

SCFD BOARD OF DIRECTORS MEETING

September 28, 2008

1:00 pm

Dairy Center for the Arts Meeting Minutes

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

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

1. Introductions

Holly Osgood called the meeting to order at 1:15 pm, followed by introductions.

2. Approval of August 21, 2008 Board Minutes

Kathleen Stapleton motioned to approve August 21, 2008 minutes. Holly Osgood seconded. The motion passed.

3. Tier III Statistics

Nancy McCamey thanked the County Cultural Councils for their hard work. Councils received 515 Tier III grant requests (GOS & project) from 281 unique organizations. Of those, 265 were funded. Staff summarized 266 final grant reports from the 2007 grant cycle & processed all 2008 applications received including conducting a financial review of each organization to aid Council members during their application reviews. Staff and Councils held two District Grant Workshops in January. Six of the seven Councils participated. Program staff attended approximately 70 County Cultural Council evening meetings and interview sessions relating to the application process in little more than a four month period. Significant achievements for the District at the Tier III level during 2008 included:

1. Successful completion of our 1st year using the PDF application with few minor glitches
2. First year of District-wide Workshops
3. This winter staff will host a brief FGR workshop to aid organizations in completion of the form

Only seven organizations submitted the alternate Microsoft Word version of the application. (274 organizations used new PDF.)

Exciting news for 2009:

- Adams CCC will not only be joining the other six counties in the District workshops but will be a host county
- Boulder Commissioners approved cultural council's request to allow non-Boulder-based organizations to apply for funding from the BCCC
- Sheila is working to improve to the PDF forms (FGR and application) for 2009 cycle by making them both more automated and user-friendly

Nancy then went over 2007-2008 comparison by county statistics. She explained the breakdown of total dollar requests and total distributions. In 2007 the seven counties received 528 grant applications asking for \$7,749,973.00. In 2008 they received 515 grant applications asking for \$8,086,154.00. Nancy continued by going through 2008 Grant statistics. The counties received 213 project requests and 301 grant requests in 2008. In 2008, 421 Tier III organizations applied. Of those, 395 were funded. 67 organizations applied in multiple counties.

Holly Osgood commended the staff for assisting the Councils. She also thanked the Councils for volunteering so much time to the Tier III process.

4. Presentation by Bruce Ely from Colorado Trust on Proposed Amendments to Indenture of Trust

At the request of the SCFD Bruce Ely from Colorado Trust described the proposed by-law changes. Board members asked several questions and expressed concern about the proposed changes. MBIA is the largest guarantee in the county for insuring municipal bonds. Safety is the number one priority at Colorado Trust. The SCFD Board is the only shareholder that has asked to speak to a representative to discuss the changes. James Harrington said CSAFE Safe invested in other market funds; does Colorado Trust? Bruce said they don't at this time, but that is what they are asking for permission to do. James asked Prime vs Yield. Bruce said Prime has a one rating of 1.95%. Colorado Trust is 2.5%. Marcia Johnson asked if some bond ratings are higher with insurance. Bruce said that is true. Mark Addison asked if liquidity will always be there. Yes, they have four billion in liquid assets right now. Marcia asked how many banks are involved. Bruce reported four banks, they all have to be rated and have a Colorado branch. Stevan Strain asked if the Trust Board would like to buy stock. Yes, said Bruce. It would be in case of need. They are looking at mutual funds. They would like to change the ability to change securities without going to the shareholders. They would like their Board to have more control. They would also like to add deposits. Jim Martin asked if this makes SCFD funds less secure. No, Mr. Ely stated, it helps the Trust have more control over the funds. Mark confirmed the majority of shareholders needed to agree to make the proposed changes. He said where the vote stood. Bruce did not know. Holly Osgood asked Bruce to share the SCFD Board's concerns with the changes Colorado Trust is proposing. The Board voted anonymously to oppose the changes. Mr. Ely agreed to pass these comments on to his Board of Directors. Marcia Johnson commented that she feels very good about the SCFD Board leadership.

