



**MINUTES**

**ROLL CALL**

**Trustees**

Wills, Kathy, Chair	Present
Beyersdorfer, Jeff, Vice Chair	Absent
Miller, Mike, Treasurer	Absent
Kapner, Peggy, Secretary	Absent
Chippindall, Andrew, Past Chair	Absent
Anderson, Rhonda	Absent
Appell, Felice	Present
Backlund, Ryan	Present
Baughman, Tim	Present
Beverly, Bruce	Present
Biddle, Steve	Present
Diamond, Suzanne	Present
Fedewa, Mary	Present
Harman, Kristopher	Present
Hasenstein, Sue	Present
Irish, Christine	Absent
Itzkowitz, David	Present
Lewis, Alison	Present
Lyon, Stephanie	Proxy
Millon, JP	Phone/Proxy

Robbins, Dennis	Present
Rosskam, Merle	Present
Schenkein, Jackie	Absent
Serena, Christian	Present
Smith, Vicki	Present

**Guest**

Mayhall, Megan, Development Committee

**Staff**

Agudelo-Martin, Victoria, Controller  
 Boatright, Zacory, Director of Marketing  
 Curry-Evan, Kim, Director, Scottsdale Public Art  
 Hicks, Kelly, Executive Assistant & Board Liaison  
 Hill, Darcy, Director of Development  
 Marsh, Natalie, Director of Education & Outreach  
 McDaniel, Scott, Director of Finance & Administration  
 McCabe, Jennifer, Director & Chief Curator, SMOCA  
 Prins, Jamie, Events Director  
 Reeves, Meribeth, Managing Director, SCPA  
 Wuestemann, Gerd, President & CEO

**OPEN MEETING**

**1. Call to Order & Announcements**

**Kathy Wills**

- a. Kathy Wills called the meeting to order at 4:03 p.m.
- b. Public Comments - Kathy asked for public comments. **There were no public comments.**
- c. Kathy welcomed new development committee member Megan Mayhall. Kathy reminded board members that a June meeting is scheduled and then a two-month hiatus before reconvening in September. Meetings will be held in September, October, January, February, March, April, May, and June with either March or April being a retreat. Next month the board will vote on the FY 20 budget and slate of officers, associate trustees, and committee membership. Please consider submitting a proxy form if you are unable to attend for these important annual votes.

**CONSENT AGENDA**

**2. Motion to Approve Consent Agenda Items**

**Action**

- a. February 26, 2019, Board of Trustees meeting minutes
- b. February 13, 2019, Scottsdale Public Art Advisory Board Marked Agenda
- c. March 13, 2019, Scottsdale Public Art Advisory Board Marked Agenda
- d. April 10, 2019, Scottsdale Public Art Advisory Board Marked Agenda
- e. Public Art Plan – approved by the Scottsdale Public Art Advisory Board on April 10, 2019
- f. May 8, 2019, Scottsdale Public Art Advisory Board Marked Agenda

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

## **REGULAR AGENDA**

### **3. CEO REPORT**

Gerd reported that revenues have not been as strong as budgeted, however, overall costs were lowered. We've had great successes over the year with Canal Convergence, SMOCA, and Education. Arts Festival, event rentals, and shows did see fallout from bridge repairs. We've seen solid development of new SCPA programs, new ticket buyers, and good patronage.

MSA — Negotiations continued through May for the new five-year contract with the City of Scottsdale (CoS). Final language has been crafted and vetted by all sides. There have been extensive meetings with City staff, council members, and the mayor. At present, SA received all concessions we were negotiating for with only one small concession, a 2.5% increase vs. 3% for FY20, after that up to 3%. The baseline amount, percentage increase, and revised metrics are favorable to SA. Revised metrics measure percentage of our earned/contributed revenue versus CoS, solely based on general fund portion from CoS, excluding pass-through and restricted funds. Final City Council vote was scheduled for June 11, but as of today it was pushed back to June 25. We have met one-on-one again with council members and have solid support for vote to pass, likely on consent agenda. Today, the city manager said he wants to only pass the Financial Participation Agreement now under the current MSA. He cites potential additional changes related to bond, such as increased management of green spaces and events. The city manager wants to have MSA renewal approval in December, after the bond election. We are monitoring this last-minute shift and are talking to the city manager and council members.

