

SCFD BOARD OF DIRECTORS MEETING

June 28, 2012

1:00 pm

Parker Cultural and Scientific Commission at the Parker Arts Culture & Events Center Meeting Minutes

SCFD Board members present: Chairman Kathryn Spuhler, Vice Chairman Joseph Arcese, Secretary Kathleen Stapleton, Treasurer Bob Grant, Khadija Haynes, Councilwoman Peggy Lehmann, Dave Montez, Dan Hopkins, and Kathy Kucsan

SCFD Board members absent: Shepard Nevel

SCFD staff present: Executive Director Peg Long, Program Manager Jessica Clare, Office Administrator Sheila Mieger

SCFD staff members absent: Program Manager Nancy McCamey and Program Assistant Erica Barclay

1. Introductions and Approval of Agenda

Chairman Kathryn Spuhler called the meeting to order at 1:05pm, followed by introductions. A quorum was present.

Jeannene Bragg, Cultural Director of the Parker Arts Culture and Events Center (PACE), welcomed the Board and thanked the SCFD for their support. She gave a short presentation highlighting what is currently happening at PACE.

2. Approval of May 24, 2012 Board Minutes

Joseph Arcese motioned to approve the minutes. Peggy Lehmann seconded. The motion passed.

3. SCFD Fiscal Year 2011 Audit Report and Resolution

Bob Grant reported he, Kathryn Spuhler, Peg Long and SCFD contract accountant, Gloria Nedved, met with auditor Mark Elmshouser of CliftonLarsonAllen LLP. Bob thanked Mark for his patience in guiding them through the process. Bob then turned the meeting over to Mark. Mark gave each Board member a handout highlighting:

1. Purpose of an Audit
2. Auditing Standards
3. Use of Auditing Statements

He then went into the specifics of the SCFD audit, guiding the Board through the audit documents.

CliftonLarsonAllen LLP had no issues with management and there were no adjustments that needed to be made.

Peggy Lehmann asked why expenses were down this past year. Bob replied that Peg runs a tight ship and budgets conservatively. Kathleen Stapleton thanked Peg and her staff for their work.

Resolution 12-05 Pertaining to Acceptance and Approval of the FY 2011 Audit

Bob Grant read the resolution. Kathy Kucsan motioned to approve Resolution 12-05 Pertaining to Acceptance and Approval of the FY 2011 Audit. Khadija Haynes seconded. The motion to accept the resolution passed.

4. Reports

4.1 Treasurer

Bob Grant and Peg Long reported there was a 20% month-to-date (MTD) increase in April 2012 sales and use tax revenue over April 2011 which results in an 8% year-to-date 2012 increase over YTD 2011.

4.2 Chairman

Chairman Kathryn Spuhler reported on various activities/events she attended this past month including an education meeting for special district board members.

4.3 Executive Director

Peg Long reported on the following:

- She presented the Board with a Rex Morgan Award draft budget and Call for Nominees' flyer for the Board to review and approve. She plans to ask SCFD funded organizations to sponsor the event to help with the short fall in the budget. The Board gave staff the go-ahead with the project.
- Tier II Qualification deadline was June 1. A total of 25 organizations submitted applications, and all met the qualification requirements. eTown did not apply to Tier II this year due to the focus on raising funds for their capital campaign, which cannot be counted toward the threshold. Peg welcomed Clyfford Still Museum to Tier II. This is the first year the museum will be in Tier II. The Board asked various questions regarding the landscape of Tier II including possible organizations that might join the Tier in the future.
- Mike Yankovich, CEO of the Children's Museum contacted Peg about the possibility of SCFD organizations coming together to offer Colorado residents affected by the recent fires complimentary tickets to their organizations. Mike contacted the Red Cross which agreed to distribute tickets donated by SCFD organizations. SCFD staff is working with Mike to get the word out to the organizations inviting them to participate. Dave Montez asked for a resolution to be drafted to acknowledge the organizations that participate. The Board agreed.

5. Other Matters

5.1 Public Awareness Committee/Marketing Directors Update

Dave Montez reported on the two meetings the committee hosted. The purpose of the meetings was to share the ideas the committee developed and to get feedback and other ideas from all three Tiers. Dave introduced Kristy Bassuener, Associate Director of Communications at the Denver Art Museum. Kristy went through a power point presentation outlining the results of the meetings. Following the presentation Dave asked the Board to consider the committee's proposed next steps:

1. Form a SCFD steering committee made up of representatives from all three tiers, County Councils and Board members.
2. Instruct the committee to create an Awareness Toolkit and expand beyond messaging into actions.

The Board agreed. Dave, Khadija and Dan agreed to serve on the committee. Staff will assist the Board in recruiting other members.

5.2 Board Planning Session Discussion Topic: SCFD Operating Revenue and Reserves

Peg gave a short presentation on the history of SCFD tax revenue and interest rates and referred to related documents in the board packet. While sales tax revenues are increasing, interest rates are at, and have been since 2008, record lows. She then reported on the history of SCFD's budgeted vs. actual operating expenses. She concluded by outlining possible five year budget projections.

Bob Grant gave Board members a handout showing the difference between a .75% and a 1% administrative share of sales tax revenue. He recommended the Board go the legislature in 2013 to amend the statute to increase the administrative share from .75% to 1%.

Melanie Layton, SCFD's contract legislative liaison, shared with the Board she doesn't recommend going to the legislature at this time. Come November, 30% of the members will be new, and she doesn't think it would serve SCFD well if the first thing legislators learn about the SCFD is that we are asking for more administrative money. She recommends the Board change the administrative percentage of revenues at the same time as reauthorization.

The Board then discussed the options of going to the legislature and asking the organizations for another recovery of 2004 election costs. Dan Hopkins, Joseph Arcese and Bob Grant will meet with Peg prior to the next Board meeting to discuss options for covering operating expenses and maintaining reserves, including identifying how much money SCFD needs and how much more can be recovered from election costs. They will present their recommendation at the July meeting.

6. Public Comment

Craig Piper, CEO of Denver Zoo, shared that everyone recognized the election costs were higher than anyone expected. It was also recognized at the time of the first election cost recovery there may need to be another recovery of costs. The Tier I organizations have discussed such a possibility and they are in support. Michelle Nierling, co-chair of the SCC, stated she feels confident the Tier IIs will also support an election cost recovery plan.

Jane Potts thanked Dave Montez and Kristy Bassuener for listening and incorporating marketing/public relations ideas from the organizations.

Steven Strain, former SCFD board member and chair, shared that as a local business owner he is starting to see an economic change he hasn't seen in three years. He feels things are moving in the right direction.

7. Adjournment

| The meeting was adjourned at 3:50pm.


Secretary