

SCFD BOARD OF DIRECTORS MEETING
June 25, 2009
1:00 pm
Brighton Cultural Arts Commission at the Brighton Recreation Center
Meeting Minutes

SCFD Board members present: Chair James Harrington, Vice Chair Stevan Strain, Treasurer Dan Hopkins, Mark Addison, Jim Martin, Bob Grant, Kathleen Stapleton and Jake Zambrano

SCFD Board members absent: Secretary Marcia Johnson, Joseph Arcese

SCFD staff present: Executive Director Peg Long, Program Manager Nancy McCamey, Program Manager Donna Smith, Office Administrator Sheila Mieger; Program Assistant, Lauren Schmitz, intern Ruth Bruno

1. Introductions

James Harrington called the meeting to order at 1:05 pm, followed by introductions. A quorum was present.

2. Approval of May 28, 2009 Board Minutes

Kathleen Stapleton motioned to approve minutes. Jim Martin seconded. The motion passed.

3. Audit Report and Resolution

Dan Hopkins reported on the meeting he, James Harrington and Peg Long had with Mark Elmshouser of Clifton Gunderson. SCFD is in compliance. Dan thanked Heidi Messer, SCFD Accountant, and Peg for the great work on the audit.

Mark Elmshouser reported SCFD staff was helpful and timely. No adjustments or journal entry corrections were needed. The financial statement report shows a decrease in interest income. Administrative expenses were down. Investment income was about half of what it was the previous year. SCFD no longer has a deficit due to paying off the election costs. Special revenue funds show all was distributed and/or ready to be distributed.

James Harrington said SCFD administration is running as barebones as you can get. Kathleen Stapleton asked the status of staff. Peg reported she does not need to lay anyone off but there will be no raises and there may be a need for some furlough days towards the end of the year if things don't turn around. Kathleen thanked the staff for doing a great job and sticking with the SCFD even though they are not getting raises. Bob Grant asked when the six months reserves were established. James said in March 2007 the Board approved expanding the reserves to six months. James asked Mark Elmshouser if it is common for an organization to have no journal entry corrections. Mark said it is very uncommon; Heidi has done a great job for years.

Dan Hopkins motioned to approve Resolution 09-07, Pertaining to Acceptance of the FY 2008 Audit. Stevan Strain seconded. The motion passed.

4. Reports

4.1 Treasurer

Dan Hopkins reported ColoTrust interest rates are at .36% for Plus. April revenue is down 18.3% over April of 2008. Sales and use tax revenues are down 15% total year to date. Peg Long reinvested three CDs totaling almost \$750,000 at an average 2% interest rate. He thanked Peg for her diligence in managing these funds.

4.2 Chairman

James Harrington reported on the Board Planning Session which took place at the Denver Museum of Nature and Science on June 18, 2009. The entire Board was in attendance. He thanked the Board for their participation.

4.3 Executive Director

Peg Long recognized Lauren Schmitz, Program Assistant. Her last day will be July 15. She will be attending graduate school in New York City.

Peg gave Board members a supplemental packet regarding Tier II. Twenty-six organizations applied and qualified for the Tier. Boulder Philharmonic voluntarily decided not to apply for Tier II this year. They have applied for Tier III

funds. The revised 2009 Tier II distribution document reflects the recalculation of annual operating income including the special events income. The Tier II 2010 projection document using a .5% Consumer Price Index increase in the threshold indicates there is a possibility two organizations could fall to Tier III. One of these organizations is working on a merger with a Tier III group. If this goes through the organization will remain in Tier II. Jim Martin asked how the Wildlife Experience letter affected the numbers. Peg reported staff accepted the letter and the budget is based on those numbers. Bob Grant asked if there needed to be a Board action taken to accept the terms of the letter. James Harrington said Board members were consulted but no Board action needed to be taken at this time. The Board will take final action in August regarding Tier II and Board members will have the opportunity to voice opinions at that time.. Bob asked if that then meant Wildlife Experience voluntarily is taking less SCFD money. James replied, yes. Stevan Strain says he hopes the diligence of the Staff and Board is recognized by Tiers II and III. Donna Smith reported Central City Opera benefited the most from the qualifying restrictions being limited to the items specifically mentioned in the statute. Peg mentioned this change brings the SCFD into accounting compliance with auditing standards. James stated it appears Historic Denver may be the only group to fall to Tier III. He said over the past year the Board has heard from all Tiers regarding the Tier II threshold. He thinks this solution will address many of their concerns.

Peg shared that she toured the Department of Revenue, Sales and Use Tax Division earlier in the month and learned a great deal about the sales tax collection and distribution process. A bill passed in 2009 will allow the Department of Revenue to assess a penalty of business tax filers who pay the taxes due but do not submit the required form to allocate the payment.

5. 2009 Rex Morgan Award and Tribute update

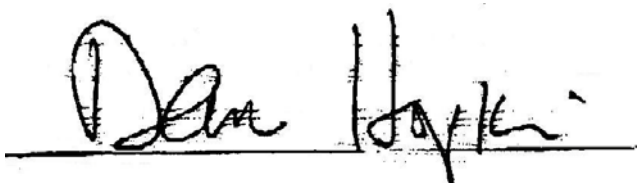
Donna Smith reported on the two components to the Rex Morgan Award program which she described as enabling SCFD to acknowledge citizen volunteerism within the District and to begin a low key, awareness-building campaign reminding the public of the extensive benefits of SCFD.

For the annual award program, nomination forms will be available beginning July 24th with a deadline to submit by Friday, September 11th. Criteria include being a resident of the district and having demonstrated a long history of commitment to culture, core aspects of all that Mr. Morgan himself epitomized. The Board will make the selection of this year's award recipient at the September board meeting. The Award event will be held on Wednesday, November 18, 2009 at the Chambers Grant Salon at Denver Performing Arts Complex. As a part of the event, a ceremony will name the artist and unveil the design concept for the Rex Morgan Tribute, the original, outdoor art for which SCFD currently has issued a Request for Proposals (RFP). Earlier this month, the RFP went live on CAFÉ, the efficient, web-based call for entry system. SCFD was able to license use of this public art application and selection system from WESTAF through the generosity of the Citizens for Arts to Zoo. The proposals being sought will need to accomplish several items, including celebrate SCFD and the citizens who make it possible, honor Mr. Morgan and the annually-growing list of recipients of the Rex Morgan Award.

The committee held a walk-through site visit with interested artists and have set another for 10:30 am on July 30th. The RFP closes on September 1st. Now that the RFP has been posted the committee is focusing on fundraising strategies to fulfill their goal of \$60,000 to fund the Tribute art work and cover expenses for the awards event. Sponsorship materials and the internal accounting system are being developed to support receipt of donations which will be tax deductible for donors. The timeline for obtaining commitments and donations is this summer in order to be able to enter into a contract with a selected artist in late October. Additionally, later this summer, the committee will be preparing for the jury process to select four semi-finalists and then one finalist to receive the Tribute commission.

6. Adjournment

Kathleen Stapleton motioned to adjourn the meeting and Stevan Strain seconded. The motion was passed and the meeting was adjourned at 2:03 p.m.

A handwritten signature in black ink, appearing to read "Dan Hoyer", is written over a horizontal line.

Treasurer