

SCFD BOARD OF DIRECTORS MEETING

September 21, 2010

1:00 pm

Ballet Nouveau Colorado at Pinnacle Charter School Performing Arts Complex Meeting Minutes

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

SCFD Board members absent: Bob Grant, Khadija Haynes

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 1:05 pm, followed by introductions. A quorum was present. The agenda was approved.

Garrett Ammon, Artistic Director of Ballet Nouveau Colorado, welcomed everyone and explained the relationship the Ballet has with Pinnacle Charter School. The Ballet manages the theatre and the rentals in exchange for a free performance venue. Since the Ballet took over rentals in 2008 the number of regular renting organizations has gone from 2 -17.

2. Approval of August 26, 2010 Board Minutes

Marcia Johnson motioned to approve the minutes with corrections made. Kathryn Spuhler seconded. The motion to accept the minutes passed.

3. Tier III Distributions

Nancy McCamey thanked the seven county cultural councils for their work and dedication before sharing highlights of the 2010 Tier III grant year.

2010 Tier III Statistics:

- The total funding recommendation is \$4,975,946.18. This amount does not include any discretionary funds held by county cultural councils for quarterly disbursement throughout the year.
- 515 total grant requests received, of which 476 were funded.
- These 515 grant requests were made by 277 organizations of which 266 were funded.
- Fewest grants received = 25 in Broomfield; Most grants received = 102 in Denver County
- 80 organizations applied in more than one county
- 2 organizations, Museo de Las Americas and Denver Municipal Band, were funded in all 7 counties.

2009-2010 Comparison by County:

- Overall requests went down in 2010 compared to 2009. While this might seem counter-intuitive due to the economy, at Grant Workshops it was stressed that SCFD revenue was down so requests should likely be as well.
- 12 new organizations became eligible for the 2010 Tier III grant cycle (11 of which applied for funding); of those 11 that applied, 10 were funded, 2 of those were funded in 3 counties.

Marcia Johnson asked Nancy if she noticed any new ways organizations are serving schools. She did not. Joseph Arcese asked how many SCFD organizations could receive funding in 2011. Nancy replied 295. Shepard asked why some counties give mainly general operating support (GOS) funding and others don't. Nancy stated the local control is the factor. Peg Long pointed out that the statute allows counties to give preference to their home based organizations. Many of the counties allocate GOS to home based organizations and project support to outside organizations.

Following Nancy's report, the chair from each of the seven cultural councils shared with the Board data about the amount of time council members give to the process, the number of grants received, processed and funded, along with their challenges and accomplishments for the year.

Jefferson County

Rob Johnson presented.

James Harrington asked how many Council members the Jefferson Council has. Seven, replied Rob. James said according to Rob's report on the amount of meetings and time reviewing grants on their own, each of the Jefferson Council members put in about 150 hours over the course of the session.

Douglas County

Pat Braden presented.

Joseph Arcese asked Pat if each commissioner chooses three council members to represent his or her area, how does the commissioner from Castle Rock choose members? Pat said Castle Rock is a small portion of the area the commissioner represents. Shepard Nevel asked if there are strategies to funding government entities vs. individual organizations. The strategy, said Pat, is to look at the scope of what the government entity provides. In the case of Douglas County, an individual organization produces a limited amount of activities/events based on its discipline whereas the government organizations offer a wide range of activities/events throughout the year; therefore the Douglas Council funds the government organizations at a higher rate.

Denver County

Chrissy Deal presented.

Joseph Arcese commented that Denver only gives GOS funding. He asked how they handle outside organizations. Chrissy replied Denver doesn't base GOS funding on an organization's home county. Their GOS funding is based on the percent of activities that take place in Denver County. 50.1% of activities must take place in Denver County. Kathy Kucsan asked Chrissy to explain Denver's liaison process. Each council member is assigned about ten organizations by Jane Potts, Denver SCFD Tier III - Program Administrator, for which the council member is a point person to the organizations regarding SCFD.

Broomfield County

Karen Douglass presented.

