

MINUTES

ROLL CALL

Trustees

Wills, Kathy, Chair	Present
Beyersdorfer, Jeff, Vice Chair	Present
Miller, Mike, Treasurer	Proxy
Kapner, Peggy, Secretary	Present
Chippindall, Andrew, Past Chair	Present
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	Phone
Hasenstein, Sue	Present
Irish, Christine	Present
Itzkowitz, David	Present
Lewis, Alison	Present
Lyon, Stephanie	Present
Millon, JP	Present

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

Guest

Mayhall, Megan, Development Committee

Staff

Agudelo-Martin, Victoria, Controller
 Curry-Evans, Kim, Director, Scottsdale Public Art
 Hicks, Kelly, *Recording Secretary*
 Hill, Darcy, Director of Development
 Marsh, Natalie, Director of Education & Outreach
 McDaniel, Scott, Director of Finance & Administration
 McCabe, Jennifer, Director & Chief Curator, SMOCA
 Messmer, Abbey, Director of Programming, SCPA
 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 4:00 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. May 28, 2019 Board of Trustees meeting minutes
- b. June 19, 2019 Scottsdale Public Art Advisory Board Marked Agenda

A motion was made by Steve Biddle, and seconded by Jackie Schenkein, to approve the consent agenda. Motion passed unanimously.

REGULAR AGENDA

3. CEO Report

Gerd distributed a handout on the strategic plan, noting the following statuses- Culture and Identity: 1. Rebrand to original creative vision across all areas, by FY21 (slightly behind target); 2. Be the driving resource for developing the City's vision for arts and culture, by FY21 (on target); 3. 85% of staff and volunteers recognize Scottsdale Arts as a desirable workplace, by FY21 (on target); 4. Improve internal scores of trust, respect, and pride by 15% per year, by FY22 (on target); 5. Scottsdale Arts is identified as one of top three reasons to live in Scottsdale, by FY23(outlier). Audience Development: 1. Increase participation of underserved demographics by 25% annually (on target); 2. Exceed industry standards for repeat customers by 5%, annually (slightly behind target); 3. Double the number of initiatives that engage local community, by FY23 (on target). Campus Development: 1. Increase use of underutilized spaces by 10 events and/or

50%, annually (on target) – Improve atrium acoustics, by FY21 (slightly behind target) – Revitalization of Stage 2, by FY21 (on target); 2. Increase identity and visibility on the campus, by FY22 (slightly behind target); 3. Scottsdale Arts campus will have a gateway, new and/or renovated spaces, by FY23 (on target). Programming: 1. Increase cross-divisional activity by 20%, annually (on target); 2. Increase patron participation to increase earned/contributed revenue by 20%, annually (significantly behind target); 3. Increase innovative activities, e.g., ideas, projects, partnerships, 50% by FY21 (slightly behind target). Finance: 1. Reduce Devo cost to \$0.35 per \$1 raised (on target); 2. Reduce voluntary employee turnover due to salary by 50% every year for 3 years (on target); 3. Increase earned revenue by 10%, by FY21 (significantly behind target); 4. Lower administrative expenses to 12% of annual operating expenses, by FY22 (significantly behind target) – FY18 Ops exp was \$11.76M, 12% admin would be \$1.41M/we were \$2,25M, 19%; 5. Grow endowment to \$10M through new gives and reduces draw, by FY23 (significantly behind target); 6. Increase contributed revenue to \$3M annually, higher percentage of unrestricted, by FY23 (significantly behind target).

4. Chair's Report

Kathy Wills

Kathy thanked the board for reaching 100% in board dues fulfillment for fiscal year 2018/19 and thanked Suzanne Diamond for being the first to send in her board dues for the 2019/20 fiscal year. Kathy thanked Mary Fedewa for S|T|O|R|E Capital's sponsorship of Flamenco Intimo. Kathy requested everyone chose their top five activities from the list of 30, noting that the development committee will follow up with action plans for each. There will be a discussion at the September board meeting about fundraising and advocacy.

5. Finance Committee Report

Jeff Beyersdorfer for Mike Miller

Jeff reported a total cash loss of \$771k in FY19 with a total cash loss of \$1M over FY17/18 and 18/19 combined. Jeff reported that we will need to borrow against line of credit, however it will not be any more than \$60k. The line of credit totals \$500k. Expenses have been trimmed and revenue is conservative. FY20 budget reflects a \$157k surplus. The Finance Committee has requested an additional \$250k contingency plan for a total potential savings of \$400k.

