

MINUTES

ROLL CALL

Trustees

Robbins, Dennis, Chair	Present
Lewis, Alison, Past Chair	Absent
Lyon, Stephanie, Secretary	Present
Wills, Kathy, Treasurer	Present
Anderson, Rhonda	Present
Baughman, Tim	Present
Bennett, Julie	Present
Beverly, Bruce	Present
Biddle, Steve	Absent
Boyle, Peter	Present
Brown, Kirsten	Present
Camuñez, Dino	Absent
Candelaria, Mark	Absent
Cecil, Paige	Absent
Coleman, Richard	Present
Dahdah, J.P.	Absent
Duley, Kathy	Absent
Fedewa, Mary	Absent
Galbut, Keith	Absent
Harman, Kristopher	Present
Itzkowitz, David	Present
Johnson, Brianna	Present
Long, Catherine	Present
Nelson-Johnson, Priscilla	Absent

Peterson, Linda	Present
Rosskam, Merle	Absent
Schenkein, Jaqueline	Present
Scott, Pauline	Absent

Staff

Sheridan, Andria, CAO & <i>Recording Secretary</i>
Masker, Angela, HR Assistant
Krivanek, Erin, Director of Development
Marsh, Natalie, Director, Learning & Innovation
McCabe, Jennifer, Director & Chief Curator, SMOCA
Ballares, Kati, Director of Public Art
Gill, Jennifer, Deputy Director of Canal Convergence
Messmer, Abbey, Director of Programming
Stevenson, Michael, Director of Facilities & Operations
Wuestemann, Gerd, President & CEO
Martin, Michael, CFO

Guests

None

OPEN MEETING

1. Call to Order & Announcements

Dennis Robbins & Gerd Wuestemann

- Dennis Robbins called the meeting to order at 4:04pm
- Introduction: Director of Operations and Facilities – Mike Stevenson
- Public Comments – **No public comments made**

CONSENT AGENDA

2. Motion to Approve Consent Agenda Items

Action

Dennis Robbins

- April 2023, Board of Trustees meeting minutes

A motion was made by Jacqueline Schenkein and seconded by Tim Baughman to approve the consent agenda. Motion passed unanimously.

REGULAR AGENDA

3. Chairs Report

Dennis Robbins

- Mission Moment

Dennis began the meeting by thanking the Board for attending and asked Directors to share any mission moments they had.

Natalie Marsh highlighted that two weeks prior SALI hosted a kickoff for the Vision Program's exhibition in SMOCA. The exhibition was featured in the Smart Space inside SMOCA as well as the Ullman Gallery. During the opening some scholarships were acknowledged including a \$2500 scholarship to ASU, \$10,000 scholarship to U of A, and one to NAU. There were over 200 people in attendance at the opening including the superintendent of SUSD. One of the greatest takeaways was the diverse group of students and parents, many of which mentioned they hadn't been in a museum before this night indicating the power of this work and breaking down barriers to make it more accessible.

Kati Ballares spoke about the newest piece of Public Art, Desert Garden that was recently completed. The fence surrounding the lagoon in Civic Center has been taken down so it has visibility to the public. Every piece of tile involved in the mural was handmade by the artist, and has been a labor of love. The artwork includes pieces of Scottsdale, every flower and animal has a reference and a key will be developed shortly to make those aspects readily identifiable. This was completed with funds from the Civic Center Project.

Stephanie Lyon shared that there was a mini mission moment with a very warm welcome to Nationwide employees by SMOCA and a tour of the exhibitions with Jennifer McCabe.

4. Finance Update

Michael Martin

Michael presented the following financials. We closed April financials and ended the month with \$788,000 in cash. We step up our cash management at the end of each year because of the timing of our payments from the city. We project to end the year with a cash balance of \$145,000 on June 30, 2023. Accounts receivable still includes a refund request to the IRS, which we expect to receive next fiscal year. Investments are at \$8.3 million, near the high watermark earlier in the year. Liabilities are relatively low, at \$2.6 million with net assets at \$10.6 million. April was challenging overall as we did not meet budget due equally to missing targets on revenues and expenses. Much of the shortfall was anticipated several months ago in our full-year projections. We are projecting total revenue to be 1% under budget, total expenses to be less than .5% under budget. When putting them together we project the bottom line to come in at 1.1% under budget.

