

# SCFD BOARD OF DIRECTORS MEETING

November 20, 2008

1:00 pm

Mizel Arts and Culture Center

Meeting Minutes

**SCFD Board members present:** Chair James Harrington, Vice Chair Holly Osgood, Treasurer Stevan Strain, Secretary Dan Hopkins, Kathleen Stapleton, Joseph Arcese, Mark Addison, Nancy Lee, Jake Zambrano and Marcia Johnson

**SCFD Board members absent:** Jim Martin

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

## 1. Introductions

James Harrington called the meeting to order at 1:06 pm, followed by introductions.

## 2. Welcome by Mizel Arts and Culture Center

Steve Wilson, Artistic Director welcomed the Board and extended an invitation to everyone to attend an upcoming performance of *Joseph and the Amazing Technicolor Dreamcoat*.

## 3. Approval of October 23, 2008 Board Minutes

Joseph Arcese motioned to approve October 23 minutes. Stevan Strain seconded. The motion passed.

## 4. Presentation of the SCFD Task Force Report

Peg Long thanked everyone on the Task Force for their time and dedication to the issue. She introduced Jane Potts, Denver County Tier III Program Administrator and Tom Downey, Executive Director of the Children's Museum who presented the Task Force's options regarding Tier II threshold. The three options are:

1. Maintain the status quo and take no action, allowing the natural market forces to take effect
2. Change the threshold by either
  - a. Applying the lower threshold to ALL organizations applying to Tier II, or
  - b. Applying a threshold between the lower and higher figure to all organizations
3. Change the threshold as above AND define the growth factor using one of the following:
  - a. The annual CPI (status quo), or
  - b. A set percentage, e.g., 3%, or
  - c. A rolling average CPI, going back 5-10 years or from inception of SCFD

If the Tier II threshold remains as projected there is a chance seven organizations will not qualify and will thus become Tier III organizations. The organizations at risk are: Boulder Philharmonic, Cherry Creek Arts Festival, Children's Chorale, Colorado Music Festival, Historic Denver, Hudson Gardens and Swallow Hill.

James Harrington asked what the task force thinks the best indicator for net operating revenue is; does it fluctuate with the CPI? Tom said the CPI is a poor reflection but the best we have. Mark Addison asked if it would be best to keep any changes to the statute simple when going to the legislature. The Task Force agreed. The changes should be easy to grasp and to the point. Marcia Johnson commented on the fine legacy of SCFD that the Tier IIs are willing to work together for the better of the whole instead of working only to the better of their own organizations. Jake Zambrano mentioned the Task Force's work is really just the beginning. He said if the Board decided to take the proposed statute changes to the legislators the organizations will need to be present at the hearings.

## 5. Public Comment

- Bernard Karshmer, Denver County Cultural Council read a letter from the Denver Council advising the Board to make every possible effort to downwardly adjust the threshold for all qualified Tier IIs. He also shared the changes proposed will not cost tax payers anything more and there is no one to object since the Tier II organizations have agreed to work together for the group as a whole.
- Will Adams, Rocky Mountain Arts Association, shared how important SCFD funds are to the four choruses they operate. They have experienced a decrease in corporate and individual giving. A reduction of funds due to Tier II organizations joining the Tier III pool would affect his organization.

