

SCFD BOARD OF DIRECTORS MEETING

August 26, 2010

1:00 pm

Center for the Arts Evergreen

Meeting Minutes

SCFD Board members present: Chair James Harrington, Vice Chair Jim Martin, Treasurer Joseph Arcese, Secretary Councilwoman Marcia Johnson, Kathy Kucsan, Kathleen Stapleton, Khadija Haynes, Shepard Nevel, Kathryn Spuhler and Bob Grant

SCFD Board members absent: Dave Montez

SCFD staff present: Peg Long, Executive Director, Program Manager Nancy McCamey, Program Manager Donna Smith, Office Administrator Sheila Mieger, Program Assistant Cassiope Sydoriak

1. Introductions and Approval of Agenda

James Harrington called the meeting to order at 1:10 pm, followed by introductions. A quorum was present. The agenda was approved.

Stephen Sumner, Executive Director of Center for the Arts Evergreen, welcomed everyone on behalf of all the SCFD organizations in Evergreen. Stephen talked about what the Center and other organizations have to offer the citizens.

2. Approval of July 22, 2010 Board Minutes

Khadija Haynes asked for a couple of typo corrections to be made. Shepard Nevel motioned to approve the minutes with corrections made. Kathleen Stapleton seconded. The motion to accept the minutes passed.

3. Tier II 2010 Certification Reports

A representative from each of the eighteen organizations gave a three-minute report on what his or her organization had done last year and what the organization is doing this year followed by questions from the Board.

Butterfly Pavilion And Insect Center

Patrick Tennyson, Executive Director, presented.

Marcia Johnson asked what butterflies and tarantulas have in common. They are both invertebrates said Patrick. Kathleen Stapleton asked Patrick to explain the Butterfly In Space program. The Butterfly Pavilion worked with NASA to launch butterflies with the last space launch so scientists could study the effects of metamorphoses in space. Bob Grant asked Patrick to speak about the collaboration they have with The Wildlife Experience. They're working together on marketing, outreach and education to discover ways to better serve the public across the District. They are working with many other SCFD organizations as well. Joseph Arcese mentioned the Butterfly Pavilion received 19% of its funds from SCFD. He asked Patrick if he is concerned about such dependence on the SCFD. Patrick said last year was difficult. They have established a new fund development program.

Colorado Ballet

Denise Sanderson, Interim Executive Director, presented.

James Harrington asked when Denise's term as Board Chair would end. Her term ends in June. The new Executive Director will be announced tomorrow. Shepard Nevel asked if the efficiencies are going to stay. Denise said they were staying. They are restructuring the business side to support the creative side. They have established a new ticketing system that will be on going. They have updated their software/development program to Sage. Kathy Kucsan asked how they identify who receives their outreach such as free tickets. The SCC Alliance does a lot of it. The Ballet's Director of Education and Outreach also works with the schools. Teachers have learned to look for their programs. Kathryn Spuhler asked about the Kroenke agreement. It is a marketing agreement to help reduce the Ballet's debt to them for a contract the Ballet entered into when the Auditorium Theatre was being renovated into the Ellie Caulkins Opera House. They do cross marketing.

Wings Over the Rockies Air and Space Museum

Gregory Anderson, President presented.

Kathleen Stapleton asked Gregory to explain the at risk youth program. Special Outreach with Aerospace Resources (SOAR) is a program that reaches youth that might not have an opportunity to participate in other outreach programs. Khadija Haynes asked why Wings has a second facility in Centennial. Gregory said the new facility will complement the current museum. They will be able to bring in big planes and space craft. Lowry is their Heritage Center whereas Centennial is a flight research center. Both are very rooted in education. Marcia Johnson complimented Gregory on keeping the museum a fresh experience. She asked Gregory to comment on the nuclear weapons the museum has. Gregory explained the weapons are sanitized. The weapons were carried by the planes on display. Bob Grant asked what type of marketing is being done to reach citizens outside of Denver. Gregory said the two locations are helping bring people in from outside Denver. The museum has also hired a new person to focus on outreach. Joseph Arcese asked Gregory to talk about the research the museum is engaged in. In a temporary hanger in Centennial there is an airplane they are converting to a green power electric plane. James Harrington congratulated Gregory on his collaboration with Aurora Public Schools Superintendent John Barry, a fellow Air Force Academy graduate. Gregory reported every third grade classroom in Aurora Public Schools participates in the WASP program.

