

MINUTES

ROLL CALL

Trustees

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

Schwinghamer, Steven, SPA Rep	Present
Smith, Vicki	Present

Staff

Agudelo-Martin, Victoria, Controller	Present
Curry-Evans, Kim, Director Scottsdale Public Art	Present
Marsh, Natalie, Director of Education & Outreach	Present
McDaniel, Scott, Director of Finance & Administration	Present
McCabe, Jennifer, Acting Director, SMOCA	Present
Messmer, Abbey Programming Director Scottsdale Center for the Performing Arts	Present
Prins, Jamie, Events Director	Present

OPEN MEETING

1. Call to Order

Kathy Wills

- a. Kathy Wills called the meeting to order at 4:05 p.m.
- b. Public Comments

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

CONSENT AGENDA

2. Motion to Approve Consent Agenda Items

Action

- a. Approve March 27, 2018 Board of Trustees meeting minutes
- b. Approve May 9, 2018 Scottsdale Public Art Advisory Board meeting marked agenda
- c. Approve March 14, 2018 Scottsdale Public Art Advisory Board meeting marked agenda

A motion was made by Bruce Beverly, and seconded by Mike Miller, to approve the consent agenda. Motion passed unanimously.

REGULAR AGENDA

3. Chair's Report

Kathy Wills

Kathy thanked Ellen Andres-Schneider and Gerri Smith for their service to the board of trustees. Gerd noted that both

will be recognized from the stage at a performance this Fall. Ellen thanked Mile Miller and Eileen Wilson for their time and dedication to the organization noting that she will now enjoy the 30,000 ft. view and she leaves the organization in good hands with Gerd as CEO. Gerd thanked Sydney Dye for her great leadership as chair of the SMOCA Advisory Board. Kathy thanked Sydney for her input and strong voice at board and executive committee meetings.

4. CEO Report

Gerd Wuestemann

Campus Development- There is strong potential for work on the stadium to being as early as April 2019. We are firmly at the table and will steer A/V and staging development for multi-use build out. Construction is to run in 3 phases and will also tie into civic center plaza redevelopment, campus access, parking structures etc. After two long meetings with Holly Street Studios, we are fully involved as driver of campus redevelopment. Plans are evolving of permanent new infrastructure on plaza, demo of old public garage on Wells Fargo Ave., wayfinding and axis-creation between Arts district, Museums Square (Loloma area) and Scottsdale Arts campus. A solid opportunity to start construction this year on a 2nd street gateway piece for Scottsdale Arts, including closing in of South Hall, covered drop off/pull through area, digital signage and Center/SMoCA signs driving visitors into our 'canyon'. Stage 2 planning for a comprehensive revamp of spaces, including absorption of education space and South Hall to create 250-seat flex space is underway. We will bring in top consultants this fall. Working on private dollars to come to table. Public funds may be available through various avenues. Target date for construction is Fall 2019. Super Bowl venues need to be completed by 2022.

Community Relations - Many successful meetings have occurred with many peers throughout valley. Connected to Oonagh Boppart group of arts and science leaders which meets monthly to discuss issues and collaborate. Successful advocacy to increase state arts funding – from \$1.5M to zero'd out to \$2M. We supported AZ Commission and AZ Citizens for Arts. Meetings occurred with Desert Foothills, Stagebrush/Greasepaint and Desert Stages theater groups. In the future we may house some groups with temporary venue issues. Also exploring other small theaters we may annex/manage in future (old IMAX, Library). Satellite exploration and partnership with AZ Fest, other N. Scottsdale entities. Emcee'd Philharmonic event, able to recognize Mayor and council members, relationship rebuilt, Christmas event as co-pro. Super Bowl 2023 likely to happen in AZ and Scottsdale Arts is likely to become main host/site for NFL House (SMoCA), Women in Football conference (Center), Super Bowl Fest (campus), thanks to Andrew Chippindall for this great opportunity! ASU/SkySong/Economic Development/Chamber – possible future collaborations around 1. A festival of creativity and entrepreneurship (ICW Canal Convergence?!) 2. A residency/career development program for young artists giving studio spaces, stipends and biz classes.

Staff & culture – There is a new spirit in the organization, one of transparency and collaboration. All Staff have been addressed openly about budget challenges and asked to stand tall. All are engaged and ready to step up. There is much more work to be done. Biggest concern is processes – we do things three times over. Will work to streamline and document so we can replicate. Hire of new Tessitura Specialist for July 1 – this is a revenue producing critical hire.