5. County Cultural Council Presentations

PK Worley – Jefferson County

PK said Jefferson County Cultural Council interviewed eight applicants once a week for ten weeks. PK thanked the staff for their on-going help and support. The council has been working with Kathleen Stapleton to get the county commissioners more involved. The Jefferson council currently has two seats open. PK thanked his council for all the time and talent they have given.

Kathleen Stapleton said the Jefferson Council has great leadership.

Barry Knapp – Boulder County

He announced Boulder County is now open to organizations from all counties. Barry said his Council completed the work this year with only six members. They now have eight. They have one spot still open. They have a hard time keeping members due to the time commitment required. He shared every county has different guidelines. It is a lot of work for organizations to apply for the small amount of money they receive.

Stevan Strain asked what they were doing to streamline the process. Barry said that offering the District-wide Workshops was a good step. Mark Addison thanked Barry and the Council for their hard work and told him they handled challenges well.

Vicki Harimon – Arapahoe County

She shared that she has been on the Council for 14 years. The Arapahoe Council has 11 members. They try to get their members from all over the county. They have an opening on their Council as well. Their Council has five nights of interviews with 14 groups a night. Each organization is given five minutes to present. Each council member rates the organizations. Once the interviews are complete the council holds a public meeting in which the organizations can ask questions. After that meeting the council has a study session with Arapahoe County Commissioners.

Howard Zoufaly and Karen Gerrity – Broomfield County

Karen gave each Board member a copy of Broomfield's cultural master plan highlights. The Broomfield Council is made up of eight people who meet about 18 times a year. The current goal is to have a study session with City Council. The Council has a few challenges:

- Should the Council fund organizations in which their programming is out of the county?
- Should they fund organizations from counties that are closed to no home based organizations?
- Should they fund programs that take place in the schools?

The county attorney has asked the City Council to fix their ordinance which currently tells the Council how they must distribute the money.

Bernard Karshmer – Denver County

He said the Denver Council members work remarkably hard. Both the dedication and effort is large. The Denver Council has 11 members. Their Council has a 55pt scoring process. Jane Potts then averages each Council member's scores. The requests range from \$500 to \$40,000. Bernard shared many of the organizations like to receive SCFD money because it is an endorsement they can take to other funders. The Denver Council receives a great deal of support from City Council especially the amenities committee. Their Council does not have any open positions. They just filled an open space. They received 21 applications for the position.

Kathleen Stapleton asked how they got the word out. City Council posted the position. Those they do not accept they encourage to join the boards of the funded organizations.

Nancy McCamey reported Adams and Douglas counties were unable to send a representative.

Joe Arcese asked why the number of applicant organizations went down. Nancy said it was due to the change in county guidelines. Many counties accept GOS applications only from home based organizations and project applications from outside organizations. Holly Osgood was glad to hear Boulder was now an open county. She agreed with many of the council members that educating commissioners can be an uphill climb.

Resolution 08-08: Pertaining to Distribution of 2008 Tier III Funds

Chair, Jim Harrington reviewed the resolution whereby \$5,992,492.14 will be disbursed to the recommended Tier III organizations. Holly Osgood motioned to approve the resolution and Nancy Lee seconded the motion which was passed.

6. Presentation by Jane Potts on Tier III website www.thescen3.org

Jane has watched over the years how the Tier II's have come together under the SCC to have a greater marketing presence. She has been frustrated by the lack of attendance at Denver Tier III events. She has created a marketing committee to bring the Tier III marketing dollars together to make a bigger impact. Their efforts have included "Where's the Bear" brochure and email blasts. They now have a new website to highlight all Tier III events. She has invited all Tier IIIs, not just Denver, to join for a onetime charge of \$100 to help pay for the launch.

Marcia Johnson asked if the "Where's the Bear" brochure will continue. Jane said it would, but it will continue to highlight only Denver groups. Holly Osgood asked how much the launch is expected to cost. They have a budget of \$30,000. James Harrington asked how they will market the website. Right now the plan is to advertise in local papers and radio stations. Nancy McCamey said the Boulder Council had some funds returned do the Boulder Philharmonic becoming a Tier II and is considering enrolling all of their groups.