Bond — Three projects in bond favor SA: Civic Center/Stage, Stage 2, Streetscape on 2nd/Gateway. SA worked with City Council/CoS staff to get into favorable grouping, including other popular projects like WestWorld improvements, which are supported by strong PAC. SA worked with the Scottsdale Area Chamber of Commerce, Scottsdale Coalition of Today and Tomorrow, and other entities to get full support for bond.

SCPA — New season on sale; presales are solid and much stronger than last season. Good mix of traditional programs, new directions. Selling more subscription series—Dance, Broadway, VGP classical. Working on additional shows: diverse new items, revenue-focused, building new patronage, star power—more soon.

SMoCA — Received NEA grant, other funding to underwrite fall exhibitions. Pre-opening of glass exhibition for Arizona Glass Alliance, fully underwritten by local collectors. Continued strong attendance at SMOCA, laying groundwork for future growth.

SPA — Multiple new projects in works, including large-scale projects like Museum Square, pedestrian bridge on Waterfront East, Drinkwater tunnel, CoS welcome markers. Beginning conversations about working with CoS on Indian Bend Wash updates/expansion. Inaugurated Mustang Library/Transit Center pieces. All above reflective of strong and improving relationships with Traffic and Public Works. Preparation for installs of two relocated large metal sculptures. Strategy, planning, and works selection for Canal Convergence November 2019 underway.

SAL (formerly known as Education & Outreach) — New name! Scottsdale Arts Learning (SAL).

Development — New team coming together, developing relationships and strong pipelines. Full confidence the team will deliver.

Marketing — New website! Five of the seven total sites have been launched.

#### **4. CHAIR'S REPORT**

**Kathy Wills**

Kathy welcomed operating branch committee representatives to update the board on the activities of their committees/operating branch.

SPA — Chris Irish, Chair of the Scottsdale Public Art (SPA) Advisory Board (committee), reported that there are seven AIPP projects with a total of \$2.2M upcoming and one AIPD project at Waterview for \$1.5M. The SoHo project is on hold. The lizard freeway art near Pima/Princess are being reconstructed. The SPA board will be bringing on two new members and are focusing on fundraisers, artists, and an SRP representative. Allison Colwell will take over as chair on July 1.

SMoCA — The SMOCA Advisory Council board committee has not met since the last Board of Trustees meeting.

SCPA — The Friends of the Center board committee's Chair is not present today.

SAL- The Education Task Force does not currently have a board representative. One will be selected before July.

Kathy reported on behalf of Governance Committee Chair, Peggy Kapner. The governance committee is recommending John Voris as an At Large Trustee. John has been a supporter for over 30 years and has served on the board previously.

**A motion was made by JP Millon, and seconded by Kristopher Harman, to approve John Voris as an At Large Trustee, effective July 1, 2019. Motion passed unanimously.**

Kathy informed the board that there are eight open seats on the board and requested trustees let the governance committee know of any potential candidates.

Kathy requested board members complete the board self-evaluation in their handout packets and return to Kelly by mail or mail within two weeks. Results will be anonymously reviewed at the June meeting.

Kathy shared the governance committee's recommendation for the FY 20 slate of officers, operating branch representatives/associate trustees, and standing committee membership and announced that she will step down as Chair on December 31. A revised slate will be presented at the October meeting recommending Alison Lewis as the next Chair with a Vice Chair still to be determined at this time. We will also add an Assistant Treasurer to act as Vice Chair of the Finance Committee, as allowed by our bylaws.

#### **5. FINANCE COMMITTEE REPORT**

**Scott McDaniel for Mike Miller**

Scott reported on the April financials (provided in the pre-read packet) noting cash is significantly lower than this time last year, and we are managing expenses. However, we will have a \$400,000 loss this year. Development is working on pledges for next fiscal year. The City of Scottsdale will fund an additional \$100,000, expected this fiscal year, and ticket sales are better than expected. However, the line of credit will need to be borrowed against to cover June expenses. This will need to be paid back in July after we receive the first installment of the annual Financial Participation Agreement with the CoS.