Development - Crew is stepping up! We are beating our last projections: Kathy Joyce had suggested we were to raise \$1.2M in Q4, we discovered the real number of likely pledges was \$800K, leaving a \$400K hole in budget. We are on track to significantly decrease this gap and come in only about \$200K short. Need to replace Cat Turner in June/July, likely shift/empower some current staff into redrafted roles. We will have a better functioning dept. by July 1. Submitted over \$130K in grants/foundation requests in last 3 weeks alone! Good start to next FY. Need to revisit how we book pledges, sponsorships etc. – complex issue and will revisit. Board contributions: thanks to ALL for stepping up and going above and beyond! It is troubling that we cannot and do not have a good tracking system and we need to fix asap. Staff keeps spreadsheets rather than Tessitura reports, very unfortunate.

Marketing - New season piece in works – will be fabulous new design, visuals driven, less cluttered and stuffed w info. Designed to drive web traffic – and prime us for future digital marketing focus. Larger format, clean design, more pages – we will print fewer and mail more targeted to offset cost. Brand!!! We are in evolution of brand process. Still early but making progress to better resolve who we are. Will affect everything! Also working in-house on development of logo-bug. Strong unified brand will allow us to market brand rather than show-to-show.

General Information - AJ's event very successful and lucrative. Summer maintenance under way. New maintenance fees added to tickets in Fall, helps build pool to offset depreciation. Canal Con collabs this fall w SMOCA, Center, Edu in the works. July education event – we will host all principals in district over two days. Rental rate increase approved – first in

8+ years – 10%. Also new non-profit rates implemented to better support our colleagues. Arts Fest submissions are under way, Canal artist call is closed.

5. Strategic Plan & Management Services Agreement

Gerd Wuestemann

Gerd reported that the new strategic plan is to be submitted to the City in June. The new strategic plan will be more nimble, concentrated, and condensed - an outline of goals with clearly measurable timelines, driven by action. The ROSE was developed by senior management. Focus Areas were determined and input from staff on specific projects was received, some incredibly detailed. There was an amazing level of participation! The Action Plan will be a living document. The bond issue will have a huge impact on projects. Over the next five months, the subset of projects/actions will be reviewed by senior management. The Action Plan will be updated every six months to a year. The board should vote on the overall plan goals/focus areas.

The process undertaken to develop this strategic plan was behavioral in nature and allowed senior management to learn more about each other's areas. Mike Miller noted this was a much better, more interactive process. Gerd noted that it was the right consultant at the right time and thanked Brent Stockwell and the City of Scottsdale for referring Eric Bailey of Bailey Strategic Innovation Group. Tim Baughman asked about the consultant fee. Gerd noted it was between \$10 and 12K. Kathy Wills noted that we used money budgeted for the board retreat, History Hall of Fame table, and Governor's Arts Awards table which is why we held the retreat on site and asked board members to go in on purchasing sponsor tables at the two events. Today we are seeking board approval for the ROSE and Focus Areas.

A motion was made by Jeff Beyersdorfer, and seconded by David Itzkowitz, to approve the Strategic Plan 2023 as presented. Motion passed unanimously.

The Strategic Plan, Management Services Agreement, and FY Budget need to be aligned.

The Management Services Agreement renewal will be postponed one year due to elements that were being proposed which would restrict Scottsdale Arts. This postponement came through City Council and the City Manager's office. Mike Miller asked if we would be able to correct the Conservation & Restoration bucket being split from the other Scottsdale Public Art bucket, suggesting these two areas should be merged. He noted that the City was to have increased conservation & restoration by \$20K. The Community Arts Grant allocation is also to be increased by \$20K. Additionally, a \$100K maintenance fund is to be established to allow Scottsdale Arts to tend to equipment upkeep.

6. Finance Committee Report

Jeff Beyersdorfer

Jeff asked Scott McDaniel to present the budget. Scott walked through the powerpoint presentation. Key assumptions for 2018/19 Budget include: Conservative assumptions for Earned Revenue, lots of potential to add performances; New series in SCPA focusing on rock music to attract younger audiences; Completion of website redesign with remaining funds from the Piper Grant; Endowment draw reduced from 5.0% last year to 4.5%; Estimated impact of minimum wage increase in January 2019 (~ \$7,500); Estimated health insurance increase of 12% (~ \$50,000); New employee to oversee Tessitura software data and ensure best practices in use of software by training staff; and Increased box office fees and addition of facility fee to help fund future improvements. What's not in budget: Cost of living raises for staff; Improvements for Stage Two to make it a state of the art presentation space; Technology upgrade for SMOCA admissions; Scottsdale Arts Branding Video and Marketing budget; Investment to improve atrium acoustics; Scottsdale Arts Presents grant options to be explored over the summer. A discussion about depreciation ensued.

