

SCFD BOARD OF DIRECTORS MEETING

May 28, 2015

12:00 pm

Denver Art Museum

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, Damon O. Barry, Kathy Imel, Rob Johnson, Shepard Nevel and Kathryn Spuhler via Skype.

SCFD staff present: Executive Director Peg Long, Senior Program Manager Nancy McCamey, Program Manager Jessica Kato, Program Assistant Katherine Wilson, Office Systems Administrator Sheila Mieger

1. Introductions and Approval of Agenda

Dan Hopkins called the meeting to order at 12:00 pm followed by introductions. A quorum was present.

Christoph Heinrich, Frederick and Jan Mayer Director, Denver Art Museum welcomed everyone and thanked the Board for SCFD support.

2. Approval of April 23, 2015 Board Minutes

Lynn Jeffers motioned to approve the minutes. Rob Johnson seconded. Motion to accept the minutes passed.

3. Approval of April Board Planning Session Minutes

Kathryn Spuhler motioned to approve the minutes. Peggy Lehmann seconded. Motion to accept the minutes passed.

4. Tier I Distribution Certification

Brian Vogt read the annual joint statement from the Tier I CEOs.

It is inspiring to imagine the conversations 27 years ago as this powerful new idea of a district to support science and cultural organizations was born. Countless community leaders banded together with a dream forged with equal parts practicality and audacious vision.

We, the five Tier 1 institutions, are keenly aware every day of our good fortune. In former times, our institutions were, like many in the country, supported primarily by state and locals funds. When that changed, we actually faced the possibility of diminished capacity to the point of a resignation to mediocrity, of pure survival. And yet, voters created the SCFD, and now our ability to serve the community continues to grow.

Look at where we are today, or more precisely, a few things we accomplished last year. Both the Museum of Nature and Science and the Art Museum curated world class original shows, *Maya: Hidden Worlds* and *Passport to Paris* respectively. With the support of SCFD, the Center for the Performing Arts launched new works, including the *Legend of Georgia McBride*, before it moved to other markets. The Zoo became one of only four in the world to achieve the Occupation Health and Safety Assessment Series 18001 certification. The Botanic Gardens opened a first of its kind Science Pyramid, a pavilion aimed solely at inspiring visitors of all ages to see their world through a scientific lens.

The numbers in 2014 were astonishing. Total visitation to our five organizations topped six million, 750 thousand more than the entire population of Colorado. Visitation from the seven-county metro area, over four million, exceeds the population of the same area by one million. The total number of children served by our school programs was 545,065. Reduced and free attendance reached 3.19 million people. Among us, we have 6,337 volunteers and 207,390 member households.

One of the most valued benefits of the SCFD is the opportunity to partner with scores of organizations in Tiers 2 and 3. Each of us teams up with or contracts with colleagues to exponentially expand programs and audiences. For example, the Art Museum collaborated with Clyfford Still Museum on *Modern Masters: 20th Century Icons* from the Albright Knox Gallery. The Museum of Nature and Science worked with the Mexican Cultural Center to put on the most well-attended *Dia del Nino* celebration in the nation. DCPA teamed with the Colorado Symphony Orchestra and Youth on Record to establish the

Creative Classroom Collaborative, a program designed to afford at-risk students the opportunity to hone their writing skills and transform their words into a public performance. The Zoo supported the Butterfly Pavilion with their application for accreditation from the Association of Zoos and Aquariums (AZA). The Gardens manages a CSArt program with the Boulder Museum of Contemporary Art, a butterfly house at Chatfield with the Butterfly Pavilion and a legendary concert series with Swallow Hill Music.

The combined work of our institutions has brought the international spotlight to Colorado. The Denver Center is the nation's largest non-profit theater organization, entertaining nearly 800,000 guests at 43 productions. DAM is the 8th most attended encyclopedic art museum in the country. The Denver Museum of Nature & Science has one of the largest membership bases among natural history organizations in the U.S., averaging 62,000 member households at any given time. The Denver Zoo won the AZA's 2014 Education Award, having served 215,000 students and offered \$200,000 in scholarship funds. The Gardens was the most visited public garden in North America in 2014 with over 1.4 million visitors, including nearly 160,000 from other countries. Collectively we reached an audience of several hundred million through media outreach.

