

**SCFD BOARD OF DIRECTORS MEETING**  
**October 27, 2011**  
**1:00 pm**  
**Colorado Music Festival/Rocky Mountain Center for Musical Arts**  
**Meeting Minutes**

**SCFD Board members present:** Chair James Harrington, Vice Chair Joseph Arcese, Secretary Kathleen Stapleton, Treasurer Bob Grant, Shepard Nevel, Khadija Haynes, Jim Martin, Councilwoman Peggy Lehmann, and Kathy Kucsan

**SCFD Board members absent:** Kathryn Spuhler and Dave Montez

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

### **1. Introductions and Approval of Agenda**

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

Board member Kathy Kucsan welcomed the Board. She is the co-founder of Rocky Mountain Center for Musical Arts (RMCMA). The organization started in 1995. It moved to its current facility in 1999. No one is turned away for inability to pay. They are currently in the middle of a building project to improve studios and performing spaces. Two years ago Colorado Music Festival merged with RMCMA. Ethan Hecht, RMCMA Interim Director, has worked for Colorado Music Festival for 10 years. Ethan shared that they have an instrument bank containing 300 instruments which are loaned to mainly 5<sup>th</sup> graders. Louise Christopher, Development Director, thanked Kathy for her vision and said it continues. Joe Arcese asked if the merger allowed for RMCMA to pull people in from other places besides Lafayette. Louise said the majority are from Lafayette and Superior, however, the instrument bank serves 46 schools in five to six counties.

### **2. Approval of September 22, 2011 Board Minutes**

Peggy Lehmann motioned to approve the minutes. Kathy Kucsan seconded. The motion passed.

### **3. 2011 YTD Budget Review and Discussion**

Bob Grant reminded Board members of the three budget scenarios presented to the Board a few months ago. He stated the budget is a result of that work. Bob said he and James Harrington have gone through the budget line by line with Peg Long. He said the SCFD can't continue to operate on three quarters of one percent of tax revenues. He then asked Peg to speak. She explained the Board approved the FY 2011 budget a year ago and what they had before them is what the budget is projected to be at the end of the year. Peg said the SCFD is below expenses and above revenue projected, and thus she recommended that no adjustment be made at this time. In February 2012 SCFD will receive the December 2011 distribution and will likely need to adjust the budget to reflect actual revenue received. She opened the discussion for questions.

James Martin mentioned the budget is flat compared to last year. Peg hopes she will be able to make a CDARS placement next year. Peg reported the SCFD receives .8 – 1% interest rate on each dollar. Joseph Arcese mentioned operating reserves increased, so now there is 6 months of reserves. If operating expenses go over operating income does the Board adjust the operating budget or show a minus asked Joseph. Peg said the Board would have to release the use of the funds committed to the 6-month operating reserves to balance the budget. James Harrington said six months of reserves is set aside by Board policy and can be used at the discretion of the Board.

Jim Harrington stated Peg and staff has done a commendable job working under the current budget.

Bob Grant motioned to open up discussion to public hearing. James Martin seconded. Jane Potts asked for clarity on funds set aside for election costs. James Harrington said it has been a hope of the Board to set aside funds from interest. With interest rates as they are, we have not been able to set anything aside. If interest rates do increase there will be additional revenues set aside for election costs. Jane asked if election costs can come out of campaign donations. James Harrington said they could be used at the discretion of the campaign committee but co-mingling money is not wise. Bob Grant asked if interest rates don't rise enough by the time of the campaign, will the organizations have to cover the costs. They did agree in 2010 to pay 50% of the costs, said James. It isn't the ideal way to cover the funds, it is a fall-back option. Bob Grant motioned to close public hearing. Peggy Lehamann seconded.

Bob Grant read the budget resolution and motioned to approve it. Kathleen Stapleton seconded. The motion to accept the resolution passed.

#### **4. Colorado Business Bank Presentation**

Peg Long introduced Margret D'Emery and Kathy Mitchley. They gave board members a copy of their Power Point presentation. The presentation covered what the Bank does for SCFD currently and what they could do in the future. The Board asked questions about the details of the ACH transfer processes. Peg commented that the internal and external controls and security have been strengthened by implementation of several banking processes.

#### **5. Resolution 11-11 Pertaining to Capital Construction Exclusion**

Peg Long gave context for bringing the resolution to the Board. Currently, the statute does not define capital construction or capital expenditure yet it states that no SCFD funds may be used for these purposes and/ or counted towards qualifying revenue. The SCFD staff has to analyze recipients' financials when implementing capital exclusions. This policy is an attempt to create more guidance for organizations and for staff so that there is a common standard. The resolution was revised as a result of conversations with organizations and auditors after initially presented at last month's board meeting. James Harrington asked Peg if she received many concerns. Yes, replied Peg. There were some questions about intent to include or excluded particular items. She feels the concerns have been addressed.

James opened the topic for public discussions. Susan Connelly from Colorado Chautauqua said she was part of the conversation and appreciated the dialog and is pleased with the results. Alice Lee Main, City of Aurora Cultural Services Division said the first few drafts were a little confusing in comparison to the City of Aurora definitions. She is also pleased with the results. Peg said concerns dealt mainly with what SCFD money could be spent on and what it couldn't be and the issue of building assets vs. programming.

James Martin asked for clarity of section three of the resolution. The Board went into a lengthy discussion regarding the wording of the resolution. The Board asked Peg to rework section three and present it to the Board at the November meeting. Peggy Lehmann asked Peg to send it out as soon as it is ready.

#### **6. 2011 Rex Morgan Tribute and Award Update**

James Harrington thanked all SCFD Board members who were able to attend the 2011 Rex Morgan Award events last Wednesday. He hopes Donna Smith will be able to help with the event in years to come.