The FY 20 budget draft was sent to the finance committee last week and the current draft has a \$300,000 deficit. Health insurance provider change will save us \$70,000. Budget revenue needs to be realistic. We are working diligently to close

the remaining gap between revenue and expenses, and we are working to increase our cash flow position for the current fiscal year. There are no raises in the budget except minimum wage increases.

Gerd Wuestemann noted that the installment amounts from the City vary in the financial participation agreement and are part of the reason for cash flow issues that occur each summer. Gerd also noted that he has not been pleased with the budget process and will be more diligent going forward. Revenues are down this year, however, the net isn't as bad. Attendance is down, however, we are seeing more diverse audiences at Canal Convergence and in SMOCA. In a nutshell, in FY 20, the focus will be on internal stabilization so that we are poised and ready for the passing of the bond/ renovation of the plaza. The main challenge is lackluster gross revenues. For earned revenue, we'll focus on excellence of programming and adding shows to appeal to new audiences, maximizing event rentals revenue and improving corporate rates, and promoting outdoor shows. Regarding contributed revenue, Darcy Hill is building a great team in development and is being careful to select the right corporate/foundation relations manager. The focus will be on major donors and foundations for unrestricted gifts, as well as campaigns for smaller donations and membership drives. We will better utilize the board and entire staff for fundraising efforts. Gerd noted that sponsorship of a performance or series does not always result in a new profit for that show or series. We cannot continue to put on shows that lose money despite being underwritten. Research of our past audited financial statements reveals a 10-year spiral of not meeting budget. We need to establish fiscal diligence and start saving surplus for a rainy day.

CEO focus in year two of tenure will be three-fold: inward focus with senior management team, outward focus on development work, and artistic focus on programming for the Center. Chris Irish thanked Gerd for making what we expect to be fruitful connections in his first year.

## **6. DEVELOPMENT COMMITTEE**

**Christian Serena/Megan Mayhall**

Christian Serena reported that the activities of the development committee have been reevaluated. Fundraising is a team sport, and we need a playbook. Previously, the pipeline work wasn't effective, and no follow-up was really done. Attending the Piper Academy on Board Governance and Fundraising was enlightening. We need to find a way to activate the board other than them inviting friends to shows at the Center. The development team and committee have identified a list of 30 activities the board can do to assist with fundraising and advocacy. Please review the list in your packet and select at least five items, and then send your list to Kelly. The development team will assist with next steps for each activity. Christian Serena introduced new development committee member, Megan Mayhall.

Megan began with an open question to trustees: "Who doesn't like to ask for money?" The development committee and team are here to help and fundraising/advocacy doesn't have to include an ask. It's about bringing more people to Scottsdale Arts, finding the person's passion, and speaking to it. Megan stated that she was impressed with the Silverleaf/Jonathan Christopher event and the follow-up stewardship, noting that it made her interested in finding out more about Scottsdale Arts.

Megan reported that she has been setting up meetings for Gerd and Kathy with potential donors and encouraged trustees to do the same. Scottsdale Arts can provide email samples and thank you cards. Megan asked trustees to encourage their companies to rent our spaces and to utilize social media to advocate for Scottsdale Arts, noting that social media is international exposure. Megan invited trustees to find what works for them and their schedule.

Megan invited trustees to reserve their Gala tickets and tables and to reach out to others to secure table sponsorships. Gerd noted that a collateral piece for development is coming.

## **7. CITY OF SCOTTSDALE CIP**

**Dennis Robbins**

Dennis Robbins provided a handout and overview of the bond. Kathy polled the board on how the organization should advocate: individually, collectively, and/or financially? As a 501c3 the organization cannot financially support PACs;

however, we do need to be seen as supporting it and we cannot be missing from the conversation as the bond will affect the organization. Trustees suggested reaching out to constituency, putting name out there as supporters, collecting checks from individual trustees and delivering as a group on behalf of Scottsdale Arts, and adding individual names to PAC site. Kathy noted we should advocate for a “yes” on all three bond issues and collect donations for PAC. An action plan will be determined and shared by Friday or Monday. Gerd noted that Scottsdale Arts will provide a template for communications since the Civic Center Mall is the largest project in the bond.

**ADJOURNMENT – The meeting was adjourned at 5:46 p.m.**

Respectfully submitted,  
Kelly Hicks  
Recording Secretary