



MINUTES

ROLL CALL

Trustees

Wills, Kathy, Chair	Present
Smith, Gerri, Vice Chair	Present
Beyersdorfer, Jeff, VC/Treasurer	Present
Hasenstein, Sue, Secretary	Present
Andres-Schneider, Ellen	Present
Baughman, Tim	Present
Beverly, Bruce, SCPA Rep	Present
Clark, Tom	Absent
Diamond, Suzanne	Present
Dye, Sydney, SMOCA Rep	Absent
Felder, Rich	Present
Fusillo, Mary	Absent
Irish, Christine, SPA Rep	Proxy
Itzkowitz, David, SMOCA Rep	Present
Kapner, Peggy	Present
Lewis, Alison	Absent
Miller, Pete	Present
Millon, JP	Present/Proxy
Roberts, Terry	Present
Schwinghamer, Steven, SPA Rep	Absent
Smith, Vicki	Absent

Committee Chairs

Peterson, Erik	Present
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Staff

Agudelo-Martin, Victoria, Controller	Present
Baker, Steve, Director of Marketing & Communications	Present
Cochran, Sara, SMOCA Director & Chief Curator	Present
Curry-Evans, Kim, Dir. Scottsdale Public Art	Present
Joyce, Kathy, Director of Development	Present
Marsh, Natalie, Director of Education & Outreach	Present
McDaniel, Scott, Director of Finance & Administration	Present
Messmer, Abbey Interim Director of Performing Arts	Present
Miller, Mike, Interim CEO	Present

OPEN MEETING

1. Call to Order

Kathy Wills

- a. Kathy Wills called the meeting to order at 4:02 p.m.

Kathy announced the passing of longtime supporter and Scottsdale Public Art Advisory Board member, Fred Unger on Saturday, January 20th after his seven-year battle with cancer. Since the 1990s, Fred Unger was part of the restoration, development and management of signature real estate projects around the Phoenix area, especially hotels and fine dining restaurants. His Southbridge project at the Scottsdale Waterfront connects shoppers from Fashion Square and the Waterfront to Old Town. Fred was also active in the Scottsdale Area Chamber of Commerce, the Phoenix Symphony and other community organizations, including the Scottsdale Leadership program. A reception will be held at Mountain Shadows Resort on Monday, January 29th at 1:30pm.

Kathy announced that the February 27th meeting of the board has been canceled due to the Board Retreat being moved to March 1st from 11am – 5pm. Kathy requested board members attend the February 13th City Council meeting to show support for Kim Curry-Evans, Director of Scottsdale Public Art and the Marshall Way project vote as well as to show support during Kathy’s Scottsdale Arts’ update presentation to City Council.

- b. Public Comments

Kathy asked for public comments. **There were no public comments.**

Next steps include: a joint press release; Meet and Greets with boards, donors, city officials, tourism, and Chamber; Breakfast with arts organizations in town; and one on one's with key constituents. Gerri noted that Scottsdale Arts' saved money by not using a search firm. Ellen commented that there was a better selection of applicants than the last search and noted that its likely search firms don't share all potential candidates with employers.

3. Downtown 2.0

Karen Churchard

Director of Tourism & Events with the City of Scottsdale, Karen Churchard presented the draft Tourism Related Downtown Economic Feasibility Study for Scottsdale, Arizona dated November 13, 2017. The study consisted of economic and planning analysis focusing on Downtown Scottsdale with a focus on maximizing visitor economic performance and creating a highly desirable downtown. Information on the plan is available at <http://www.downtownscottsdale2.com/>

5. Governance Committee Report

Gerri Smith

Gerri Smith reported on the activities of the Governance Committee. Since a second Advisory Board Trustee was not identified for this fiscal year from the Scottsdale Center for the Performing Arts Advisory Board, Kathy Wills has invited the Chair of the that Advisory Board, Bruce Beverly, to attend Executive Committee meetings in addition to serving on the Finance Committee as approved by the board last May as part of the slate of officers, advisory board trustees, and standing committees' membership. To make this official, Gerri requested a motion to approve Bruce Beverly as a member of the Executive Committee.

