

# SCFD BOARD OF DIRECTORS MEETING

September 24, 2009

1:00 pm

Butterfly Pavilion

Meeting Minutes

**SCFD Board members present:** Chair James Harrington, Vice Chair Stevan Strain, Treasurer Jim Martin, Secretary, Joseph Arcese, Mark Addison, Bob Grant, Kathleen Stapleton, Khadija Haynes, David Montez and Shepard Nevel

**SCFD Board members absent:** Marcia Johnson

**SCFD staff present:** Peg Long, Executive Director, Program Manager Nancy McCamey, Program Manager Donna Smith, Office Administrator Sheila Mieger

## 1. Introductions

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

Bob Bonacci, Executive Director of Butterfly Pavilion, welcomed the Board and gave a presentation about Butterfly Pavilion.

## 2. Approval of August 27, 2009 Board Minutes

Joseph Arcese motioned to approve minutes. Jim Martin seconded. The motion passed.

## 3. Tier III Distributions

### 2009 Tier III Statistics

Peg Long highlighted statistics regarding the grant process including that grant requests across the seven counties totaled \$7,997,762.60 while the funds available for distribution totaled \$5,167,245.70.

### County Cultural Council Presentations

#### *Adams County Cultural Council*

Robin O'Dorisio, Vice Chair, reported one of the challenges Adams Council faces is the significant growth in the eastern portion of the county. As the needs of the residents increase the council struggles to keep maintain fundable grant applications from home-grown organizations. Competition is increasing.

Bob Grant commented the Council is promoting the funding of more project grants focusing on rural outreach. James Harrington asked what challenges former Tier II groups face when applying for Tier III grants. Robin said the Tier II groups have a hard time meeting the high standards set by Tier III organizations and the Councils expectations. Kathleen Stapleton asked why 18 grants were not funded. Robin replied there were more grant requests and less money to distribute. Khadija Haynes asked of the groups not funded what will be the economic impact to the organizations' survival. Robin said she was not sure, but the Council makes it very clear that the organizations should not rely solely on SCFD funds. The Council really promotes diverse fundraising. The formula they use to determine GOS grants is based on an organization's ability to obtain donations, grants, etc. from many sources. Shepard Nevel asked to what extent the discipline of the organization plays into determining funding. Robin said each grant application is reviewed based on its own merit.

#### *Arapahoe County Cultural Council*

Dr. Roy Bartee, Chair, spoke for the County and submitted the following written remarks for inclusion in the official board meeting record at the request of the board.

This year Arapahoe saw an increase in requests of \$200,000 even though organizations were warned of significant decrease in available funding. We only had 57% of the total requests available to actually grant. It was a very difficult decision making process for the council. With the exception of two organizations, they all received less funding then last year.

I want to take this opportunity to thank the staff in the SCFD office for all that they have done to help the County Cultural Councils this past year. County support for the all volunteer councils is widely varied, some of us getting only minimal secretarial support.

Even though Tier III only received 13.5% of the SCFD funding, we represent some 275 organizations district wide who impact a significant population with a widely varied palate of scientific, nature, theatrical, vocal, dance art, history, and cultural programs that reach out to people who can not afford, get to, or even have an interest in either Tier I or Tier II facilities.

Prior to three years ago, each county put on their own grant application workshops. Many organizations had to, or at least tried to attend multiple workshops. Three years ago we instituted district wide Tier III grant application workshops. These have been a huge success and heartily welcomed by both the Tier III organizations and the County Councils. The SCFD staff has assumed the major role in finding venues, organization, and helping to present these district wide workshops... with no increase in staffing.

Secondly and more importantly, over the last three years, the Tier III grant application has transitioned from an all paper application submitted to each county, to an all electronic application submitted to the SCFD office. The SCFD staff then created a county specific CD for distribution to the County Cultural Council members. With the exception of a couple of vocal people, this change to PDF grant application has also been embraced by the Tier III organizations and councils. This transition has also required a significant amount of staff time helping organizations who, to be kind, are still struggling to join the 21<sup>st</sup> century, complete their applications, again... with no increase in staffing.

Also each spring, the SCFD staff processes and creates summaries of each Tier III organization's Final Grant Report, again for some 275 organizations. They also produce county specific reviews of each grant application. This is a valuable tool for the councils during our evaluation process.

We, the County Cultural Councils, have been asked now to delay our grant application deadlines next year to help the SCFD staff cope with this increased workload. This has been disruptive to our long established calendars and policies and has not sat well with some of us.