- Lonnie McCabe, Colorado Youth Symphony Orchestra, mentioned many of the Tier III organizations are linked. People, like she, are often associated with more than one organization. These organizations work together to reach many diverse and low economic communities.
- George Sparks, Denver Museum of Nature and Science, alerted SCFD organizations in the audience to the fact that SCFD funds will be down next year regardless of the Board's actions concerning the Tier II qualifying threshold. The economy is far worse than anyone could have predicted.
- Vicki Harimon, Arapahoe County Cultural Council, asked the Board to consider the purpose of SCFD funds. In the past it was to be used as seed money to assist organizations in gaining broader support both in terms of attendance and donors. With the Board considering assisting the Tier IIs in jeopardy she asked if the new purpose of SCFD is to be a substantial part of an organization's budget.
- Bob Musgraves, Historic Denver, said his organization uses SCFD funds primarily for educational outreach. If these funds are not available the programming will disappear.
- Terry Adams, Cherry Creek Arts Festival, shared with Board various options his staff is looking at to increase revenue and audited paid attendance to qualify for Tier II. Many of the options his staff has presented do not seem the best for the organization's mission.
- Catherine Underhill, Colorado Music Festival, said her organization is looking to cut their budget due to the economic times. This decision is contrary to the growth needed to remain a Tier II. Colorado Music Festival has been a stable Tier II organization for many years.
- Sue Levine, Boulder Philharmonic, shared that the organization has been on the border between the Tiers for years. Some year they qualify for Tier II, some years they don't. The range of SCFD funds has varied from \$20,000- \$200,000. They are expecting to be a Tier III organization in 2009. She anticipates the need for more staff as a Tier III organization. Applying for multiple grants not only with the SCFD but in the greater community will take a greater staff/volunteer effort.
- Greg Anderson, Wings Over the Rockies, said his organization was Tier III for two years and has been a Tier II for two years. He remembers how happy both he and the Denver Cultural Council were when Wings made the Tier II level. He asked the Board to keep in mind the organizations that have met the higher qualifying threshold and to keep in mind the Tier III groups that are currently just below that mark.
- Tricia Schmuki, Artreach, shared as a Tier III SCFD funds are the most stable funding they can rely on.
- Tom Downing, Children's Museum, thanked Peg Long and the SCFD staff for their help with the Task Force. A great deal of data was collected by staff for the task force's use.
- Steve Wilson, SCC and Mizel Center, expressed support for the Board in whatever decision they make. He made the Board aware of the fact that what affects Tier II affects the SCC.
- Donna Smith, SCFD, stated that the calendar deadlines for applying to Tier III differ greatly from Tier II. Many of the potentially at-risk organizations would have to apply to both Tiers because the qualifying date for Tier II comes after all applications for Tier III are due.

Marcia Johnson would like to hear from people who were around at the time the Tier II threshold was determined. What was a temperament at the Capitol like? How did they get members of the General Assembly from outside of the metro area to vote in their favor? She would like to hear from the SCFD lobbyist. Stevan Strain feels the impact of the cultural organizations on the economy needs to be presented. He worries the legislators will be concerned about how often the SCFD has come before them. It wasn't so long ago the SCFD went to them to establish rules and regulations for election costs. He also mentioned the staff and board at the time the threshold was set was concerned Tier II was going to be overloaded. That is why they set the threshold based on the CPI. Holly Osgood does not think the agreement for changing the threshold should be to help Tier IIs to save Tier IIIs. The SCFD mission is not to sustain organizations. The change needs to be made so Tier II and Tier III organizations can fulfill their mission and serve the public. SCFD funds are made available to organizations to entertain and enlighten the citizens of the seven county metro area. James Harrington shared with the audience the Board's plans to conduct a study session to discuss the Task Force's options.

## 6. Reports

### 6.1 Treasurer

Stevan Strain reported sales tax collection for September is down .78% below September last year. This is the first time since he has been on the Board the sales tax collection went down over the previous year. Colorado Trust interest rates are at .82%. He attended Colorado Business Committee for the Arts rollout breakfast for their 2008 Economic Activity Study of metro Denver Culture. He was impressed that \$395 million of new money was generated into our

economy of cultural organizations. Holly Osgood was impressed by the increase in contacts with children from 2005 of 1.7 million contacts to 3.47 million contacts in 2007.

### **6.2 Chairman**


James Harrington asked Holly Osgood to report on the Rex Morgan Award Event. The event was well attended and enjoyable. She thanked the staff and the Board for all their efforts. The Board plans to put a permanent tribute to Rex Morgan and the SCFD in the Galleria area of the Denver Performing Arts Complex.

### **6.3 Executive Director**

Peg Long encouraged the Board to attend this year's annual Cultural Forum Luncheon on December 12 from 11:30am -1:30pm, at the Denver Zoo. It will focus on the status of arts education in the school districts. Board members may attend as guests of SCFD. Peg is gathering details regarding certificates of deposit. The interest rate is projected to drop again. Puget Sound Regional Council contacted Peg for information regarding the SCFD. They are hoping to establish a similar program. John Hayes is scheduled to meet with them.

## **7. Adjournment**

Kathleen Stapleton motioned to adjourn the meeting and Stevan Strain seconded. The motion was passed and the meeting was adjourned at 2:45p.m.

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

Dan Hopkins  
Secretary