

SCFD BOARD OF DIRECTORS MEETING

May 27, 2010

1:00 pm

Denver Museum of Nature and Science

Meeting Minutes

SCFD Board members present: Chair James Harrington, Vice Chair Jim Martin, Secretary Councilwoman Marcia Johnson, Treasurer Joseph Arcese, Shepard Nevel, Kathy Kucsan, Khadija Haynes, Kathleen Stapleton, Dave Montez, Kathryn Spuhler and Bob Grant

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

1. Introductions

James Harrington called the meeting to order at 1:10 pm, followed by introductions. A quorum was present.

2. Approval of April 22, 2010 Board Minutes

Shepard Nevel motioned to approve minutes. Kathleen Stapleton seconded. The motion to accept the minutes passed.

3. Tier I

The CEOs, George Sparks, Denver Museum of Nature and Science; Craig Piper, Denver Zoo; Christoph Heinrich, Denver Art Museum; Brian Vogt, Denver Botanic Gardens and Randy Weeks, The Denver Center for the Performing Arts, each spent approximately ten minutes reporting to the Board 2009 statistics and events along with plans for 2010, summarizing their 2010 certification reports submitted to the Board April 16, 2010. George Sparks delivered a joint overview of the Tier Is on behalf of all five CEOs, the text of which is incorporated in these minutes.

“As we look across our institutions, we are proud to serve the citizens of SCFD and of Colorado by bringing our wonderful resources, collections and programs to the public. We celebrate together the worlds of science, plants, animals and human creativity.

With collections that cross anthropology, geology, health science, paleontology, space sciences, zoology, plant life, animals, the visual arts and theatre, our organizations are pleased to be caretakers for the citizens of SCFD and for all who visit our institutions.

With over 1 million objects and specimens in the field of science and nature, 723 acres of 56,000 plants and herbs, 3,900 animals representing over 600 species, 60,000 art objects which represent cultures from around the world and across the history of man as well as the cultivation of new plays, our organizations play an important role in the quality of life for the people of metro Denver.

These collections form the basis for a tremendous cultural and scientific resource available for public education, for exhibitions and classes to engage the public. They are augmented by extraordinary exhibitions and special events that bring many people together to create a rich, vibrant quality of life. These rich resources are unparalleled between Kansas City and the West Coast and also help to encourage the development of arts and sciences programs throughout our region.

Together, over the past year, we have served over 5 million visitors, offering free admission to over 1.5 million attendees. Our combined attendance from each county represents close to or more than the population of that county. More than 4,400 volunteers have contributed over 420,000 hours of volunteer time and over 480,000 students in the metro area have engaged with our institutions.

Each of us is sharing our resources in our own individual and distinctive manner, collaborating frequently with other cultural organizations throughout the SCFD family. Together, we seek to engage our SCFD partners in presenting the best cultural experiences in our region.

Some of our institutions have been serving the Denver area for over a century. Combined, we have a 431 year history. And all of us together have moved into the 21st century with cutting edge concepts in our fields, presenting innovations in education onsite and online. Our online work allows us to expand our delivery of curriculum for schools or our delivery of programs far beyond our walls.

We stand ready to help with economic development, attracting tourism, improving the lives of those with fewer resources and informing our children as they prepare to enter the 21st century workplace.

We are aware of the responsibility we have and value the continuing opportunities to serve the people of metro Denver.”

Shepard Nevel asked the panel what other opportunities there are for strengthening relationships between the three Tiers. Denver Botanic Gardens has recently added an outreach department. Brian Vogt has asked this department along with the rest of his staff to consider SCFD organizations as partners when planning programming and events. He asks that the partnerships make sense to the program and be of benefit to both parties. The Gardens pay organizations for their work whenever possible. Craig Piper echoed Brian in seeking partnerships that make sense and not just for collaboration’s sake. The Zoo partners with an average of 60 SCFD organizations every year. Craig commented on how animals are a hook, i.e., educational programming that includes animals is a draw.

Dave Montez asked the panel how often they tell their stories as they relate to the SCFD. George Sparks said they all do well on promotional materials. Christoph Heinrich feels the Free Days and events like Polarpalooza have a strong impact. Brian Vogt also mentioned the various CEOs are invited to speak on panels such as the recent Creative Economy panel which he co-chaired. At this type of event SCFD is always discussed. Craig Piper mentioned there has not been a study recently to determine what the public really does know about the SCFD. Such a study would be helpful to determine what is working and where efforts need to be strengthened. Dave informed the CEOs that an SCFD board committee has been formed to focus on the task of public awareness. James Harrington asked the CEOs to pass along any ideas to improve public awareness of the SCFD to Peg Long.