A motion was made by Ellen Andres-Schneider, and seconded by JP Millon, to approve Bruce Beverly as a member of the Executive Committee. Motion passed unanimously.

Gerri directed the board's attention to the bio of Dr. Jackie Schenkein, reporting that the Governance Committee has approved Dr. Schenkein to serve as an At Large Trustee, and requesting a motion.

A motion was made by Peggy Kapner, and seconded by Jeff Beyersdorfer, to approve Jackie Schenkein as an At Large Trustee. Motion passed unanimously.

Gerri announced the resignation from the board by Richard Hayslip and read his resignation letter for the record:

Kathy,

As I suggested to you a few months ago, it is becoming increasingly difficult for me to be the kind of Board member Scottsdale Arts deserves. Since retiring, our "summers" at the beach have increased by several weeks and other travel has caused me to miss too many meetings. Accordingly, I am hereby informing you that I wish to retire from the Board of Trustees effective immediately.

As I hope you know, my years on the Board (too many to count) have been wonderful. I have met and worked with many great people and my life has been enriched by the work that we do. The Board has never been stronger and we have great leadership across all of our Boards. And, because of our family connection, Jo and I are especially proud of you and the great job you are doing.

Please know that I am still available in my capacity as a source of serious history and trivial factoids about the organization. Let me know if I can ever be of help to you and to Scottsdale Arts.

Sincerely,

Richard Hayslip

Gerri also announced the resignation from the board by Rosary Hernandez. Rosary was recently appointed to her own company (Tiffany & Bosco) board's executive committee and sited this and other time commitments prohibit her from participating on a regular basis.

Gerri reported that the Governance Committee will be reviewing a board expertise grid to identify current needs and missing skill sets on the board once Dr. Wuestemann is officially on staff. JP suggested a comparison to other arts organizations from a development perspective.

6. Education Task Force/Committee Report

Natalie Marsh

Natalie reported that an Education Task Force was established and met for the first time in November. A review of programming proved educational for the group. Trustee Terry Roberts has been invited to chair the committee due to his interest and the current collaboration efforts with Banner MD Anderson. The committee will work with Natalie on strategic planning for the department.

7. Scottsdale Public Art Update: Marshall Way Site Project & Noriega Stable Livery **Kim Curry-Evans**

Kathy Wills invited Kim to report on the Marshall Way Site Project in Chris Irish's absence. The project was initiated by a City Council directive for a gateway piece. The design review board cited issues with placement and lighting at the site. These issues were addressed, however, the review board declined to approve the project. Vice Mayor Korte requested the issue be agendized at a future City Council meeting.

Kim also reported on Scottsdale Public Art's use of the Noriega Stable Livery as a Creative Residency program space. The City's RFP resulted in too many requests and is considering including the space in Scottsdale Arts' new management services agreement now being drafted and expected to be in effect on July 1, 2018. There is no guarantee of the space being available for residencies past May 2018.

8. Finance Committee Report

Jeff Beyersdorfer

Jeff asked Scott McDaniel to give an update on the accounting office activities. Scott shared that bank reconciliations are now on pace, the chart of accounts has been redone and proper accounting is now taking place resulting in quicker and more accurate reporting. Scott then walked the board through some specifics on the December financials, including: revenue \$50K behind budget; SMOCA attendance well over budget; and a change in reporting of endowment draw. Jeff acknowledged staff efforts to reduce costs and keep to a budget that was missing some expenses from the start. Kathy Wills thanked Scott, noting that he received kudos from the City on "righting the ship".

Jeff reported that there were some imbalances in the Gala financials year to year, however, more funds were raised this year. A final report will be shared at the next meeting.

9. City Audit

Mike Miller

Mike reported that the City doesn't view us as part of their audit process as we are an external vendor. There are several findings by the City Auditor with which we do not agree. Talking points will be provided to the board and any questions regarding the details of the audit should be directed to Mike. Findings included: underspending in public art conservation and restoration bucket (despite overspending in related management of public art bucket) – overall there was actually an overspend when combining the two buckets; underspending in community arts grant program (despite board minutes showing intended action, which was deemed insufficient evidence by the auditor) – we will work with the City on resolving this issue created by the City and former CEO's verbal agreement (and disregard for the board's directive of getting something in writing) ; and, the lack of moving towards financial independence (despite this not being a requirement of the management services agreement). While not a requirement, it was determined that this should be analyzed internally.