A motion was made by Bruce Beverly, and seconded by Tim Baughman, to approve the fiscal year 2019 budget as presented. Motion passed unanimously.

7. Board Goals

Kathy Wills

Kathy reminded the board of the goals set at the beginning of the year: 1) advocate/management services agreement, 2) Strategic Plan, 3) support/educate/fundraise, 4) be social - get to know one another, 5) advise/assist with CEO hire, 6) communicate successes to City Council and the community, and 7) oversee finances and budget. Chris Irish thanked Kathy Wills for her time commitment and leadership noting that as the reason the board goals were achieved.

8. Community Arts Grant

Chris Irish

Chris reported that Sue Hasenstein will join the Community Arts Grant Panel. We have more money to award this year: \$80K in the budget (\$60K of which is in the financial participation agreement and \$20K of which will be covered by Scottsdale Arts to address previous underspending), and \$20K from the Community Arts Trust fund managed by the City. New software with an online application and online scoring will be used this year. The timeline of the grant cycle was changed to be more in alignment with our budget and the City Council vote on the annual financial participation agreement. An electronic vote of the recommended funding will be initiated by Kelly Hicks after the panel review meeting.

9. Governance Committee

Kathy Wills for Gerri Smith

Kathy requested the board consider the re-election of At Large Trustees whose terms expire June 30th.

A motion was made by Peggy Kapner, and seconded by Steven Schwinghamer, to approve Jeff Beyersdorfer, Vicki Smith, JP Millon, Suzanne Diamond, and Sue Hasenstein for new 3-year terms. Motion passed unanimously.

Kathy reported that the governance committee has identified, vetted and is recommending two new At Large Trustees: Steve Biddle/Littler Mendelsohn P.C. and Stephanie Lyon/Nationwide. Steve has been an invaluable resource for our HR Manager, Lisa DeGroodt, over the last couple years. Stephanie will replace Tom Clark who, due to time constraints, is typically unavailable on the fourth Tuesday of the month.

A motion was made by Steven Schwinghamer, and seconded by Sydney Dye, to approve Steve Biddle and Stephanie Lyon as At Large Trustees with terms beginning July 1, 2018. Motion passed unanimously.

Kathy reported that we hope to bring in eight new trustees within 60 days and plan to have one board orientation for all new board and committee members.

*Ellen Andres-Schneider departing, giving her proxy to Vicki Smith for the remaining votes of the meeting.

Kathy presented the slate of officers and standing committee members for fiscal year 2018-19: Officers - Kathy Wills (Chair), Jeff Beyersdorfer (Vice Chair), Mike Miller (Treasurer), and Peggy Kapner (Secretary); Executive Committee – Kathy Wills, Jeff Beyersdorfer, Mike Miller, Peggy Kapner, Andrew Chippindall, Bruce Beverly, David Itzkowitz, Chris Irish, Terry Roberts, Alison Lewis, and Tim Baughman; Finance Committee – Mike Miller (Chair), Jeff Beyersdorfer, Rich Felder, Vicki Smith, and Kathy Wills; Governance Committee – Peggy Kapner (Chair), Andrew Chippindall, and Terry Roberts.

A motion was made by Bruce Beverly, and seconded by David Itzkowitz, to approve the slate of officers, executive committee members, finance committee members, and governance committee members for the 2019 fiscal year as presented. Motion passed unanimously.

EXECUTIVE SESSION – was called at 5:59pm. Regular Session resumed at 6:26pm.

A motion was made by Peggy Kapner, and seconded by Steve Schwinghamer, to eliminate the current give/get requirement for all current advisory boards; require members purchase a membership (minimum \$50 Arts Lover - encourage \$1250 President's Club); reclassify the SMOCA and Center advisory boards as Councils and to allow these Councils, the Scottsdale Public Art Advisory Board, and the Education Task Force to self-govern, select their members based on the needs of each operating branch, and determine the number of meetings to be held each fiscal year based on the needs of each operating branch. Motion passed unanimously.

ADJOURNMENT – The meeting was adjourned at 6:28pm.

Respectfully submitted,
Kelly Hicks
Recording Secretary