The SCFD staff estimates it is spending 80% of its time for the benefit of the Cultural Councils and Tier III. The staff has also made an effort to bring some consistency between the individual counties. As long as the SCFD staffing remains at its current level, they will be unable to continue with the support they have provided us in the past. The SCFD office really needs to increase its permanent full time staff. Interns are valuable assets but are only here for a year or less and must be re-oriented at every turnover. In the short term, will the staff need to curtail Cultural Council support, including doing away with the electronic grant application and/or district wide workshops? The long term solution is for this Board to successfully lobby for a statutory increase in the administrative funding from the current ¾ of a percent. This funding rate alone has been insufficient for the support of the SCFD office for several years and the current staffing level and activity has only been maintained by using investment income to offset the deficit. If the economic downturn continues there will be even less funding for the SCFD staff. Tax revenue has continued to be down 15% this year and the office is of course already functioning with a reduced budget.

Whether or not the Board is anticipating proposing to support the introduction of legislation to amend the statute in regards to the Tier II ceiling, I would hope that you seriously consider a move to find a sponsor to introduce legislation to amend the administrative funding to a level above the current ¾ of a percent.

I appreciate your attention and thank you for the opportunity to lobby for the benefit of the Cultural Councils, Tier III, and the SCFD staff.

Bob Grant asked if Arapahoe had project limitations. Roy said there is no limit to the amount of project grants an organization can request, but organizations tend not to submit more than one of two. Shepard Nevel asked if the Council looks at relative benefit of organizations against each other. Roy stated some Council members consider the amount of contacts per dollar while other members look at the financial health of the organizations. Each Council member has his/her own focus.

#### *Boulder County Cultural Council*

Barry Knapp, Chair, seconded what Roy Bartee said. Two organizations in Longmont were not funded this year because their grants were incomplete and not well written. This raised concerns when the Council presented its funding plan to the Commissioners. A Longmont City council member stated the decision not to fund the organizations resulted in Longmont not receiving its fair share of the tax funds. Barry asked the Board to be aware that there is a perception that all the money earned in a particular city/town should and does go back to that city/town. Barry also shared this was Boulder's first year of being an open county, allowing applications from all eligible organizations, not just those based in Boulder County.

Khadija Haynes asked if the WOW museum is part of the Denver Children's museum. Barry said it was not. Mark Addison thanked the Council for their work processing the grants. He stated there has always been city verses rural issues. He thought the Council handled the situation with the Commissioners well. Dave Montez asked how detailed the notification of denial is. Barry said there is not a formal denial process. The grant

applicant interview process is where most of the feedback regarding the grants takes place. Barry feels the Council could do a better job of communicating reasons for denial with the organizations. He invited the Board to attend Boulder's check ceremony on October 13 at Peanut Butter Players. Dave asked staff if they would look into establishing a written process of denial with feedback. Robin O'Doriso said putting reasons in writing is hard because of the personal aspect of the grant process. One Council member may feel differently than another so the grant awarded is a compromise. Nancy McCamey added that some councils are apprehensive about putting such information in writing. James Harrington suggested "reasons why grants are denied" be a topic at the workshops. James asked the reason for rollover funds. Barry stated the Council gives out Discretionary grants throughout the year. The money is held over for these grants. James asked if there is anything thing the Board can do to help with the Longmont Council person to let them know.

#### *Broomfield County Cultural Council*

Karen Gerrity, County Staff, invited the Board to attend a meeting on September 30 regarding SCFD organizations using the Broomfield Event Center and collaborative marketing opportunities. Broomfield does not have any home organizations currently receiving Tier II funds. Ballet Nouveau Colorado might move to Tier II in the future. In the past Broomfield City Council has required the Council to split SCFD funds 50% for GOS and 50% for projects. They have removed this restriction allowing the Council to making funding decisions as needed. Indira Narayan, County Cultural Member, shared some of the Council's success stories including the ability to double the amount of science related projects they funded. The Council has simplified the grant process going forward; they now only allow one application per organization. Home organizations can apply for GOS, all other organizations can apply for a project grant. One of the challenges the Council faces is in understanding how its work fits into the City's Cultural Master plan. They are also striving to bring more cultural diversity to the County's offerings. Indira said that Broomfield is the county that receives the least amount of money from the SCFD.

Shepard Nevel asked why Broomfield received so many less grant requests this year. Indira replied it is because they now only allow one grant per organization.