James Harrington asked Karen Douglass how they have handled communication with organizations the council has not funded. She said the council gives the unfunded organization the reason it was not funded and how it might correct the situation in the future. Kathryn Spuhler asked what ACS grants are and how they differ from SCFD funding. Karen Gerrity, Cultural Affairs Manager for the City and County of Broomfield, replied the ACS grants were set up as a way for organizations that don't qualify for SCFD funds, such as libraries, to get project support for activities/ events they do for Broomfield residents. Karen Douglass added it is also a way for SCFD Broomfield based organizations to get project support funding. Broomfield based organizations can only apply for GOS funding from Broomfield SCFD. James asked how much money is distributed through the ACS grants. \$17,000, replied Karen Douglass.

Boulder County

Barry Knapp presented.

Kathleen Stapleton asked if Boulder had a history of relaxing deadlines related to grant submission. Barry said they don't relax the deadline but if some of the attachments are missing they have allowed them to be submitted at a later time. Nancy McCamey replied that councils have decided to let the SCFD office

determine if a grant is complete and on time or not, taking the burden off the councils to do so. Kathryn Spuhler asked if the council has a staff person. They do, said Barry, Carrie Haverfield. Her responsibilities differ from those of Jane Potts in Denver County. Carrie facilitates the meeting and the intake of the grants. Kathryn asked if the council will use discretionary funds to fund the mini grants. Barry said no, they will be part of the main grant process. Kathleen commented on Barry's statement suggesting SCFD consider a simpler grant process. She said she thought the process was simpler and asked him to comment. Yes, it is simpler said Barry, but it is an ongoing process. Each county is so different. He hopes the GO grant system will make the process easier. Chrissy Deal commented, the workshops SCFD staff and councils present assist with the process. Nancy McCamey clarified for the Board, that there is only one Tier III application but each council applies different guidelines to the process and the application must be submitted separately to each county.

Arapahoe County

Heather Kreider presented.

James Harrington commented on the amount of changeover on the council due to new term limits and asked how the council determines funding since they don't use a rubric system as other counties do. Heather said currently each council member has an area of strength/interest which he/she focuses on and as a group they make decisions. James suggested she consider a rubric to guide the process with so many new members. Marcia Johnson suggested the councils may want to encourage organizations to keep their school programming the same from year to year. She said the Tier II organizations have found it works better for teachers to build curriculum.

Adams County

Joyce Downing presented.

Marcia Johnson said her district borders Adams County and asked Joyce if they have a hard time getting a diverse council. Yes they do, said Joyce. The council has found having conversations with members of other councils is helpful.

James Harrington thanked everyone for all their hard work, great presentations and thousands of hours of volunteer work to help the SCFD Board do what it needs to do.

Shepard Nevel motioned to approve Resolution 10-08, Pertaining to Distribution of 2010 Tier III Formula and Discretionary Funds. Kathleen Stapleton seconded. The motion passed.

4. Proposed 2011 Budget

Joseph Arcese informed the Board that the budget before them is for SCFD's operating account only. The money going to the organizations, by statute, must be distributed the year in which it is received. He explained, the budget comparison is a budget to budget comparison. James Harrington asked how the election costs recovery funds are being handled. Peg said election costs are income and appear under revenue. James also asked what the projected expenditure increase over 2010 is. Peg projected it to be 2.14% increase. Kathleen Stapleton asked Peg about the note she has next to the line item for rent from the City of Denver. Peg said at the time the budget was distributed to the Board she had not heard from anyone at the City regarding the renewal of the contract to sublease Jane Potts' office. Jane stated the City has agreed to continue the lease. Shepard Nevel asked if Peg had any concerns related to organizational capacity. She did not. Dave Montez commented on the time and costs related to implementing the GO grant system. He said if Peg included allowance for overtime into the budget related to the new system. Peg said she had not. As a local government entity the SCFD doesn't have to pay overtime. It can offer straight comp time instead. Joseph did warn the Board that reserves are being drawn down and action may have to be taken if the sales tax revenues and particularly the interest income don't improve over the next year. James asked the Board to be aware that the interest income is a big variable to the SCFD budget and thanked Joseph for mentioning it. Shepard

thanked Peg for her budget narrative. He found it to be helpful. He stated taxpayers should be pleased with how efficiently their money is being spent.

Peg stated the budget will be available for public review for the next month. She encouraged any Board members that may have questions to contact her prior to the October Board meeting at which time the Board will be asked to approve a resolution adopting the budget.

