

**JOINT MEETING OF THE SCFD BOARD OF DIRECTORS
AND 2015 REAUTHORIZATION TASK FORCE**

April 23, 2015

1:00 pm

Hudson Gardens

Meeting Minutes

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

SCFD Board members not present: Secretary Lynn Jeffers

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

Facilitator: Karla Raines, Corona Insights

Task Force members present: Kristy Bassuener, Susan Beyda, Susan Connelly, Karen Douglass, Jim Harrington, Andrea Malcomb, Dave Montez, Shepard Nevel, Michelle Nierling, Lisa Rigsby Peterson, Dan Ritchie, Rhett Shead, George Sparks, Gary Steuer, Elaine D. Torres, Steve Wilson.

Task Force members not present: Tony Garcia and Deven Shaff

1. Introductions and Approval of Agenda

Dan Hopkins called the meeting to order at 1:00pm followed by Board introductions. A quorum was present.

Dan thanked Task Force members and staff for their work. He reminded the audience that the Task Force is presenting its recommendations. No decisions have been made yet. The Board plans to deliberate and make decisions at the May and June meetings.

2. Presentation of Report Recommendations by the 2015 Reauthorization Task Force

James Harrington, Lisa Rigsby Peterson and Dan Ritchie highlighted the recommendations for the Board:

Issue	Recommendation
1. Update statutory language to exclude the ability of Tier II's to apply for Tier III funding.	This change should be made.
2. Allow maximum of two SCFD eligible organizations per local government TIN or FEIN.	This change should be made.
3. Redefine <i>cultural</i> and <i>scientific</i> 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.	This change should be made.
4. Update statutory language to state that Council members may consider financial and organizational capacity in funding decisions.	This change should be made.
5. Lower the Tier II income threshold to include large Tier III organizations.	This change should <u>not</u> be made.
6. Modify Tier II Threshold Adjustment Factor by using trailing two-year CPI.	This change should be made.
7. Modify Tier II Intra-Tier Distribution by adding free attendance to current formula. Give board ability to determine the weighting of the three factors (paid attendance, free attendance, revenue).	This change should be made.
8. Add Regional Service Requirement to eligibility criteria for Tier II.	This change should be made.
9. Should there be a fourth tier?	This change should <u>not</u> be made.
10. Add SCFD Tier III Eligibility operating income threshold of \$25,000 or 10 years	This change should be

Issue	Recommendation
of existence as 501(c)(3) for newly eligible organizations	made.
11. 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.	This change should be made.
12. Tighten Tier II Eligibility Criteria.	N/A. Addressed by Items 8 and 11 above.
13. Modify Tax Levies of Tiers to 64/22/14 up to \$38m and 57/26/17 above \$38m.	These changes should be made.
14. Modify Tier I Intra-Tier distributions per Tier I agreement.	This change should be made.
15. Develop new audiences and enhanced services for underserved populations and youth.	No statutory action required.
16. Increase SCFD Administrative Percentage to 1.5.	This change should be made.
A. Sunset provisions (Number of Years).	Issue was not addressed.
B. Elimination of 5% Discretionary Provision.	Inadequate time to address the issue.
C. Movement of money when a Tier III organization becomes a Tier II, and vice versa.	No action required.

Following the presentation, Karla Raines facilitated a question and answer session between the Board and Task Force Members. Most of the questions were to clarify recommendations or to explain how the group came to a particular decision.

3. Public Comment

George Sparks, CEO, Denver Museum of Nature and Science, commented on how proud he is of the work the Task Force did to benefit the citizens of the SCFD.

Sara Carpenter, President of the Children's Museum Board of Directors, stated she was impressed with the report and thanked the Board and Task Force for the process.

Mark Addison, former SCFD Board member, said he was very impressed with the process. It didn't come from the top down. He was pleased the growth of Tier II and Tier III was considered. The SCFD is a gift from the tax payers.

Brian Vogt, CEO, Denver Botanic Gardens stated he felt the process was transparent, open and fair. There is no way to make everyone happy. He thanked the Denver Museum of Nature and Science, Denver Art Museum and Denver Center for the Performing Arts for giving up a portion of their allotment to the gardens. He said they did not ask these organizations to do so and is proud for where the gardens are today.

Debbie Ellerman, Boulder County Cultural Council, said the statute needs refreshing. She thanked the Tier I organizations for offering more change this time around.

Susan Honstein, Louisville Art Association, said she was not speaking on behalf of the organization. She said she is disappointed in the outcome. She does not feel what was presented is an equitable distribution of the funds and that most of the money goes to Denver County based organizations. She believes the proposed increase for Tier III is not very much, and she doesn't expect to see the economic growth presented by the Task Force. She would like to see the Free Days offered by the Tier Is to be increased and for free admission to be considered.

Jane Potts, CAST3, invited everyone to join CAST3 at the Tavern in Littleton following the meeting. Tier IIIs have a third of the audience and is the only place that has diversity as a mission said Jane. She feels they should get more than 17% of the share.

Deborah Jordy, Executive Director, Colorado Business Committee for the Arts, said she was impressed by the report and is pleased by the regional cooperation that allows for SCFD to exist. She mentioned the National Endowment for the Arts' total budget last year was 146 million dollars. Of that, 138 million was distributed. The SCFD gave out a third of that

amount to just 300 organizations. She stated that SCFD is not an entitlement and encouraged people to keep sight of the big picture. Shepard Nevel commented the NEA had eight million for their administrative budget which he found interesting considering there is a recommendation to increase the SCFD administrative portion to 1.5%.

Michael Henry, Executive Director, Lighthouse Writers thanked the Board for supporting literary arts. He proposed it should receive equal footing among the other disciplines. He offered his expertise to help draft language around the literary arts. He closed by reading the poem *Filling Station* by Elizabeth Bishop.

Mary Ellen Williams, Executive Director, Foothills Art Center, conveyed empathy for the Tier IIIs. She commented on how much the City of Denver and its citizens have invested in their cultural institutions. She would like to see the cities surrounding Denver follow their lead. She stated this reauthorization process appears to be much smoother than ten years ago.

Kacie Miller, Deputy Director, Rocky Mountain Bird Observatory commented on the recommendation to allow for free attendance to be part of the Tier II formula. She asked the Board to consider what kind of documentation is really needed to make sure the process is fair and transparent. It can be challenging for organizations to maintain extensive documentation. She offered to meet with any Board member who may want to understand what they currently go through to meet current SCFD documentation requirements. She also commented on the recommendation that would allow the Board to change the Tier II requirements from every five years to every two years. She said that she can appreciate the flexibility that allows for the Board to correct unintended consequences but it does create a moving target for the organizations.

4. Adjournment

Dan Hopkins invited everyone to attend the May 28, 2015 Board meeting at the Denver Art Museum. The meeting will begin at 12 noon. The meeting was adjourned at 3:20 pm.


Secretary