Bob Grant commented that seven SCFD Board members were appointed by and represent each of the seven counties contributing to the SCFD tax base. As the Adams County representative he sees a need for more outreach to Adams County. Craig Piper shared that the organizations do track attendance by zip code. In the case of the Zoo they serve as many people from Adams County as there are residents. Some people come more than once and others don’t come at all, but his staff continually gauges where attendance is coming from and how to target various groups. George Sparks agreed with Craig and asked Bob to share with them who they need to speak with to insure that Adams County is being served. Brian Vogt expanded on the conversation saying the Gardens are continually finding ways of drawing people in beyond their walls, getting out into the public.

Khadija Haynes asked the CEOs to consider local, disenfranchised companies when awarding contracts for construction projects. Craig Piper said that they all participate in Denver’s M/WBE/DBE program. (*The City of Denver assigns Minority/Women and/or Disadvantage Business (M/WBE/DBE) goals to each construction project and has a Defined Selection Pool for Small Business Enterprise (SBE) projects.*) The Zoo’s Asian Tropic is a \$50 million dollar project. Denver’s M/WBE/DBE program suggested 20% of the Zoo contracts should go to these businesses. The Zoo currently has 54% of the contracts going to these businesses. Khadija asked the CEOs to look beyond Denver’s list as she feels it is limited.

Marcia Johnson thanked them all for what they provide to the Metropolitan area. Recently two corporations’ headquarters left Denver. Marcia said the stories they have to share are important to the city’s economic impact. She was at a realtor’s lunch prior to the SCFD Board meeting and used her time to encourage the realtors to make future home buyers aware of the SCFD benefits to residents. Christoph Heinrich agreed and shared that a recent New York Times review of an Art Museum exhibit plays to that purpose. He said reviews in major media will not bring in lots of people to the specific exhibit but it helps create visibility of what Denver has to offer.

Jim Harrington thanked the Tier I CEO’s for their leadership and support regarding the election costs recovery process.

Kathleen Stapleton motioned to approve Resolution 10-04, Pertaining to 2010 Tier I Formula & Discretionary Funding. Shepard Nevel seconded. The motion passed.

- 4. Executive Session for the purpose of consulting with the District’s Attorney Alan Pogue regarding legal issues related to implementation of the SCFD Statute and the Special District Statute and legal advice related to SB 09-275.**

5. Motion SB 09-275

Shepard Nevel moved to direct Peg Long, Executive Director to compose a response to the Department of Revenue regarding an invoice it issued to SCFD for service fees related to implementation of SB 09-275. The response should request that the costs be deducted from the next warrant and should include a statement saying such actions should not be repeated. SCFD sets its limited administrative budget over a year in advance with little room for such expenses. Kathy Kucsan seconded.

Joseph Arcese and Bob Grant stated there is no legal obligation to pay the bill, and if paid it should come out of the warrant and not from the administrative budget. After further discussion regarding communication with the Department of Revenue and the District's legal counsel, Shepard Nevel stated this is the most appropriate response considering the circumstances.

Six Board members were in favor. Bob Grant and Joseph Arcese were against. James Harrington, Kathleen Stapleton and Marcia Johnson were absent when the vote was taken. The motion passed.

6. Banking RFP

SCFD received three proposals in response to its RFP for banking services: Colorado State Bank, Colorado Business Bank and UMB. On May 5 Joseph Arcese, Jim Martin and Peg Long interviewed the banks. Joseph said they are looking for a bank that is local, provides lower than the current \$4,000 annual fees, and can maximize interest earnings in a safe manner. Joseph and Jim recommend the Board accept the bid submitted by Colorado Business Bank. Colorado Business Bank has offered no service fees based on an annual average \$450,000 minimum balance for the first three years, a minimum interest rate of .8% for all funds on deposit and no requirements beyond the minimum deposit. SCFD is currently receiving an interest rate of .1%-.2% at Colotrust.

Joseph Arcese motioned to accept Colorado Business Bank's three-year proposal for SCFDs primary bank, and Shepard Nevel seconded. In March 2010 Marcia Johnson had recused herself from participation in the bank RFP process and related discussions as her husband is an employee of UMB, the SCFD's bank since 2005. She was not present for the discussion or decision on the RFP.

Dave Montez asked what the catch was because the offer sounded great. Joseph said there is no catch. They are a Colorado bank and having the SCFD as a client is good for their business. Khadija Haynes asked if the bank was solid. Peg Long replied the bank is sound, and as a PDPA bank, the bank must collateralize all SCFD funds on deposit. Kathy Spuhler asked what the bank's rating is. Peg said she couldn't recall the exact rating but it is good. Kathy Kucsan asked what the course of action would be if the Board and staff are not satisfied with Colorado Business Bank's services. Peg replied that there is no banking contract, and SCFD would be free to change banks in the future. James Martin said the \$450,000 would need to remain for the term but nothing else.

