

SCFD BOARD OF DIRECTORS MEETING

June 23, 2011 - 1:00 pm

The Inn at Hudson Gardens

Meeting Minutes

SCFD Board members present: Chair James Harrington, Vice Chair Joseph Arcese, Treasurer Bob Grant, Councilwoman Marcia Johnson, Khadija Haynes, Kathryn Spuhler, Kathy Kucsan, and Jim Martin

SCFD Board members absent: Secretary Kathleen Stapleton, Shepard Nevel, Dave Montez

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

1. Introductions and Approval of Agenda

James Harrington called the meeting to order at 1:05 pm, followed by introductions. A quorum was present. There were no changes to the agenda.

Richard Meredith, CEO of Hudson Gardens, welcomed everyone. He shared highlights of the gardens and the Inn, built in 1941 by King and Evelyn Hudson as a restaurant. Years later the building and grounds were donated to South Suburban Parks and Recreation. Richard offered an escorted tour of the grounds after the meeting.

2. Approval of April 28, 2011 Board Minutes

Kathryn Spuhler motioned to approve the minutes. Bob Grant seconded. The motion to accept the minutes passed.

3. Fiscal Year 2010 Audit Report and Resolution

Bob Grant presented the audit and introduced Mark Elmshouser of Clifton Gunderson. Mark reported there were no significant issues. No misstatements or disagreements with the management discussion letter were noted. Sales and use taxes were up. Interest rates continue to be depressed. Administrative expenses were up slightly due to the WESTAF GO Grant system. Election cost recovery was properly presented. Balance Sheet fund categories reflect the new GASB 54 requirements.

James Harrington referred the Board to the Fund Balances section and stated that once the unassigned funds have been used, we will dip into our six months of reserves. James asked if there were any internal control issues to note. No, replied Mark. Joseph Arcese commented the Board is not over spending on Rex Morgan expenses. Bob Grant said he appreciated Mark's patience and clear explanations.

Resolution 11-05 Pertaining to Acceptance of FY 2010 Audit

Bob Grant motioned to approve Resolution 11-03 Pertaining to Acceptance of FY 2010 Audit. Marcia Johnson seconded. The motion to accept the resolution passed.

4. Reports

4.1 Treasurer

Bob Grant reported the April 2011 SCFD sales and use tax revenue was \$3,402,878.50. This compares to April 2010 revenue of \$3,201,694.48. The variance is \$201,184.02, a 6.28% increase over month-to-date (MTD) April 2010. The 2011 year-to-date (YTD) sales and use tax revenue is \$13,119,242.08. This compares to YTD 2010 revenue of \$12,062,462.94. The variance is \$1,056,779.14, an 8.76% increase in YTD 2011 over YTD 2010.

Bob presented to the Board three projected five-year financial scenarios based on potential interest rate levels. Bob said Peg's revenue projections are conservative, however SCFD could be facing a zero fund balance by 2014. Board may need to look for other revenues. James Harrington remarked that Federal Fund rates over the last 50 years have never been as low as now. Kathryn Spuhler asked how the interest rates for the various scenarios were decided. James said they are based on historic trends, current reports and economic projections. The SCFD can only control expenses, limiting what can be done without opening the statute. One option is to recover the remainder of the 2004 election costs from organizations, which many organizations prefer over opening the statute prior to reauthorization. Bob stated that if scenario one is correct SCFD will be well below the six month reserves at the end of next year. When the Board recovered a portion of election costs in 2010, it took about a year to recapture those funds.

4.2 Chairman

On June 16 Bob, Peg and Jim attended a Citizens for Arts to Zoo. CATZ manages the SCFD campaign. The group discussed the 2011 SCFD board planning session. James reminded the Board the July Board meeting begins two months of Tier II interviews followed by a resolution to approve their funding.

4.3 Executive Director

Peg Long reported 25 organizations submitted applications for Tier II qualification. eTown applied this year and met the threshold of \$1,392,789.98, up 2.7% over last year.

The 2011 Colorado Legislature restored the 2.22% sales tax service fee/vendor fee that businesses were temporarily prevented from retaining. Effective with the June 2011 sales tax returns, this will impact SCFD as well as the RTD, football district and baseball special districts. We do not anticipate that it will have a significant impact on our tax revenue numbers. The new IKEA store in Centennial is scheduled to open July 27, 2011. It will be interesting to see whether this creates a spike in sales tax revenue collected in August. We won't know that until October.

SCFD will be contracting with former employee Donna Smith to manage a variety of aspects of the 2011 Rex Morgan award event and Rex Morgan Tribute installation.

Peg introduced Chris Adams of Engaged Public to answer questions regarding the proposal Peg presented in May. Chris said their electronic key pad voting system allows for instant feedback. Besides getting feedback from Tier III organizations, it can also be useful for educating the group about issues the Board is considering.

The Board proceeded to ask a variety of questions regarding the system costs, procedures and outcomes. The Board also presented questions/concerns regarding the timing of such a project in relation to reauthorization. The Board asked staff to flush out ideas of questions, what outcomes they hope/expect to get out of the process and possible foundations willing to cover the costs. Jim Harrington asked staff to present these at the September Board meeting.

5. Other Matters

Resolution 11-06 Pertaining to Recognition of the Scientific and Cultural Collaborative

Marcia Johnson motioned to approve Resolution 11-06 Pertaining to Recognition of the Scientific and Cultural Collaborative. Joseph Arcese seconded. The motion to accept the resolution passed.

Honoring Councilwoman Marcia Johnson for six years of SCFD Board service

James Harrington highlighted Marcia's contributions to the SCFD and the City of Denver and presented her with a gift thanking her for her service. Steve Wilson, SCC, and Jane Potts, Denver Cultural Council, both stated it has been an honor to work with Marcia.

James introduced Peggy Lehmann, Denver City Councilwoman, who has been appointed to the board effective in July.

6. Public Comment

Steve Wilson, SCC, mentioned the Denver Zoo has agreed to join the SCC for two years. The Art Museum is considering it as well.

Bob Grant reported he manned the SCFD booth at Centerfest last Thursday. Gene Sobczak, Executive Director of the Arvada Center, did a great stage speech thanking SCFD.

Kathryn Spuhler was given a tour of the Denver Museum of Nature and Science mastodon site last week. She shared photos.

7. Adjournment

The meeting was adjourned at 3 p.m.


Secretary