#### *Denver County Cultural Council*

Jane Potts, County Staff, said they will disburse \$1,582,673 in SCFD funds to 98 Tier III organizations this year, \$223,214 less than in 2008. Applying organizations may request 15 percent of their previous year's expenses with a maximum request of \$40,000. Since the funding decisions were made Jane said she heard from Colorado Lawyers for the Arts (CoLA) saying the organization is most likely dissolving. Therefore Denver will not be funding them. They continue to give significant funding to ArtReach's *Arts Benefiting Kids* after school program which delivers arts programming at Denver Public elementary schools and community centers. Jane shared some of the collaborations various groups have received SCFD funding to produce. Alliance Francaise de Denver and Colorado Friends of Cajun/ Zydeco Music and Dance will collaborate on a weekend event of French culture. Denver Turnverein Chorus and the Colorado Hebrew Chorale will collaborate on a concert of Jewish and world music. Bernie Karshmer, Chair, said this year Denver received three project requests. The council decided going forward to accept only GOS requests. Organizations continue to report that finding venues to produce programs continues to be a significant challenge.

Stevan Strain suggested developers might offer lobbies for artists to perform like many of them do with visual artists. Joseph Arcese asked how ArtReach is going to respond to the Council only accepting GOS Grants. Bernie said he was not sure. They will have to submit a GOS request and following the Council's guidelines for such a request. Bob Grant asked how they determined the cap amount; did City Council set it? Jane said the Cultural Council set the cap themselves to self regulate. The Council wants to be able to give more groups money instead of more money to fewer groups. Shepard Nevel asked how financial concerns are addressed. Jane said with an 11 member Council thoughts regarding all aspects of the organization varies. Jane takes it upon herself to informally keep up with the organizations throughout the year, speaking with staff, attending Board meetings and going to their events. Mark Addison is encouraged by the groups' collaborations. He thinks the check ceremonies are important opportunities for the organizations to speak with each other. He suggested a collaborative breakout session be included at the workshops.

### *Douglas County Cultural Council*

Chris Eppers, Vice Chair, shared that Douglas County gives GOS only to home based organizations. The Council continues to encourage science based programming. They set aside technical assistance funds for organizations creating performance venues. The SCFD money does not go to the bricks and mortar portions of these projects. They also have an Art Encounters project in an effort to expand public art in the County. The Council struggles with getting letters of commitment from organizations. Many organizations are providing letters of support not a commitment of space. The council now splits their meetings between a Castle Rock location and a Lone Tree location.

Joseph Arcese asked if the Council can push Castle Rock and Larkspur into coming on board with the SCFD. Chris thinks this push will have to come from within, such as the public not having access to programming SCFD provides. Mark Addison asked if the cities in which the public performing spaces are being built are matching SCFD funds. Some are said Chris. Bob Grant asked if they have a cap on the amount an organization can receive. They do for projects, said Chris. It is 50% of a project's cost. James Harrington asked why Douglas has the largest rollover amount. Chris responded that the rollover money goes to Art Encounters and technical assistance grants.

### *Jefferson County Cultural Council*

Rob Johnson, Chair, said Jefferson County received a 12% decrease in requests over last year. They only accept one application per organization. They do not hold aside any discretionary money mainly because it is so much more work for the Council. The Council does not have much in the way of support from the County. The Council has no actual caps on the amount an organization can ask for but they encourage organizations not to ask for more than 30% of a project budget. This past year a number of organizations experienced growing pains. They have had numerous meetings with organizations to work through various issues. The Council interviews every organization for 15 minutes.

Peg Long thanked the Council for their due diligence and willingness to meet with the various groups struggling this year. She continued, they have had several one-of-a-kind issues and have handled them well.

James Harrington thanked everyone for excellent presentations. He knows more about Tier III than ever before. Joseph Arcese asked the Council members to remind the organizations to display the SCFD logo. Khadija Haynes asked why the numbers on the funding plans vary from the numbers on the resolution. Nancy McCamey said the resolution includes all roll over monies and monies councils are holding over for future funding distributions such as discretionary.

### **Resolution**

Kathleen Stapleton motioned to approve Resolution 09-09, Pertaining to Distribution of 2009 Tier III Formula and Discretionary Funds. Stevan Strain seconded. The motion passed.

### **4. Rex Morgan Award**

Donna Smith read the names and a short description of the nominees. The nominees are: Judy Mecaller, Alice Montague, Dorothy Safford, Collen Sawyer, Barbara Scripps, Gully Stanford, Linda Stevinson, Kathryn Shuhler, Carl Wells and Jane Wilson. James Harrington stated his pleasure in the number of qualified nominees. He asked if any Board members had anything they would like to say on behalf of the nominees prior to voting. Mark Addison and Kathleen Stapleton both said they had worked with Gully Stanford on various projects supporting and promoting the arts. Mark said Gully was the person who came up with the SCFD Tier system. While the votes were being tallied Donna shared that all nominees will be recognized at the event on Monday, November 16. Fundraising for the art work and event continue. Jurying of the 23 submissions from artists to create the art piece is under way. A \$50,000 all inclusive payment will be awarded.