The Wildlife Experience

Giovanni (Gino) Greco, President presented.

Shepard Nevel asked Gino if he had any tips for other organizations on how to do well in tough economic times. He replied if the product is good it makes asking and receiving donations easier. Individual giving is up, and he credits it to the product. He also said working with corporations to help them see what they get out of a sponsorship makes a big difference. Kathleen Stapleton asked Gino to talk about the agreement the Museum has with Parker Hospital. It is a four-year fundraising and marketing agreement. One of the things they have done is post health tips by the Museum's drinking fountains. Kathy Kucsan asked for more information about their student hallway program. Gino said they had a big boring white hallway. They have invited schools to create "mission related" displays to showcase in the hall. Bob Grant thanked Gino for the work the Museum has done to reach citizens up north by collaborating with such organizations as the Butterfly Pavilion. Kathy Spuhler asked about the Museum's outdoor projects. The staff at the Museum has created opportunities for families to get outdoors and increase their outdoor knowledge, such as a camping skills course. Khadija Haynes suggested James P. Beckwourth Mountain Club as a possible collaborator.

Central City Opera

Pat Pearce, General and Artistic Director presented.

Khadija Haynes asked what specifically does the Opera do with schools. Pat replied they have three school programs in which they engage children in learning about music. They also get the kids on stage acting. She also asked if they have considered doing a performance at a venue easier to access such as the Arvada Center. They have considered it said Pat. The Board feels the location is part of the experience, so staff has created an outreach program in which the Opera goes into a particular community and helps them create a production. James Harrington commented on the reduction in SCFD funds for the upcoming year and asked Pat how they plan to deal with the reduction. Pat replied it isn't just SCFD monies that are down. Money is down across the board. They have cut everything they can cut, so this year they are working on more creative development strategies. Bob Grant commented on the great quality of the Madama Butterfly production.

Aurora Cultural Affairs Division

Alice Lee Main, Director presented.

Shepard Nevel congratulated Alice on the success of KidSpree and thanked her for her leadership in SCC. He asked if the decline in attendance is their new reality. Alice reported most of their decline is in class enrollment. As the economy improves they expect class enrollment to increase. In the meantime they are doing more outreach to schools. Marcia Johnson asked if the city has recreation centers that offer the classes. Alice said the art programs offered at the recreation center are Cultural Affairs Division programs. The quality of the classes offered is of higher than that traditionally found at recreation centers. Marcia Johnson asked if the Cultural Affairs Division is a separate 501c3. Alice replied they are not. They are a division of the city. Bob Grant commented when the Division was a Tier III they had to do programming in Aurora. Now that they are a Tier II he asked how they reach beyond Aurora. Alice

stated that SCC allows the Division to reach outside Aurora. Programs like KidSpree also draw visitors from across the metro area. It is a free event so capturing exactly where people are coming from is a challenge. Kathy Kucsan asked what a Boulder Valley student would get from the Division. Alice replied it would depend on the teacher of that student. The Division has a network of artists, actors, etc., that work with teachers to develop programming based on the teacher's needs. James Harrington asked what other contributors have caused the attendance to be down from two years ago. Alice replied she has lost staff that she has not been able to replace and many of the city's libraries have closed in which they did their programming.

Cherry Creek Arts Festival

Terry Adams, Executive Director presented.

Bob Grant asked Terry to explain how the Festival reaches 16,000 kids a year. They have two art collections of 60-70 pieces each that they take to a school. At the school they teach mostly 6th graders to be docents of the collection which they share with their classmates, teachers and parents. Marcia Johnson asked how they determine their attendance count for the Festival. It is an estimate, said Terry. They have done numerous studies with aerial photos. They established a base from those studies. From there they look at their beverage and retail sales along with police estimates to establish a count.