7. Rex Morgan Award

Holly Osgood thanked Donna Smith for all of her work on this event. Holly noticed the submissions seem to divide into two groups, grass root folks and policy folks. James Harrington asked if any Board members would like to speak on behalf of the nominated. Joseph Arcese said Gene Kucinkas was a major player in getting the Broomfield County master plan for cultural development passed. The Board voted for Robert Greenlee to be the winner of the 2008 Rex Morgan Award.

Donna Smith reported Centre Plate, Kevin Taylor and Publishing House have given in-kind donations. The current budget is \$2,500.

Holly distributed sample invitations created by Sheila Mieger. The Board agreed they like the invitation with the photos on it.

The Rex Morgan memorial site will be unveiled during the reception. The Board discussed what the memorial should look like. The Board has asked the event committee to create some guidelines for the piece and have staff send out an RFP. Holly will have Sheila post the committee meeting date once it has been decided. The event committee is: Holly Osgood, Marcia Johnson, Mark Addison, Nancy Lee and Dan Hopkins.

8. SCFD Task Force

Joseph Arcese asked for an update on the task force meetings. Stevan Strain shared the qualifying threshold for Tier II will be 1.3 million dollars for the 2010 application. This could cause 6-7 organizations to fall to the Tier III level. The CPI was a randomly picked number by past Board members. There has been a lot of decision weighing the affects of such events. The way the threshold is currently set up from 1995-2010 it requires organizations to have 75% growth; doubling their qualifying revenue.

Holly Osgood resigned from the Task Force due to work commitments. Joseph Arcese agreed to serve.

Steve Wilson said the SCC would also be greatly affected if seven groups were no longer in Tier II.

The Board discussed the possibility of going to the legislature to change the process. Jake Zambrano warned the groups must be unified before the SCFD should move forward. If not the groups could start lobbying on their own. Dan Hopkins is afraid it could expose more problems than it could solve.

9. Reports

9.1 Treasurer

Stevan Strain reported sales tax collection for July is up .84% above last year. Colorado Trust interest rates are holding at 1.94%.

9.2 Chairman

James Harrington reported it is time to conduct the Executive Director yearly review. He asked the Executive Committee to put together an evaluation form and distribute it to all Board members.

9.3 Executive Director

Peg Long presented a Logo Policy for the Board's review. The Board approved the draft and asked for it to be shown to SCFD's lawyer. The Board approved the Wings Over the Rockies request to modify the logo.

Peg gave each Board member a copy of the current Annual Report, SCC Directory and two updated Board notebooks, one with policies and previous resolutions and a working notebook for meetings. She thanked Mark Addison for requesting that the board handbook be updated. She also distributed the proposed schedule for the 2009 meetings.

Peg presented the draft budget for 2009. Holly Osgood thanked Peg for the executive summary that accompanied the budget. Holly asked why the proposed budget did not have a line item for election cost savings. Peg stated she and James Harrington thought the reserves needed to be at 6 months before they could save for election costs. The costs from the last election will be paid off soon and they will be able to build the reserve after that. Peg reported the proposed budget doesn't show any growth. They are projecting that it remains flat. Nancy Lee reported housing costs in the Denver Metro Area have remained level. The Board agreed the Budget was acceptable to post.

Peg has been invited to attend the Hunt Alternatives conference in Cambridge, MA. The topic is arts and education.

The annual Arts Forum Luncheon will take place on December 12 from 11:30am -1:30pm. It will focus on the status of arts education in the school districts.

10. Other Matters

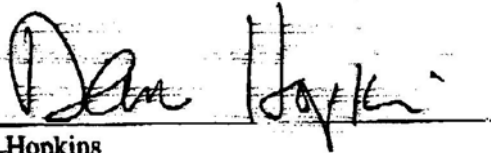
Donna Wilson from Cherokee Ranch and Castle invited the Board members to her venue. They are a new Tier III organization in Douglas County.

11. Public Comment

No public comments were made.

12. Adjournment

Kathleen Stapleton motioned to adjourn the meeting and Stevan Stain seconded. The motion was passed and the meeting was adjourned at 4:00p.m.

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

Dan Hopkins
Secretary