All were in favor. James Harrington, Kathleen Stapleton and Marcia Johnson were absent for the discussion and vote. The motion passed.

7. Approve By-Laws

The Board felt that without a red-line version or other format that could be used to evaluate the recommended changes in bylaws text, the Board could not properly evaluate the changes recommended by its legal counsel. The discussion was therefore deferred to a later meeting following receipt of a comparison document from SCFD's legal counsel.

8. Reports

8.1 Treasurer

Joseph Arcese reported the March 2010 SCFD sales and use tax revenue was \$3,362,554.92. This compares to March 2009 revenue of \$3,154,808.67. This is a 6.58% increase in March 2010 over month-to-date (MTD) March 2009. This is the fifth consecutive month of reported MTD increases. The 2010 year-to-date (YTD) sales and use tax revenue is \$8,860,768.46. This compares to YTD 2009 revenue of \$8,494,047.41. This is a 4.32% increase in YTD 2010 over YTD 2009.

8.2 Chairman

James Martin had nothing from James Harrington to report.

8.3 Executive Director

- Peg Long shared Tier III grant processing data for the period March 5th through May 21st:
 - 276 final grant reports summarized
 - 461 grant applications from 280 organizations reviewed and analyzed
 - 461 financial reviews and summaries prepared
 - For 276 unique organizations
 - Staff attended 36 evening/weekend CO cultural Council grant interview and regular meetings
- Dave Montez asked if staff is compensated for attending evening meetings. Peg responded that staff receives only hour-for-hour compensatory time. They do not receive overtime pay or comp time at time and a half. Shepard Nevel stated what great outreach staff attending these meetings is for the District. Peg agreed and feels it has contributed to the positive response to the election cost recovery. The Board agreed.
- The SCFD auditors occupied conference room for 5-day period May 3-7, Peg Long and Heidi Messer responded to requests for a many documents for fiscal year 2009 and calendar year 2010 to date. James Harrington, Joseph Arcese and Peg will meet with the auditors in June to review the audit before it is formally presented to the Board at June Board meeting.
 - Fund balance status as of FYE 2010
 - \$300,000 will be booked in 2010 for the election cost recovery as the accrued revenue
 - Assuming a 3% increase in 2010 revenue over 2009 and expenses remaining at or below budget, the unrestricted operating reserves should be \$313,633, although the March 2011 portion will not actually be collected until then
 - This figure is net of Rex Morgan restricted funds (\$33,743), TABOR reserves (\$15,727) and prepaids and deposits (\$4,625)
 - The figure does not reflect a reduction in actual fund balance due to the fact that the 2010 Q4 election costs recovery will not actually be received until March 2011
 - Next month's meeting will be at Cherokee Ranch & Castle. Board members are invited to a tour of the ranch and castle 11:30-12:30 before the meeting.

9. Public Awareness Report

Dave Montez presented the SCFD board Sub-committee's mission and goals on public awareness to the Board for feedback and permission to move forward.

As a result of the public education process, the subcommittee's vision for citizens (from all counties) of the SCFD follows:

1. Citizens will understand how the SCFD positively impacts their and their families' lives and will see themselves in the stories about people who have experienced the SCFD.
2. Citizens will understand that the value generated from the SCFD exceeds the tax investment.
3. Citizens will understand that they are just as much a part of the SCFD as the organizations that are funded through the SCFD.

Goals for the subcommittee were also set:

1. Work with Tiers 1, 2 and 3 to solidify the vision and goals and develop the public education campaign.
2. Define and create value messages that convey the necessary information to achieve the finalized vision and goals.
3. Encourage SCFD grantees to use these value messages when they talk about the SCFD.
4. Expand the universe of SCFD support and understanding beyond the arts community. (Ideas for target communities were given: teachers, businesses, the service industry and civic entities)
5. Institutionalize this public education process so that it will continue in future years. (The subcommittee was clear and unwavering that this public education process and the method by which it is institutionalized should not add to the administrative costs of the SCFD or in any way reduce the amount of distributions to SCFD grantees)

The Board thanked Dave and the committee for their thoughtful work and granted the committee permission to proceed.

Peg Long suggested when the committee speaks with Floyd Ciruli about past reauthorization polling results that they ask about possible current polling to determine where the SCFD stands with the public now in order to establish a base of knowledge going forward.

10. Adjournment

Joseph Arcese motioned to adjourn. Dave Montez seconded. All were in favor. The meeting was adjourned at 4:25 pm.


Secretary