10. Piper Grant Update

Pete Miller

Pete gave an update on the Piper Foundation grant funded database cleanup and website redesign project. A key initiative of the grant is improving the customer's experience. Both database cleanup vendors and website vendors were very interested in the "side-car" database our Digital Marketing Manager, Zac Boatwright envisioned, however they had nothing similar in their service offerings. Canopy Labs, a company based in Canada, has an engine that does what we need – focused, targeted marketing based on a patron's web browsing and past ticket purchases. The Canopy Labs engine/database will "talk" to our donor/patron/ticketing software, Tessitura and our website to offer specific performance and event opportunities to our customers.

11. Investment Committee Report

Rich Felder

Rich reported that the committee is on schedule reviewing RFPs thanks to committee members. We received good responses and good fee offers. Two finalists have been invited to present to the committee. The finalist selected will be reported at the next meeting.

12. Development Committee Report

Erik Peterson

Erik distributed a development report and noted the following: We are in an excellent position midyear – poised to reach/exceed our goal again this Fiscal Year. This year's goal is \$2,171,174.72. The new "One Membership" is now a year old and is tracking in a positive way. We exceeded monthly goal by \$31,000 in December with a total of \$48,640. This is due to an expanded outreach with sumo sized postcards, social media and email blasts. This is also with a 3-month rotation cycle of renewal announcements and reminders. Also – we will be launching the new plastic membership card in February complete with Member ID and bar code for tracking activity! We received a very prestigious WARHOL grant for SMOCA in the amount of \$80,000. This was prepared by curator Jennifer McCabe in partnership with development. This is an excellent example of inter-departmental teamwork. Additionally, the Marley Foundation awarded \$50,000 – although we asked for \$100K – this is reflective of their grant activity with other organizations as well.

We have created a new template for you in your envelopes today that offer clarity toward your Board giving. The summary includes a snapshot of last FY 16/17 gift/pledge and balances remaining, as well as a space for you to indicate your gift intentions for this FY 17/18. For those that have indicated their intentions for this year, those are entered on the worksheet. As we are building this wonderful energy and growth in our contributed revenues building on last year's growth of 13% - we ask that you make your pledge commitment for this FY known to us no later than Friday, February 23, 2018 – before our retreat on March 1. There is a SASE enclosed with your statements as well. Please return the pledge document signed and dated.

Kathy Wills thanked the board for being active and engaged.

13. CEO Report

Mike Miller

Mike reported that he is excited to bring on a full time CEO noting that a leader looks strategically and provides direction. Scottsdale Arts is a relatively small organization with great staff that have stepped up during the transition. The search for a director for the Center is on hold and the new CEO will have the opportunity to be involved in the decision. Mike also reported on the status of the management services agreement discussion with the City of Scottsdale's Assistant Manager and our contract administrator, Karen Churchard, Director of Tourism & Events, noting that it is a tremendously complicated document. We are working with Brent and Karen towards completion in preparation for a work study session with City Council. The City Audit findings will be addressed in the new agreement as will the additional reporting requirements beyond the annual report. The strategic plan, operating plan, quarterly metrics, annual report, CEO performance evaluation, and management services agreement are all intertwined. An equipment fund may be added into the agreement, to be used as needed. City attorneys will draft the document and we will have our attorney review final draft prior to June City Council meeting.

EXECUTIVE SESSION – was called at 5:30pm. Regular session resumed at 5:48pm.

A motion was made by Gerri Smith, and seconded by Rich Felder, to approve Dr. Gerd Wuestemann as President & CEO of Scottsdale Arts. Motion passed unanimously.

ADJOURNMENT – The meeting adjourned at 5:49pm.

Respectfully submitted,
Kelly Hicks
Recording Secretary