5. Statutory Exclusion of Educational Institutions

Peg Long introduced Resolution 10-09 Pertaining to Statutory Exclusion of Educational Institutions, which establishes a policy regarding how to define an educational institution for eligibility purposes. She stated that the SCFD statute expressly excludes educational institutions from being eligible for SCFD funds and the staff is receiving increasing numbers of eligibility applications from organizations that might not qualify.

James Harrington opened the floor for public comment. Jane Potts asked if staff knew how many current organizations would be effected by this policy. Peg replied that based on the policy as presented, 14 currently eligible organizations could possibly be affected but staff would work with these organizations over the grace period to help them remain eligible. Jane then asked the Board and staff to consider that many dance organizations across the county use tuition to maintain their companies. Alice Lee Main, Aurora Cultural Services Division, commented classes and ticket sales make up the bulk of revenue for organizations like hers. They depend on the class income for years in which their productions don't make a profit. Peg said she was aware of such needs and that is why eligibility would be based on the three-year rolling average so that no one year would make an organization ineligible.

Marcia Johnson thanked Peg for putting much needed policies in place. Following Marcia's comment a lively Board discussion of the policy took place. Suggestions to revise the proposed policy included: looking at school accreditation, adding a definition of educational institution, adding a definition of tuition and increasing the threshold percent of revenue from tuition from 50% to something higher.

James Harrington asked for a decision on this resolution to be tabled until next month. He asked all Board members to send any thoughts and or suggestions to Peg and instructed staff to continue defining educational institution as they have been.

6. Amending District Financial Operations Policy

Peg presented a resolution to amend current district financial operations policy. She said the resolution would bring SCFD up to the Governmental Accounting Standards Board's (GASB) statement 54 standards. Joseph Arcese asked for a change in the wording of section three, part one to say "an amount not to exceed" instead of "an initial amount equal to." The Board agreed.

Joseph Arcese motioned to approve Resolution 10-10, Pertaining to Amending District Financial Operation Policy. Jim Martin seconded. The motion passed.

7. Rex Morgan Award

James Harrington announced there were nine candidates for the award this year. He encouraged people to re-nominate if their candidate doesn't win. The result of the first ballot had Floyd Ciruli and Stevan Strain as the front runners. Kathy Spuhler asked if a second vote would be appropriate. James Harrington agreed. The result of the second vote was Floyd Ciruli.

Marcia Johnson reported the artist of the Tribute is behind schedule by two weeks due to materials being delayed getting to him. She asked the Board to approve a postponement of the award ceremony to November 30 or December 1 so the dedication of the tribute and the presentation of the 2010 award could take place at the same time. The Board agreed.

Donna Smith gave an update on the fundraising effort. Over \$72,500 is pledged with \$65,000 deposited, and just under \$2,500 is now needed to reach the fund raising goal. A \$5,000 major award from Denver Civic Arts Foundation came in thanks to Noel Congdon and Jill Crow. She also thanked Gully Stanford for securing \$500 each from Randy Weeks and Donald Seawell. Donations from Kathy Kucsan, Colorado Music Festival and Swallow Hill have also been made.

8. Reports

8.1 Treasurer

The July 2010 SCFD sales and use tax revenue was \$3,423,815.86. This compares to July 2009 revenue of \$3,150,890.98. This is an 8.66% increase over month-to-date (MTD) July 2009. The 2010 year-to-date (YTD) sales and use tax revenue is \$22,554,741.53. This compares to YTD 2009 revenue of \$20,737,396.42, which is an 8.76% increase in YTD 2010 over YTD 2009.

8.2 Chairman

James Harrington encouraged all the Board members to attend a Tier III check ceremony, either for their home or any county.

8.3 Executive Director

Peg Long introduced SCFD volunteer Phoebe Coleman. Phoebe designed the SCFD 2009 annual report which was distributed at the meeting. Peg thanked her for her dedication and hard work on the report. Peg also made the Board aware of an annual calendar of major deadlines and related core activities sheet in their packet. The calendar will give the Board a better sense of what SCFD deadlines are and how these drive staff workload and board responsibilities.

9. Adjournment

Dave Montez motioned to adjourn. Kathleen Stapleton seconded. All were in favor. The meeting was adjourned at 4:05pm.


Secretary