SCFD's support for these five institutions has meant that citizens – across all seven SCFD counties – have access to the rare, the extraordinary in each of our fields. Though metro Denver ranks as the 21st largest metropolitan area in America, our citizens can enjoy experiences previously reserved for the world's mega-cities. Beyond the educational and inspirational value we offer, we amplify Colorado's brand and bring substantial economic benefit.

We appreciate the opportunity to come before you each year to summarize the past and project the future. More than anything, we appreciate the singular power of SCFD to enrich the lives of our communities and pledge to you our continued best efforts to honor the opportunities afforded us.

And finally, we extend to you our respect for the leadership role you play in the necessary task of SCFD reauthorization. As the Committee's recommendation emerged, resulting in a drop in the Tier I percentage, many on our Boards and staff were concerned.

In the end though, and as it was for the Committee, we came to the conclusion that this is and must be about the greater good. We strive to keep our eyes on the big picture. You have our support for the Committee's recommendations and our pledge to work diligently until the job is completed in November 2016.

Following the statement each panel member gave a six minute presentation on his specific organization:

Denver Botanic Gardens - Brian Vogt, CEO

Denver Museum of Nature and Science - George Sparks, President and CEO

The Denver Center for the Performing Arts – Scott Shiller, Chairman and CEO

Denver Zoo – Denny O'Malley, Outgoing Board Chairman, on behalf of Shannon Block, President and CEO

Denver Art Museum - Christoph Heinrich, Frederick and Jan Mayer Director

The Board thanked the CEOs for everything their organizations provide to the community. The Board proceeded to ask a variety of questions regarding attendance, marketing, outreach into communities, innovation, engagement with populations of color and access.

Resolution 15-11 Pertaining to 2015 Tier I Formula and Discretionary Funds Distribution

Dan Hopkins read the resolution. Kathy Kucsan motioned to approve Resolution 15-11 Pertaining to 2015 Tier I Distributions. Rob Johnson seconded. The motion to accept the resolution passed.

5. Reports

5.1 Treasurer

Hal Logan reported that the March 2015 SCFD sales and use tax revenue was \$4,641,220.25. The 2015 year-to-date (YTD) sales and use tax revenue is \$12,651,670.10. This compares to YTD 2014 revenue of \$11,654,837.84. The variance is \$996,832.26, an 8.55% increase in YTD 2015 over YTD 2014.

5.2 Chairman

Dan Hopkins said a few words in memory of former Board member Joseph Arcese and asked the audience for a moment of silence.

5.3 Executive Director

Peg Long asked the Board to consider a logo modification request from Lakewood Arts Council. A paint brush was added to Popsicle's paws. Rob Johnson reported the logo modification does meet the logo policy requirements. The Board approved the modification.

6. Public Comment

Dan Hopkins opened the floor to public comment. He asked people to keep their comments to three minutes. He requested only one person per organization speak. The following people spoke:

Pat Steadman - Colorado Senator

Jim Gunning - City of Lone Tree, Mayor

Daniel Ritchie - Denver Center for the Performing Arts

Kelly Brough - Denver Metro Chamber

Wendy Littlepage - Denver Museum of Miniatures Dolls and Toys

Don Eberle - Denver County Cultural Council

Cindy Domenico - Boulder County Commissioner

Tony Garcia - Su Teatro Theatre

Linda Carol - Denver Firefighters Museum

Carol McCasland - Denver Zoo, volunteer

Bob Murphy - City of Lakewood, Mayor

Jay Seller - Think 360 Arts

Robert McCullough - St. Martin's Chamber Choir

Judy Karty - Denver Zoo, volunteer

Kathy Brantigan - Denver Brass

Susan Honstein - Louisville Art Association

Jane Potts - CAST3

Donna Smith - Denver Resident

Greg Vigil - Denver Resident

Tammy VerCauteren - Rocky Mountain Bird Observatory

Elaine Mariner - Town of Parker Cultural Department

Deborah Jordy - Colorado Business Committee for the Arts

Mike Yankovich - Children's Museum of Denver

7. Board Discussion of 2015 Task Force Report Recommendations

Karla Raines, Corona Insights, facilitated the conversation. Steve Wilson, Mizel Arts and Culture Center, reviewed several slides related to the tax levy recommendation and provided insight into Task Force discussions. Elaine Torres and Shepard Nevel, who served on the task force, provided additional insight.

