

SCFD BOARD OF DIRECTORS MEETING

June 25, 2015

1:00 pm

Ken Caryl Ranch Metropolitan District Meeting Minutes

SCFD Board members present: Chair Dan Hopkins, Vice-Chair Kathy Kucsan, Treasurer Hal Logan, Secretary Lynn Jeffers, Councilwoman Peggy Lehmann, Elaine D. Torres, Shepard Nevel, Kathryn Spuhler, Rob Johnson, Kathy Imel and Damon O. Barry

SCFD staff present: Executive Director Peg Long, Senior Program Manager Nancy McCamey and Office Systems Administrator Sheila Mieger

1. Introductions and Approval of Agenda

Dan Hopkins called the meeting to order at 1pm followed by introductions. A quorum was present. The agenda was approved.

Melissa Daruna, Recreation Supervisor, at Ken Caryl Ranch welcomed everyone. She shared that their SCFD funding is used to bring live music and entertainment to the south Jefferson County area at various special events. They host three "Music a La Mode" Concerts with live bands, free ice cream and swimming for the public. She invited everyone to come to their 4th of July Pool Party and Concert with more live music, food vendors, face painting, pool games and swimming.

2. Approval of May 28, 2015 Board Minutes

Shepard Nevel motioned to approve the minutes. Lynn Jeffers seconded. Motion to accept the minutes passed.

3. Fiscal Year 2014 Audit Report and Resolution

Mark Elmshouser, auditor with CliftonLarsonAllen highlighted key points. He thanked staff for the clean process. There were no misstatements that impacted the organization nor were there any issues with internal controls of the organization. Revenue was up 10%. Interest income was about half of the previous year. 2014 was the final year of election cost recovery. Expenses increased primarily due to legal fees. Mark explained the fund balance breakdown. In 2015, an accounting standard related to PERA changed. PERA liability will need to be recorded in financial documents beginning next year. Dan thanked staff and Mark for all the work on the audit.

Hal Logan read the resolution. Kathy Kucsan motioned to approve Resolution 15-17: Pertaining to Acceptance and Approval of the Fiscal Year 2014 Audit. Peggy Lehmann seconded. Motion to accept the resolution passed.

4. Reports

4.1 Treasurer

Hal Logan reported the April 2015 SCFD sales and use tax revenue was \$4,361,467.45. The 2015 year-to-date (YTD) sales and use tax revenue is \$17,013,137.55. This compares to YTD 2014 revenue of \$15,822,661.83. The variance is \$1,190,475.72 a 7.52% increase in YTD 2015 over YTD 2014. SCFD has also renewed its CD at Mid-First Bank (formerly Steele Street Bank and Trust) for another year at .40%.

4.2 Chairman

Dan Hopkins invited Kathryn Spuhler to give an update on the Teen Council. Kathryn turned the floor over to Kate Lubotsky, Teen Council Youth Leader. She reported the council has started visiting organizations. They created t-shirts. They are having discussions with Tier II organizations to develop a plan to work with them. They are planning to attend a Leadership Conference retreat. They are also working on content for a page on the SCFD website. Finally they are working to expand the group through an application process. The Council is currently comprised of eight people, a minimum of one per county. Once the application is done SCFD staff will help

advertise this volunteer opportunity. Elaine D. Torres asked what has been the best thing Kate has learned so far. Kate replied she has learned how to get people to open up regarding their thoughts. Elaine encouraged the Teen Council to consider the diversity of the group as they expand. Kathy Kucsan offered to introduce the Teen Council to organizations including the Boulder County Cultural Council.

4.3 Executive Director

Peg Long reported the Tier II Qualification deadline was May 29. Twenty eight organizations submitted applications. All qualified. The Art Students League is new to the Tier this year. Organizations will be notified as to their SCFD 2015 budgeted projected distributions so they can complete their Certification reports.

5. Public Comment

- Kathy Spuhler invited public comment on the proposed discretionary fund resolution.
- George Sparks, Denver Museum of Nature and Science, commented that he is not sure it serves a purpose. It is more of an administrative task than a method for encouraging particular outcomes.
- Steve Wilson, Scientific and Cultural Collaborative (SCC), reported the SCC uses the Tier II Discretionary funds allocation to set dues amounts. If the Board were to adopt a resolution in which discretionary funds were not separated from general operating funds the SCC could easily adapt. SCC would change the wording to 5% of SCFD award goes to SCC instead of discretionary funds.
- Patrick Tennyson, Butterfly Pavilion, stated that many years ago there seemed to be a more meaningful use of the funds. It does feel more administrative at this time.
- John Bunting, Jefferson County Cultural Council, said the Council makes no distinction between general operating and discretionary funds..
- Shannon Block, Denver Zoo, reported that whatever the Board decides would make no difference to their operations. They would continue doing the things the discretionary funds were set aside for in any event.

6. Other Matters

6.1 Resolution 15-18 Pertaining to Extension of June 2018 Sunset Provision

Peg presented a history of past sunset dates. Since 2011, the Board has been considering the extension of SCFD from June 2018 for either another 12 or 16 years. She said if the proposed increase to the administration budget is approved by the legislature, SCFD should be able to cover the election costs for the next election regardless if it is in 12 or 16 years. Board members expressed concerns over changing demographics, public awareness and Tier growth as reasons to extend the tax for 12 years rather than 16.

Shepard Nevel motioned to approve Resolution 15-18: Pertaining to Extension of the June 2018 Sunset Provision. This resolution would extend the tax to 2030. Kathryn Spuhler seconded. Motion to accept the resolution passed.

6.2 Resolution 15-19 Pertaining to Board Discretionary Funds Provision

Peg gave a brief history of the issue and outlined the possible results of the options presented. 15-19A would delete the discretionary language from the statute. All the funds would be given out as general operating support. 15-19B allows the Board to reduce the discretionary to 0%. This change would need to be in place for a minimum of five years to comply with statutory requirements. The third option is to make no changes. If the Board were to remove discretionary language or reduce it to zero, Peg encouraged the Board to add a question to the certification reports highlighting an area the Board would like to see organizations focus on or improve upon. The Board had a lengthy discussion considering these options that included the Board's role to oversee the use of the funds.

Damon O. Barry motioned to approve Resolution 15-19B: Pertaining to Board Discretionary Funds Provision. Rob Johnson seconded. This resolution would reduce discretionary fund percentage to 0 for five years, distributing all revenue as general operating support. Motion to adopt the resolution passed. Kathryn Spuhler abstained.

7. Honoring Shepard Nevel

Shepard Nevel served two terms, i.e., six years, on the SCFD Board. His term expired due to term limits. The Board read a proclamation honoring him. Dan Hopkins invited Board members to share their thanks. Many of the Board members shared reasons they will miss Shepard including his grace and humor, advice, intelligent insight, diplomatic skills, sensitive and kind nature, articulate language, legal mind, word-smithing abilities and friendship.

Shepard thanked everyone. He said that it has been an easy board to serve on with a mission that is compelling while having impact on economics, education, and most importantly the soul and mind. He said that in addition to working with a great board he has enjoyed working with the staff and committed talented leaders within our organizations.

8. Adjournment

The meeting was adjourned at 3:00 pm.


Secretary