Sustained Commitment

On February 26, 1988, Steve Minter sent a memo to the members of the Distribution Committee regarding their upcoming annual retreat, which had been scheduled for March 4 and 5. In it he informed the committee that he intended at that time to seek their approval of a principal distribution.

Then the real work of consensus building began. Minter next met with many of the Distribution Committee members one-on-one, "to work through their various questions," he said.

In response to the comments received, Minter and Lajoie wrote and rewrote the retreat notebook, the formal presentation of the case for making the principal distribution. "I had an idea of where it was we wanted to go—the struggle was how to put it together," Minter explained. "Susan and I struggled back and forth in trying to put together the right notebook. We kept trying to sharpen our case for doing it."

A few days before the retreat began on Friday, March 4, "there was a point in which all our efforts came together," Minter recalled. "Once it was there, I had no doubt."

Minter and Lajoie's final proposal detailed how the Foundation's Special Initiative program could be strengthened if $12 million from a principal distribution were to be added to a reserve consisting of $4 million drawn from annual income and $2 million drawn from the Program-Related Investment Fund. Some $9.6 million of the resulting $18 million reserve could then be allocated to the existing Special Initiatives in education and neighborhood development, leaving the Foundation $8.4 million with which to make new commitments.

As examples of possible large-scale projects, Minter and Lajoie pro-
posed that the Distribution Committee might want to consider doing
the following: make a $1 million equity investment in the Cleveland
Development Partnership, Cleveland Tomorrow's pool of redevelopment
monies; provide $2 million in grants to support new presidential pro-
grams at Case Western Reserve University and Cleveland State Univer-
sity; and award $600,000 to the planning effort for the Rock and Roll
Hall of Fame and Museum.

And there would still be $4.8 million available to fund a third major
initiative.

The State of Ohio having recently decided to commit significant funds
to establish the Edison Biotechnology Center in Cleveland, the staff had
determined that a Special Initiative in that area (as had previously been
suggested by a member of the Distribution Committee) would be re-
dundant. Instead Minter and Lajoie intended to recommend that a major
campaign to promote lakefront development be established.

Going into the retreat, Pogue was less optimistic than Minter that
the Distribution Committee would approve the principal distribution.
At the cocktail reception preceding Friday night's dinner session he
found himself "wondering if this was going to happen. People kept say-
ing to me: 'What in heaven's name are you doing?''"

Minter and Pogue had agreed that Saturday morning should be re-
served for an executive session of the Distribution Committee. No staff
members other than Minter and Lajoie were to be present while the com-
mittee discussed the wisdom of a principal distribution. With com-
mittee members freed from having to worry about being politic in front
of staff, a frank discussion ensued. "Everyone wanted to feel like they
were on the same page—that is what the executive session did," Minter
recalled. "We had done the homework, but you also have to catch the
hearts and minds."

In that regard, the chairperson's forceful answer to the committee's
question, "Why are we running down this path so hard and so fast?" (as Minter later rephrased it), proved helpful.

"A lot of people felt you should never invade principal," Pogue said
of the session. "My argument was that we need the money now. They
said you can always say that of any period. I said this is a unique time;
Cleveland has been in the doghouse for a long time. The basic issue is:
Are we just going to sit here or are we going to be a leader and help the
city move ahead?"
The executive session, entitled “Looking Back/Looking Ahead” on the day’s printed agenda, began at 8:30 A.M. in the conference room at Jones, Day’s new lakefront headquarters, which Pogue had made available for the retreat. Around 10:30 in the morning Minter and Lajoie emerged from the room to usher into the next session the program officers and other staff members waiting expectantly outside. “When Steve and Susan walked out,” remarked Carol K. Willen, the Foundation’s program officer for higher education, “it reminded me of how they choose a Pope: Is it gray smoke or white smoke?”

Aware of the program staff’s eagerness to learn whether the principal distribution had been approved, Minter announced: “The executive session was first-rate. We reached consensus on the principal distribution, although maybe not on the size.” The discussion would be resumed that afternoon, he added, after the Distribution Committee had heard staff presentations on the proposed new Special Initiative on the Lakefront Development and the other large-scale projects being recommended to receive Special Initiative monies.

Having listened to the presentations, the Distribution Committee entered its final deliberations on the principal distribution at around 1:30 P.M. The issue at hand: If the Distribution Committee agreed in theory that all of the above projects were worthy of future support at the dollar amounts the staff had suggested, then the members needed to prepare for making those commitments by approving a $12 million principal distribution. Most of the committee had accepted the need to so fund the Special Initiatives, but some members remained concerned about withdrawing additional principal for projects for which the Foundation had yet to receive proposals.

“Essentially you’re asking us to approve programs before we know exactly what’s being proposed,” vice-chairperson Jack Dwyer observed. “Once we commit to this, there’s no way we’re going to pull the rug out from under it.”

“What we’re trying to get here is some flexibility, Jack,” Pogue responded. “This gives the staff some guidance on the Distribution Committee’s priorities.”

“It seems to me we’re withdrawing money, which makes it that much tougher to take it back,” noted real estate developer Harvey Oppmann. “The money will be put into a special agency account,” Foundation counsel Mal Bank assured Oppmann, “and they will hold it until you
decide to spend it. It will still be earning interest; you just won’t have to liquidate it at what could be an inopportune time.”

“If the rock and roll proposal isn’t going to come to us until 1990, why do we have to make even a generic commitment on March 5, 1988?” asked Andrea Taylor, the president of a local marketing and public relations firm, who had recently announced she was leaving Cleveland to accept a position as media officer for the Ford Foundation.

“Let me answer in the most candid way,” Minter said. “We may not have the same Distribution Committee members in 1990. Look at all the work we’ve gone through to get to the understanding that these are in principle good projects. We’ve also done this in response to your request not to be made rubber stamps. We’ve tried to say this is what we think you’d like.”

“Half of this we’ve already done,” Pogue said, reminding his colleagues of their previous commitments to Special Initiatives in education and neighborhood development. “Now we’re saying: Is the lakefront a project we want to get behind and give a push? The higher education program is not a lot of money. And if the Rock and Roll Museum gives everybody the jitters, drop it out.”

“The question is: What flexibility are we going to have to address the unknown?” retired steel executive Brad Jones remarked.

“I hear a discomfort here,” said retailer Henry Goodman, summing up, “and I think it really revolves around whether there is a feeling of control, a feeling that we can change our minds.”

“We’re simply saying,” Pogue assured everyone, “that we want to have the wherewithal to make commitments to projects of scale.”

He then called for the vote and, in the next few minutes, months of concern about the Foundation’s continued organizational growth and capacity to provide civic leadership came to an end. Ten of the eleven members of the Distribution Committee resolved to ask the trustee banks to approve a $12 million principal distribution—a resolution that the directors of each of the trustee banks later approved unanimously.

After most of the staff and Distribution Committee members had left for the day, Minter lingered in the Jones, Day parking lot, chatting with the Foundation’s community relations officer, Dennis J. Dooley. Although he had just completed a journey of a thousand steps, Minter was already thinking aloud about the next major challenge facing the Dis-
tribution Committee: the selection of a new chairperson to replace Dick Pogue, whose allotted 10 years of service would expire in July. Still, before driving away, the director permitted himself a moment of celebration. "I think I'll go home," Steve Minter said triumphantly, "and take a nap!"