Shepard Nevel motioned to approve Resolution 15-12 Pertaining to Statutory changes Pursuant to Renewal. Kathy Imel seconded. Following discussion the resolution was amended to include only the following sections:

- Section 1. To update statutory language to exclude the ability of Tier II's to apply for Tier III funding.
- Section 2. To allow maximum of two SCFD eligible organizations per local government Tax Identification Number (TIN) or Federal Employer Identification Number (FEIN).
- Section 3. To redefine cultural and scientific facilities in statute to allow broader, more flexible eligibility categories that uphold original statutory intent while providing flexibility to adjust for future changes and ways of serving and engaging the public.
- Section 4. To update statutory language to state that county cultural council members may consider financial and organizational capacity in funding decisions.
- Section 5. To modify the Tier II threshold adjustment factor by using trailing two-year CPI.
- Section 6. To modify the Tier II Intra-Tier distribution formula by adding free attendance and give the board the discretion to determine the weighting of the three factors (paid attendance, free attendance, revenue) and reduce the time period the board is bound to the change from five years to two years.

- Section 7. To modify Tier I intra-tier percentages per the agreement among the organizations.
- Section 8. To increase the SCFD administrative percentage from .75 per cent to 1.5 per cent.

The motion to adopt the resolution as amended passed unanimously.

The Board asked that each of the remaining sections be presented as individually numbered resolutions.

Peggy Lehmann motioned to approve Resolution 15-13 Pertaining to Statutory Changes Pursuant to Renewal: To add to Tier II eligibility criteria a regional service requirement as defined in board policy. Rob Johnson seconded. The motion to adopt the resolution passed.

Shepard Nevel motioned to approve Resolution 15-14 Pertaining to Statutory Changes Pursuant to Renewal: To modify the tax levy percentage allocations among tiers to 64/22/14 up to \$38 million and 57/26/17 above \$38 million. Elaine D. Torres seconded. The motion to adopt the resolution passed 10 to 1.

Hal Logan motioned to approve Resolution 15-15 Pertaining to Statutory Changes Pursuant to Renewal: To modify SCFD Tier II and Tier III eligibility requirements to increase years of existence serving the public as a 501(c)(3) from 5 to 7 years for Tier II and from 3 to 5 years for Tier III, and to grandfather in currently eligible organizations. Lynn Jeffers seconded. The motion to adopt the resolution passed 10 to 1.

Elaine D. Torres motioned to approve Resolution 15-XX Pertaining to Statutory changes Pursuant to Renewal: To add the requirement of an annual operating income threshold of \$25,000 or 10 years of existence serving the public as a 501(c)(3) to Tier III eligibility criteria. Hal Logan seconded. The motion to adopt the resolution failed 0 to 11, with all board members voting against adoption.

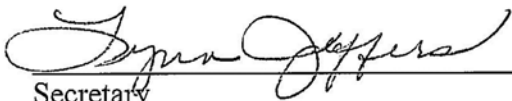
Shepard Nevel introduced a clarifying resolution, Resolution 15-16 Pertaining to the Tier II Distribution Formula. Kathy Kucsan motioned to approve Resolution 15-16 Pertaining to the Tier II Distribution Formula:

- Section 1. To modify the language of C.R.S. §32-13-107(3)(b)(II)(A) as follows:
A distribution of moneys pursuant to subparagraph (I) of this paragraph (b) may be based upon a formula to be applied annually that considers the weight assigned to annual operating income, audited paid attendance and documented free attendance.
- Section 2. To modify the language of C.R.S. §32-13-107(3)(b)(II)(B) as follows:
Such determination by the board of the weight to be assigned to any of these factors shall be binding on the board and may be modified every two years thereafter.

Kathy Imel seconded. The motion to adopt the resolution passed unanimously.

8. Adjournment

Dan Hopkins thanked everyone who engaged in this inclusive and transparent multi-year reauthorization input process. He thanked Karla Raines for her work throughout the process. Lynn Jeffers thanked everyone in the audience for staying for the entire meeting. The meeting was adjourned at 4:20 pm.


Secretary