Peg Long reported, on behalf of Donna Smith, Rex Morgan consultant. The 2011 Rex Morgan Award was bestowed on Ms. Sue Bodis of Aurora before a gathering of more than 250 in the Chambers Grant Salon at the Ellie Caulkins Opera House. The celebration also honored the eight other nominees from across the District.

The Rex Morgan Award event was preceded by dedication of the Rex Morgan Tribute sculpture, which was commissioned to thank the citizens of the District for over two decades of support. The beautiful stone work by Colorado artist Patrick Marold, installed on the west terrace at the Denver Performing Arts Complex, was then

gifted to the City and County of Denver for inclusion in its public art collection. The art work was funded entirely with private donations and contains the names of all prior recipients of the Rex Morgan Award. A special luncheon with the artist the day before these events raised approximately \$3,200. Photos of the sculpture and the 2011 Rex Morgan events are posted on SCFD's Facebook page and website.

As SCFD's contract consultant, Donna Smith managed all aspects of both events with assistance from SCFD staff, an intern and a couple of volunteers, said Peg. Print design work for the invitation and program was provided by SCFD's newest staff member, Erica Barclay. Printing was donated by The Publishing House. Discounts on sign production, catering and facility rental were obtained. All performers were appropriately compensated.

## **7. Reports**

### **7.1 Treasurer**

Bob Grant reported the August 2011 SCFD sales and use tax revenue was \$3,670,176.21. This compares to August 2010 revenue of \$3,427,115.25 and is a 7.1% increase over month-to-date (MTD) August 2011. The 2011 year-to-date (YTD) sales and use tax revenue is \$27,477,307.81. This compares to YTD 2010 revenue of \$25,981,856.98 and is a 5.75% increase in YTD 2011 over YTD 2010.

### **7.2 Chairman**

James Harrington reported that he attended the Arapahoe County check ceremony. He encourages all the County representatives on the Board to attend their county's ceremony.

James said it is time to consider officers for next year. He has put together a nominating committee consisting of James Martin, Kathy Kucsan and Kathleen Stapleton. He asked if the Board approved of the process. They all agreed.

James said it is time for the Board to evaluate Executive Director, Peg Long. A performance evaluation was given to each Board member. Peg was asked to send to members not present. Peg is to complete a self evaluation by the middle of November. That will be shared with the entire board and input obtained. In early January James Harrington will conduct her review and provide guidelines for salary and goals for next year.

### **7.3 Executive Director**

Peg Long pointed out the 2012 SCFD Board meeting schedule is in the October packet. If anyone wishes to receive an Outlook meeting invitation for these dates, please let Peg know.

Peg gave the Board an update on the Key Stakeholder Assessment Project. She completed meetings with all four of the initially identified foundations, Boettcher, Bonfils-Stanton, Gay & Lesbian Fund for Colorado and the Denver Foundation. Funding has been secured from Boettcher Foundation and the Denver Foundation. This funding will allow the launch of Phase I which targets engaging Tier III organizations and county cultural councils. The Gay and Lesbian Fund is in the process of closing its Colorado Springs office and merging some grant functions with the Gill Foundation office in Denver. They have declined to fund the project due to their internal changes and revisiting their funding priorities. Peg, James Harrington and Shepard Nevel had a lunch meeting with Bonfils-Stanton two weeks ago and had a very good conversation. Peg has a follow-up meeting with them on the November 15th. She plans to contact two additional foundations at this point (Rose and Gates) that have strong community interest but are not necessarily significant arts funders. A stakeholder's survey went out to all recipient organizations in all three tiers and to County Cultural Council members. The initial survey closed on October 21<sup>st</sup>. 125 responses were received. These are being tabulated and summarized. Peg will meet with Engaged Public on November 2nd and will tentatively plan to conduct the Phase I Tier III stakeholder group input meetings on December 15, 2011 and January 21, 2012.

Peg asked the Board to save February 9, 2012 for a Board planning session, 8:30-12:30; location to be determined.

Peg gave the Board an update on the changes in the Department of Revenue Reports (DOR). Effective with the August sales and use tax revenue received in October 2011, reports and copies of tax warrants will no longer be faxed to special districts. Revenue information will only be accessible using the DOR's online system. Due to conversion to the new system, revenue will no longer be reported as aggregated sales tax and aggregated use tax, but only as a single revenue figure. This will change the way SCFD the accountant presents the figures in financial statements, in how the SCFD budget is presented and in how the audit is conducted. She has conferred with the SCFD auditors and has been advised that reporting revenue as a single figure meets accounting and auditing requirements.

**8. Other matters**

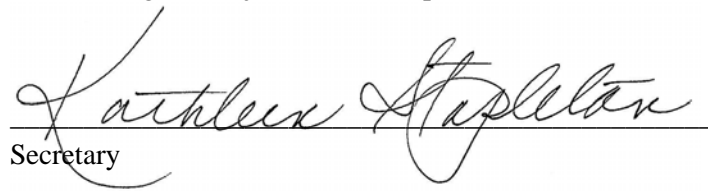
None presented.

**9. Public Comment**

Steve Wilson, Co-Chair of the Scientific and Cultural Collaborative (SCC), said his goal was to bring Tier Is on board with the SCC. The Botanic Gardens will be joining and talks have begun with the Denver Museum of Nature and Science. The Denver Art Museum, Denver Center for the Performing Arts and Denver Zoo have already joined. He thanked Stevan Strain, Mark Addison, James Harrington and Khadija Haynes for encouraging participation by the Tier I organizations over the years and for pushing the SCC to figure out a way to include the Tier IIIs.

**10. Adjournment**

The meeting was adjourned at 3:15pm.

  
Secretary