Museum of Contemporary Art, Denver

Adam Lerner, Executive Director presented.

James Harrington asked Adam if he was confident they will make budget. Adam said he is confident. He had a Board meeting yesterday in which they discussed the current \$10.5 million campaign they are working on. So far it has been strong. This campaign will help them build their reserves. James asked if the reserves would be restricted. No, said Adam. They will be able to use the funds for general operating expenses. Khadija Haynes said she thought when the merger of The Lab and the Museum took place last year The Lab would remain open. She asked Adam to speak to that. He said it was not cost effective for the Museum to have two locations. Joseph Arcese asked what the car standing upright outside the Museum was. Adam said the car is part of a current exhibit they have on energy. Bob Grant mentioned the lack of attendance outside of Denver. He asked what the Museum is doing to market outside of Denver. Adam said the Museum is on a multi-year strategic plan. The first phase was to open the new facility. The second phase was to create infrastructure. The third phase will be marketing and outreach. Kathryn Spuhler asked if they have considered taking the program Mixed Taste on the road. Adam said the program is now being done by museums in San Francisco and Mexico City.

Children's Museum, Denver

Mike Yankovich, CEO presented.

Shepard Nevel mentioned capital campaigns and expansions in some situations have caused financial crises for museums due to the expense of staffing new spaces and other additional costs. He asked if the Museum has considered this and how to address those challenges. They have considered it said Mike. He has visited such museums. The Children's Museum, even with expansion, will not become one of the largest children's museums. They have met with individuals at the Denver Museum of Nature and Science regarding their expansion along with many others. They are entering this expansion process thoughtfully. Joseph Arcese asked why most of their exhibits are permanent. They don't have the space, said Mike, for traveling exhibits. James Harrington asked if talks with the City of Denver are still taking place regarding expansion. Mike said they are currently talking with Denver Public Schools and Denver City Parks and Recreation both of whom own land around the museum. James asked why the Museum is a basic member of SCC and not a full member. In the past budget issues have kept the Museum from being a full member. They are looking into upgrading their membership.

Colorado Children's Chorale

Diane Newcom, Executive Director presented.

Bob Grant asked Diane for updated ESAR numbers because the county breakdown doesn't match the overall attendance numbers. James Harrington congratulated Diane on a successful year and much improved finances.

Colorado Symphony Association

Jim Palermo, President presented.

James Harrington asked what is meant by unit sales. Units are tickets either sold as singles or packages. Jim reported they are 50% ahead of sales last year. James also asked about the financial situation of the Symphony. Jim said they are better than they have been in the last several years. He considers the symphony to be in a recovery mode. They are looking to grow responsibly. Kathryn Spuhler asked Jim what the top three things are that have led to the advancement in sales. Jim replied, understanding the audience, more direct mail and spending more money on marketing. They are working to be relevant to the community. They are developing more Latino programming and diversifying their Board. Kathy Kucsan asked Jim to clarify his statement saying they doubled individual gifts. Yes, said Jim. Kathy congratulated him on that. Shepard Nevel asked of all the cuts the Symphony made last year what was the hardest and were there any surprises. Jim said the hardest cuts were of musicians and staff. The quality of the concerts and the dedication to the performances were not cut back. Marcia Johnson stated the success of the Symphony is important to all of us. She asked how morale is. Jim replied morale isn't as high as he would like it to be. He has to create a strong environment and healthy organization. Once this happens, salaries and hiring of new musicians can increase. James asked how crucial it is to have a big name conductor. Jim said no one knew who Marin Alsop was before she came to Denver. Bob Grant thanked Jim and his staff for listening to the Board's request and providing supplemental demographic materials. He also thanked him for his vision. Kathy Spuhler asked that they continue to play contemporary pieces.

Mizel Museum

Ellen Premack, Executive Director presented.

