

SCFD BOARD OF DIRECTORS MEETING

April 23, 2009

1:00 pm

Dance Arts Studio

Meeting Minutes

SCFD Board members present: Chair James Harrington, Vice Chair Stevan Strain, Treasurer Dan Hopkins, Secretary Marcia Johnson, Mark Addison, Jim Martin and Joseph Arcese

SCFD Board members absent: Bob Grant, Nancy Lee, Kathleen Stapleton and Jake Zambrano

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 1:05 pm, followed by introductions. A quorum was present.

2. Welcome by Dance Arts Studio

Heidi Thomas, Executive Director, welcomed the Board and shared the history of Dance Arts Studio.

3. Approval of February 26, 2009 Board Minutes

Jim Martin motioned to approve minutes. Stevan Strain seconded. The motion passed.

4. Resolution 09-04: Pertaining to Amending the Budgeted 2009 Sales and Use Tax Revenue

Stevan Strain asked what the thinking was for a 12% cut. Peg Long explained the processes she went through including speaking with a budget analyst at RTD. RTD's budget is calling for a 6% cut. James Harrington reminded the Board that the Tier III allocations are distributed ahead of receiving revenues. Peg assured the Board that the SCFD funded organizations have been warned of a decrease in projected revenues and distributions. Mark Addison asked if the budget could change again. Peg said it could, hopefully for the better. James Harrington said he feels the projected 12% reduction is reasonable.

Marcia Johnson motioned to approve Resolution 09-04, and Jim Martin seconded. The motion passed.

5. Resolution 09-05: Pertaining to 2009 Tier III Distribution Budget

Peg Long reported the amount budgeted for Tier III includes the traditional holdback of funds plus an additional 10% holdback. Tier III funds must not be over allocated. James Harrington read the amount of funds to be distributed in each of the seven counties. Stevan Strain explained how staff follows that statute in determining the amount each county can receive. Marcia Johnson asked how administrative funds are acquired. Peg reported the three-quarters of 1% of administrative costs come off the top before the sales tax revenues are divided among the three tiers.

Stevan Strain motioned to approve Resolution 09-04, and Mark Addison seconded. The motion passed.

6. Reports

6.1 Treasurer

Dan Hopkins reported Colorado Trust interest rates are at .51% for Plus. Peg Long invested \$4.5 million in Certificate of Deposit Account Registry Services (CDARS) with an annual interest rate of 1.5%.

Dan, Peg and James Harrington will discuss the costs and benefits of hiring a firm to conduct a sale and use tax compliance review. RTD has recently hired such a firm. The firm is paid a percentage of funds recovered. Peg is researching if SCFD might be able to join with RTD in this endeavor since the boundaries of the two districts are similar. Joseph Arcese asked if the state conducted such a review. Dan said that they do a review every few years, but it is for the whole state. If the SCFD were to hire a firm it would be specific to the SCFD boundaries. Peg mentioned the office frequently receives calls from vendors asking if they have to collect the tax. Stevan Strain asked if "vendors" refers to trade show type vendors or businesses. Peg said the review would be of all businesses.

6.2 Chairman

James Harrington announced Cherry Creek Arts Festival selected SCFD as their 2009 distinguished patron. The SCFD will be honored at the July 2 opening night gala. SCFD Board members will be honored guests at the gala.

Nancy Lee's governor's appointment to the Board is up in May. She is not eligible for another term. Jake Zambrano and Jim Martin have applied to be re-appointed. The Governor is meeting with his staff the week of April 27 to discuss SCFD Board appointments.

6.3 Executive Director

Peg Long introduced Jim Palermo, Executive Director of Colorado Symphony Orchestra and Adam Lerner, Executive Director of Museum of Contemporary Art Denver. Both men are new to their positions. Each told a little about themselves.

Staff held qualifying report trainings for Tier I and Tier II groups in January and February. Fifty-eight people attended including staff from eight audit firms. Tier I qualifying reports are ready for Board members to take with them.

Denver Museum of Nature and Science had 13,500 visitors at the April 19th Free Day. This is the highest attendance they have ever had.

Peg followed up on Board member questions regarding the document retention plan. Emails pertaining to eligibility must be saved. Only two Board members may converse over email so staff will continue to mail board packets to the Board. Disclosure statements were given to each Board member to complete.

Peg gave the Board a list of distribution dates for SCFD funds. She asked the Board to consider the timeline if further changes to the budget need to be made.

Tier I 2009 Formula and Discretionary Funding Certification and 2008 Formula and Discretionary Funding Reports are available for Board members.

7. Revised Budget

Peg Long presented the Board the current Budget along with the proposed budget. If reserves were not available the budget would have to be reduced by 40%. The proposed budget will use \$83,000 of reserves. Marcia Johnson asked if there will be a reduction in staff. Peg replied they would not be able to get the work done with a smaller staff. The revised budget does not call for a reduction in staff; there will be no raises this year. Marcia offered to chip in for Board lunches. James Harrington said lunch costs are minimal. Board members do not ask for reimbursements for travel or any other expenses as they could. Jim Martin asked if the primary reason for drawing on reserves was loss of revenue due to the poor interest rates. Peg responded that it was. Mark Addison thanked James for helping to establish the reserves. Peg informed the Board bank charges to conduct transfers went up in 2009. She would like to consider an RFP to get bids from several banks. James asked Karen Gerrity when the accounts were set up. She said 2006. James thanked the staff for the work they have been able to do with such a small budget.


Joseph Arcese motioned to approve the revised budget, and Mark Addison seconded. The motion passed.

8. Public Comment

Donna Smith gave an update on the Rex Morgan tribute. An RFP for an artist will go out in May with a September 1 deadline.

9. Adjournment

Jim Martin motioned to adjourn the meeting and Stevan Strain seconded. The motion was passed and the meeting was adjourned at 2:00 p.m.


Secretary