Director of Finance, Scott McDaniel reported that he and his team are wrapping up current fiscal year. Public Art lines were moved up to operating revenue and expenses and remains budget neutral. Canal convergence funding from the Tourism Development Commission was reduced from \$900k to \$750k as planned. Expenses for Canal November 2019 are reduced and marketing will be handled internally, reducing related expenses.

Vicki Smith (on the phone) thanked Scott and Victoria for being constant pen pals, answering all her questions. Vicki noted that she would be voting against the budget as a cautionary warning commenting that we lost a great deal of money and the budget is "quite incorrect"; contributed and net for performances are not in line with previous years; and we've had a contingency plan before which was never followed up on, enforced, or acted upon. The board and finance committee were told about a large amount of grants that were supposed to come in in March, then in April, then in May – none of which have come in. Vicki noted that this is a cautionary tale that the investigation into the budget was not robust or deep enough for her to vote yes.

Jeff noted the greater sense of urgency this year than ever before and the need to get back to spending within means. JP Millon questioned the degree of confidence in earned and contributed revenue goals. Gerd responded that there was much more in depth discussions internally, and an extensive financial analysis showed 12 years of escalating payroll costs, noting that we are correcting the course, further noting that last year, contributed revenue was falsely projected and our revenue stream never supported the increased staffing. We are right-sizing portions of the business and working on capacity building grants.

Christian Serena noted that during the transitions in development, there was very little activity without a director in place and that with Darcy and a team in place, we should be able to make up ground with board participation in fundraising efforts.

Tim Baughman questioned if the Finance Committee was recommending the budget. Jeff responded affirmatively.

A motion was made by Alison Lewis, and seconded by Bruce Beverly, to approve the FY20 budget as presented. Motion passed with one Nay.

6. Community Arts Grant

Chris Irish

Chris gave a brief description of the Community Arts Grant eligibility requirements and process; thanked Executive Assistant, Cassandra Buruato for administering the program; thanked Sue Hasenstein for co-chairing and Felice Appell for joining the panel, noting there were nine panelist this year – the most since Chris took over as chair. This year there were 19 applicants with one applicant disqualified. Fourteen awardees were identified: The Phoenix Symphony, Phoenix Conservatory of Music, the Musical Instrument Museum (MIM), Childsplay Theater, Scottsdale Training and Rehabilitation Services (STARS), Arizona Musicfest, Frank Lloyd Wright Foundation, Kids in Focus, Free Arts for Abused Children of Arizona, Scottsdale Philharmonic, Detour Company Theater, Greasepaint Youth Theater, Scottsdale Artists' School, and the Scottsdale International Film Festival.

A motion was made by Andrew Chippindall, and seconded by Peggy Kapner, to approve the funding as recommended by the Community Arts Grant Panel. Motion passes unanimously.

7. Governance Committee

Peggy Kapner

Peggy called for a motion to re-elect Tim Baughman, Mike Miller, and herself for their second 3-year terms as At Large Trustees in addition to approval of the slate of officers, standing committee members, and associate trustees as presented on the "slate". Officers: Kathy Wills (Chair), Alison Lewis (Vice Chair), Mike Miller (Treasurer), Peggy Kapner (Secretary), Ryan Backlund (Assistant Treasurer). Associate Trustees: Rhonda Anderson (SCPA), David Itzkowitz (SMoCA), Allison Colwell (SPA), Christian Serena (DEV), and Andrew Chippindall (MKTG). Executive Committee: Kathy Wills (Chair), Alison Lewis, Mike Miller, Peggy Kapner, Andrew Chippindall (Past Chair), Rhonda Anderson, David Itzkowitz, Allison Colwell, Merle Roskam (representing Education Task Force), Tim Baughman, and Jeff Beyersdorfer. Finance Committee: Mike Miller (Chair), Ryan Backlund, Jeff Beyersdorfer, Vicki Smith, and Kathy Wills. Governance Committee: Dennis Robbins (Chair), Steve Biddle, Andrew Chippindall, Mary Fedewa, Peggy Kapner, and Kathy Wills.

A motion was made by Jeff Beyersdorfer, and seconded by Jackie Schenkein, to approve the re-election of three At Large Trustees and the Slate of Officers, Standing Committee members, and Associate Trustees. Motion passed unanimously.

ADJOURNMENT – The meeting was adjourned at 4:49pm.

Respectfully submitted,
Kelly Hicks
Recording Secretary