Marcia Johnson commented on the depth of the content at the CELL. She asked how the location is working for them. Ellen replied the location is great for traffic. The public isn't walking in as projected. This is due to the subject matter. The events are well attended although they do have to take place at the Denver Art Museum for space reasons. Bob Grant asked for county attendance numbers. Ellen said their attendance breakdowns are as follows: 40% Denver, 17% Jefferson, 10% Adams, 3% Douglas, 20% Arapahoe, 10% Boulder.

Denver Film Society

Tom Botelho, Executive Director presented.

Shepard Nevel congratulated Tom on the success of the film festival. Their lease with the Starz Film Center at the Tivoli expires in November 2011. The space is larger than what they need most of the year. The Society will be moving. Joseph Arcese asked how the relationship with Starz is. Tom reported the relationship is strong. They just signed on as a sponsor of the annual Film Festival for another three years. Bob Grant thanked Tom and his staff for the detailed demographic information.

Lakewood Heritage, Culture and the Arts

Michelle Nierling, Executive Director presented.

Shepard Nevel congratulated Michelle on increased fund balance, visitors and volunteers. Shepard asked Michelle if there is a chance of the City contributions going away. Lakewood is financially sound, responded Michelle. If propositions on the November ballot pass, the City would have to make major changes. Bob Grant asked how they market beyond the City of Lakewood. Michelle reported the Heritage Center does host many organizations from outside of Jefferson County. They also advertise in many of the local dailies. Joseph Arcese asked how much more they can expand in terms of historic buildings. Michelle said they have room for 4-5 more structures.

Hudson Gardens and Event Center

Rich Meredith, Executive Director presented.

Bob Grant asked Rich if the Gardens will meet the Tier II threshold next year and if he has resolved the financial support issue with South Suburban Parks and Recreation. Rich replied that Dave Lorenz, Director of South Suburban Parks and Recreation, is very supportive. Rich is confident the Gardens will meet the threshold next year. The holiday light display increased both attendance and revenue. James Harrington asked about the reserves. Rich anticipates

ending the year with \$600,050. James Harrington commented on what a wonderful organization Hudson Gardens is and glad to hear that Dave Lorenz is supportive of the Gardens.

Swallow Hill Music Association

Tom Scharf, Executive Director presented.

Kathy Kuscan thanked Tom for speaking to the transformative power of music. She asked him what they do for students who can't pay for lessons. Swallow Hill does offer scholarships funded by donors. They don't turn anyone away. Bob Grant commented what a great success story Swallow Hill is.

Arvada Center for the Arts and Humanities

Gene Sobczak, Director presented.

James Harrington asked Gene to talk about the success of CenterFest. Gene said the primary success of the event was getting it off the ground. It was a larger collaborative undertaking than originally anticipated. Audiences for the event have grown steadily. They do plan to do it again next year. Shepard Nevel thanked Gene for all the Center does to serve people with disabilities. Gene said they are working with ArtReach to expand the offerings. Shepard asked Gene to talk a little about the plans to expand the history museum into an early learning center. The Arvada Historical Society had managed the museum. The Center will take over those responsibilities. September 2011 they should have a new facility for the learning center. Bob Grant asked why Gene thinks there was a decrease in school groups visiting the Center. Last year many of the schools made a decision to limit the activities outside of the school. The Center's response is to still work with the schools and to start working with the bus companies directly. They are also developing constant programming that can be done year after year so the teachers don't have to develop new lesson plans.

Mizel Arts and Culture Center

Steve Wilson, Executive Artistic Director presented.

Kathleen Stapleton mentioned the Center's decrease in salaries. She asked if there was also a loss of staff. Steve responded that some employees have departed but not because of salaries. One position was moved to a contract position. The Center prepared for the downturn well.

Joseph Arcese motioned to approve Resolution 10-07, Pertaining to Organizations Qualifying for 2010 Tier II Formula and Discretionary Funding. Shepard Nevel seconded. The motion passed.

James Harrington thanked everyone for all their hard work and great presentations.