We have taken a sneak peek at May and are seeing strength in revenues, particularly in facility rentals and are anticipating to finish the year relatively strong from here. Below the line, investments are up 7.4% through 10 months and now stand at \$8.3 million at the end of April. We took a draw of \$318,000 in May and established a new endowment for the Stephen family that will fund school matinee performances in the Performing Arts Center. When we include the Ziegler capital gift we received earlier in the year, our full year bottom line is projected to be a net surplus of \$1.63 million for the full year.

Opportunities include Music and Maker's Music Festival to be a new revenue stream. Our long term goal is for the East Bowl to become a destination stage for touring artists. We may begin to explore price raises for seats. We are beginning to break out of our 20+ year annual \$1.6 million contributed revenue plateau. Risks for the organization include continuing shifts in audience behavior and preferences and higher inflation rates. In addition, year end cash flow needs continued management given the city's payment schedule.

Comment from Kathy Wills that the budget is reasonably conservative and the Finance Committee did talk about the debt ceiling which made us think about contingency plan. Finance Committee is brainstorming some of those things. The Board should feel very lucky because we have \$13 million with low debt taken on during a pandemic and observed that Scottsdale Arts has been a good financial steward.

Motion to approve budget made by Stephanie Lyons, Seconded by Kathy Wills. Motion passed unanimously.

5. Governance Committee

Stephanie Lyon

a. New Trustees Vote

i. Mistie Weishaar

A motion was made by Steve Biddle and seconded by Kathy Wills to approve the Trustee. Motion passed unanimously.

ii. Erik Peterson

A motion was made by Kristopher Harman and seconded by Rhonda Anderson to approve the Trustee. Motion passed unanimously.

iii. Melanie Sutton

A motion was made by Tim Baughman and seconded by Kirsten Brown to approve the Trustee. Motion passed unanimously.

b. Slate of Offices for FY24. Only change to Finance Committee, 2 people joining:

A motion was made by Linda Peterson and seconded by Jacqueline Schenkein to approve. Motion passed unanimously.

c. Terms for Trustees

i. Overview of Trustee terms, 3 terms maximum. 16 Board members in their first terms, 11 in their second terms, and 4 in their third terms.

6. ArtSpark Update & Challenge

Gerd Wuestemann & Erin Krivanek

Gerd presented updates on the ArtSPark, which will launch in August/September. We will select 8-10 students and they will receive business classes through ASU. Artists out of school will receive business and marketing classes. There is a missing piece here in Scottsdale which this will fill. Referenced short one sheet in the pre-read packets. We are also creating a Board Challenge. The goal is to have \$250,000 to pilot the program. We have raised \$150,000 already and need you to donate or to share with your colleagues and friends. This is really dynamic program thanks to great partners we have made. Kathy Wills made the first donation, and we will update you with additional information.

7. CEO Report

Gerd Wuestemann

Gerd discussed highlights of landing a big band on October 3rd and we are proceeding with the Dreamy Draw Country Music Festival in the fall as a co-producer. This will be a 2 day festival, with more rental events after that. In activating Civic Center there will be a learning curve, working with the city and reimplementing sleeves. Mike our new Director of Facilities and Operations has a new priority to get that completed. We are also nearing the completion of the cultural assessment which will give us great leverage in building large scale performance facility.

8. Stage 2 Update and Timelines

Gerd Wuestemann

Gerd gave a visual presentation of the Zielger Stage 2 and timeline, with more details to come.

9. Other Business

Dennis Robbins

None

10. Executive Session

Dennis Robbins

This is closed to the public

11. Adjourn

Dennis Robbins

Dennis ended the meeting by thanking all the board members for attending and inviting all to move to AZ88 for a year end happy hour.

A motion was made by Kristopher Harman Linda Peterson and seconded by Jacqueline Schenkein to adjourn. Motion passed unanimously.

Meeting Adjourned at 5:18 pm

12. Year End Happy Hour @ AZ88

All

Respectfully submitted,
Andria Sheridan
Recording Secretary

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