James Harrington announced Gully Stanford will receive the 2009 Rex Morgan Citizen Volunteer Award.

## 5. Tier II Threshold

Peg Long has been tracking the six Tier II organizations with the lowest income. Five of them will make the threshold next year. The consumer price index is currently negative. It is projected to be .5% or less for the entire year. Bob Grant asked if Historic Denver was going to make the threshold. Peg said currently no, but they are exploring options of a possible merger that could help them. Relaxing the revenues did help several organizations. Khadjia Haynes asked if all the organizations on the bubble are Denver based organizations. Peg said they were not. Shephard Nevel asked if the five's vulnerability is moderate to high. They are all low risk. Peg doesn't think any of the five will drop out of Tier II in 2010. Roy Bartee shared with the Board if a group from Tier II applies for funds at Tier III they are not guaranteed to be funded by a Tier III Council. Steve Wilson has let all the Tier II groups know that is the case. They are aware there is no guarantee at the Tier III level.

## 6. Overview of SCFD Eligibility Process

Due to lack of time James Harrington asked that this presentation be postponed.

## 7. Reports

### 7.1 Treasurer

Jim Martin reported ColoTrust interest rates are at .32% for Plus. Sales and use tax revenues are down 15% total year to date. July 2009 is down 12.4 % compared to July of 2008. Dave Montez asked if RTD is going forward with a tax audit. Due to statutory limitations the audit cannot be conducted. The State doesn't allow access to the Department of Revenue's tax records files said Peg. Peg has inquired whether the DOR is collecting vending machine sales tax as required by the SCFD statute.

### 7.2 Chairman

James Harrington thanked the Board and staff for their donations of more than \$1,000 to the Rex Morgan Tribute. He reminded those present that Polarpalooza is October 7 at the Denver Zoo. He thanked staff for covering Nancy McCamey's responsibilities while she has been out. He also thanked Jeff Haddox for working part time during Nancy's absence.

### 7.3 Executive Director

Peg Long reported the media event for Polarpalooza will take place at 9am at the Denver Zoo. There will be brief remarks followed by a photo opportunity with the polar bears. The Lt. Governor is slated to read the Governor's proclamation. The City of Denver donated a stage for the event. There will be many stages and booths throughout the Zoo in which our organizations will be entertaining and enlightening the public. Kathleen Stapleton asked if the County Commissioners have been invited. Peg said they will be. Dave Montez asked if there are SCFD talking points. Yes, there are said Peg.

Rocky Mountain PBS has produced three public announcements they will air promoting the 20 years of SCFD in Denver.

The 2008 Annual Report was designed in house by Sheila Mieger. The Publishing House donated the printing.

The Board has been given a copy of the proposed 2010 budget. It is similar to the current 2009 budget but lower than the original 2009 budget adopted by the Board last November. Jim Martin met with Peg and Heidi Messer, accountant, to review the budget. He encouraged Peg to relax a few line items. Joseph Arcese asked what the economic impact study line item was. In the past the SCFD provided CBCA money along with data to conduct their study every other year. Peg will not give money to the study in 2010. Bob Grant asked if \$40,000 a month was used for operating expenses. Yes, said Peg. The proposed budget will be available through the month of September for public review.

Peg presented the Board with a nondiscrimination statement for the Board's approval. This updated statement does include gender expression. Bob Grant asked for a definition and if the term has been defined in the courts. Peg gave the definition as: *The way in which a person expresses his/her gender identity wither masculine or feminine and may or may not match the stereo types of such expression.* Dave Montez said there is case law that defines the term as well. The SCFD is applying to the Gay and Lesbian Fund for a grant for the Rex Morgan Tribute. They require organizations that receive money from them to have gender expression as part of the organization's nondiscrimination policy. The Board agreed to adopt the policy but asked Peg research the verbiage to clarify if transgender or gender expression should be used.

**8. Other Matters**

No other matters were presented.

**9. Public Comment**

Steve Wilson, Co-Chair of SCC, asked the Board to approve the SCC conducting a financial review for \$1,500 vs. a full audit for \$3,500. Jim Martin and Mark Addison expressed concern given that SCC money is public tax dollars and therefore no more than two years should pass without a full audit. The Board agreed to accept a review this year but asked for a full audit next year.

**10. Adjournment**

Dave Montez motioned to adjourn the meeting and Stevan Strain seconded. The motion was passed and the meeting was adjourned at 4:10 p.m.

**Jim Martin**

Treasurer