4. Reports

4.1 Treasurer

The June 2010 SCFD sales and use tax revenue was \$3,564,991.49. This compares to June 2009 revenue of \$3,087,524.12. The variance is \$477,467.37, which is a 15.46% increase over month-to-date (MTD) June 2009. This is the eighth consecutive month of reported MTD increases. The 2010 year-to-date (YTD) sales and use tax revenue is \$19,130,925.67. This compares to YTD 2009 revenue of \$17,586,505.44. The variance is \$1,544,420.23, which is an 8.78% increase in YTD 2010 over YTD 2009.

4.2 Chairman

James Harrington thanked Vicki Sterling for the wonderful event at the Denver Art Museum kicking off September as SCFD month at the Museum's King Tut exhibit. The Museum will offer a free youth admission for every adult/senior paid ticket during the month of September for residents of the SCFD.

James read a letter he received from Donald Seawell thanking the Board for the Honorary Rex Morgan Award. The SCFD will present the award to Mr. Seawell on November 9th at a Director's Society event. James asked Board members to let Peg Long know if they plan to attend.

4.3 Executive Director

- Peg Long thanked the Tier II organizations for everything they do. She also thanked Donna Smith for her work and dedication in supporting the Tier II process and organizations.
- Peg met with Community First Foundation (formerly the LMC foundation, and created by sale of Lutheran Medical Center to Exempla) regarding its initiative to increase charitable donations as Colorado ranks 38th out of the 50 states in individual giving. CFF has asked SCFD to join other funders to endorse Colorado Gives Day, December 8, 2010, an effort to raise \$1 million for Colorado nonprofits in a 24-hour period by encouraging Coloradans to "give where they live." One hundred percent of each donation will go to the designated charity. First Bank has donated funds to offset all credit card fees. Community 1st Foundation's Incentive Fund will distribute an additional sum proportionately across all funded organizations. As an endorser, SCFD would be asked to encourage SCFD-funded organizations via an email to establish a profile and announce the event in our e-newsletter as well as display the Colorado Gives Day logo.

Kathleen Stapleton motioned to approve SCFD endorsing Colorado Gives Day. Khadija Haynes seconded. The motion passed.

- Peg distributed Alan Pogue's legal memorandum on the Fair Campaign Practices Act. She said after additional analysis subsequent to the Board's adoption of Resolution 10-06, Opposition to Amendments 60 and 61 and Proposition 101, she wanted to share with the Board the following additional concerns about impact to the SCFD and organizations receiving SCFD funds:

Proposition 101

- Reduces vehicle use tax revenue and eliminates sales taxes on leases and vehicle rentals.
- Exempts the first \$10,000 of the sales price of a vehicle from sales taxes.

Amendment 60

- Reduces property taxes, which generally do not affect SCFD or funded organizations, but will affect school districts and the State budget.
- Repeals all local property tax "de-Brucing" elections that occurred after 1992.

Amendment 61

- Requires state and local governments to limit debt and restricts the use of various financing tools regularly used in conducting government operations.
 - Requires taxes to be reduced as the financing debt is retired.
 - Could potentially restrict the SCFD's ability to enter into multi-year contracts.
- Bob Grant thanked Peg and Donna for providing the Board summaries of the certification reports. He asked Peg to explain the Tier II threshold process. Peg said the threshold is adjusted every year based on the Denver, Boulder, Greeley CPI. This is the first year in the 20-year history of the SCFD that the CPI went down. It is not anticipated the CPI will rise much next year. Khadija Haynes asked why Denver, Boulder Greeley CPI was used. Peg replied that is the metropolitan statistical area designated by the Department of Labor and Statistics and the SCFD statute specifically requires that it be used.
 - Peg asked Donna Smith to give the Board an update on the Rex Morgan event. Donna thanked the Tier II organizations for their contributions to the Rex Morgan Tribute. The event will be on November 17th at the Chambers Grant Salon at the Ellie Caulkins Opera House. She reminded Board members that they will be selecting the 2010 recipient at the September Board meeting.

5. Public Comment

Vicki Sterling, Denver Art Museum, asked everyone to take bookmarks advertising SCFD September at King Tut.

6. Adjournment

Kathleen Stapleton motioned to adjourn. Joseph Arcese seconded. All were in favor. The meeting was adjourned at 4:35pm.


Secretary