Board Development Committee (BDC) Report.

BDC distributed updated versions of the two bylaws amendments that were distributed at the November 13, 2008 meeting (pages *Dec08:5-Dec08:6*; distribution on November 13 constituted the first reading):

Proposed Bylaw Amendment #1

Motion by: BDC to replace current *Article II, Section 2.3, (b)*:

The Board must adopt internal standards prescribing what constitutes a day spent on board activities for purposes of making daily payments under Section 2.3 of these Bylaws.

With the following *Article II, Section 2.3 (b)* [the modification made by BDC to the version distributed at November 13 meeting before this December 11 full Board meeting is in blue]:

The Board of Directors ~~of the Perpich Center for Arts Education~~ authorizes the payment ~~to its Board members~~ of the ~~\$55-~~ *per diem* payment specified in the applicable Minnesota statute (currently \$55) for the following activities:

- 1) Participating in a full Board meeting or Board committee or task force meeting in person or via electronic means from home or office.

To qualify for payment, participation via electronic means must be two hours or more.

- 2) Serving as a panel member reviewing grant applications for the PDR Division of PCAE.
- 3) Serving as a commencement speaker at the Arts High School graduation ceremony;
- 4) Meeting with legislators or other state officials on official PCAE business at the request of the Board chair, directly or through a committee chair.
- 5) Meeting with PCAE staff at the request of the Board chair.

Any requests for a *per diem* payment not covered by the above five situations must be approved by the full Board. (NOTE: Board members attending the meeting of another state agency which authorizes the payment of the *per diem* on the same day as a PCAE meeting, can only receive payment for one meeting. Board members who are employees of the State of Minnesota cannot receive *per diem* payments.)

The following friendly amendment to the motion was proposed by A. Plechash and accepted by BDC:

Change the second sentence in point #1 above from:

To qualify for payment, participation via electronic means must be two hours or more.

to:

To qualify for payment, participation via electronic means must be for the duration of the entire meeting.

Question

called by: S. Peterson.

Seconded by: A. Plechash.

Verbal Vote: passed unanimously.

Proposed Bylaw Amendment #2

Motion by: BDC to reinstate the Executive Committee by adding *Article III, Section 3.3, Standing Committees, (g) Executive Committee*:

The Executive Committee shall consist of the Chair and Vice Chair of the Board and the chairs of the Personnel, Budget and Finance, Board Development and Legislative Liaison Committees.

The Chair may call a meeting of the Executive Committee at her/his discretion. Any actions taken by the Executive Committee must subsequently be presented at the next available full Board meeting for approval. While awaiting a full Board vote, any action of the Executive Committee shall be in force.

Seconded by: M. DiBlasio.

Verbal Vote: passed unanimously.

14. **For Information:** Finance Report for December 2008 Board meeting and Finance Committee recommendation to Board for balancing the 2009 PCAE Budget.

Committee Chair A. Plechash explained that Budget and Finance Committee does not yet have any modifications to submit for the PCAE budget because everyone is waiting to see if Governor T. Pawlenty will require a 10% cut in all agency budgets.

15. Adjournment at 5:05 pm.

Motion by: P. Adolphson to adjourn.

Seconded by: V. Katz.

Verbal Vote: passed unanimously.