

MINUTES

ROLL CALL

Trustees

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

Peterson, Erik	Present
Peterson, Linda	Absent
Roskam, Merle	Absent
Schenkein, Jaqueline	Present
Scott, Pauline	Present
Sutton, Melanie	Present
Weishaar, Mistie	Present

Ciaburri, Zach, Director of Production
 Gill, Jennifer, Deputy Director of Canal Convergence
 Krivanek, Erin, Director of Development
 Martin, Michael:CFO
 McCabe, Jennifer, Director & Chief Curator, SMOCA
 Messmer, Abbey, Director of Programming
 Reeves, Meribeth, Managing Director of SCPA
 Sheridan, Andria, CAO & Recording Secretary
 Stevenson, Michael, Director of Facilities & Operations
 Wuestemann, Gerd, President & CEO

Guests

None

OPEN MEETING

1. Call to Order & Announcements

Dennis Robbins

- a. Dennis Robbins called the meeting to order at 4:05pm
 - i. Dennis thanked everyone for being back in person and for their service to the community. Announcement that we will be taking a picture at the conclusion of the meeting as well as a tour of the Center with lots on the agenda.
- b. Public Comments – **No public comments made**

2. Welcome new Trustees

Dennis Robbins

- a. Erik Peterson
- b. Melanie Sutton
- c. Mistie Weishaar

CONSENT AGENDA

3. Motion to Approve Consent Agenda Items

Action

Dennis Robbins

- a. May 2023, Board of Trustees meeting minutes

A motion was made by Catherine Long and seconded by Rhonda Anderson to approve the consent agenda. Motion passed unanimously.

REGULAR AGENDA

4. Chairs Report

Dennis Robbins & Gerd Wuestemann

a. Mission Moment

Mission moment for this month is the large gift received by Scottsdale Arts. Dennis stated we want to highlight that the Ziegler family has given Scottsdale Arts a \$11.5 million dollar gift which have a long reaching, lasting impact on the organization. We have a windfall policy that we will be following as it relates to processing the gift. This gift says a lot about who we are in the community.

Gerd provided historical context for large gifts of this nature. This is the largest in the history of the organization. We are of course incredibly saddened that receiving this gift means that we have lost 2 extraordinary philanthropists in our community. We want to be thoughtful stewards of this and make sure to invest this into infrastructure that benefits the overall community. In Arizona gifts of this nature are few and far between, and it is our responsibility to make sure that we use this gift wisely, as we have only a few endowments. Gerd thanked the Scottsdale Arts teams as we had a test concert on the new East Bowl with the Sun Punchers. It was a magical evening with the whole Civic Center activated. We are all looking forward to seeing Wilco on that stage in October. In particular we want to acknowledge the work of our tech and production teams to bring everything together.

5. Finance Update

Michael Martin

Michael presented the following financials, and noted that the figures were reviewed, discussed and approved by the Finance Committee in the meeting last week. We began a new fiscal year on July 1, 2023. Our main focus has been in opening the outdoor stages. For the Main Stage we did a soft opening that went well two weeks ago and we are one week away from the Wilco concert which as of the time of the meeting is almost sold out. With regards to our purchasing cycle we are still outfitting Civic Center spaces which includes balancing purchased equipment versus rentals because for us storage is a factor. We have received the final bill for the new mixing board in the VGP theater, replacing the current board which is between 20-30 years old.

In review of the Income Statement place focus on August in the first two months which have been primarily quiet and on budget. August has also been a good month in individual giving. Personnel is on budget, as well as other expenses. We are not seeing as many inflation shocks so far this year as we did last year. Last year we had big hikes in outdoor labor like janitorial, security and auditing. There were also larger pressures on materials, insurance and personnel costs. We are not seeing big hikes in these or other areas so far this year. We are projecting to end the full year on budget. Michael called attention to the second to last line on the income statement. We had a special board meeting on September 7, 2023 to discuss the large estate gift from Michael and Ellie Ziegler. We discussed how best to use this gift. In addition, lets look at the creation of the Operational Asset Purchasing Fund. This is used to buy lights, cords, equipment, without straining our cash flow. This might be the first time that the organization has something like this which should help us better manage funds in these areas.

Michael reviewed the Balance Sheet and called attention to the bottom under "Total Net Assets" which shows that our assets minus liabilities is at \$22.8 million. This surpasses our all time high in net worth and really bring us into a new league. In the meetings to come we will talk more about the impacts of the Ziegler Family gift, including impact to cash flow.

Kathy Wills asked if we have received the check from the Ziegler gift. Michael clarified that that auditing rules require that we show this as a receivable now, but the check has not been received yet. We will receive the first half in November 2023, and second half in May of 2024. Dr. Jackie Schenkein asked a question to clarify projected salaries and how that is reflected. Kathy Wills remarked that as we are finishing the audit she wanted to highlight how great Gerd and Michael are to work with, and that Michael is the most humble CFO, and Gerd is the most generous CEO to work with.

Motion to approve budget made by Alison Lewis, Seconded by Julie Bennett. Motion passed unanimously.

6. Community Arts Grants/ Community Arts Trust

Peter Boyle & Gerd Wuestemann

Peter introduced the Grants as he has been involved in the past, but was not able to be involved in this particular cycle. Gerd reviewed the Approval of Grants summary. This grant cycle is very straight forward. Every year the City of Scottsdale gives us \$60,000 to give to our arts organizations in our community. This year we had requests for \$237,000. While we were not able to award all applicants, we were able to award the full amount of allocated money. Gerd recognized Angela Masker who organized the grant cycle this season.

Motion to approve Grants as Presented made by Peter Boyle, Seconded by Dr. Jackie Schenkein. Motion passed unanimously

7. Canal Convergence

Jennifer Gill

Jennifer, Deputy Director of Canal Convergence shared an update on the upcoming annual Canal Convergence event. There will be some new things to experience at this year's event. But with all the new things coming we need support of the organization and our community. She highlighted that we have several spaces where we could use volunteers during the event. Jennifer acknowledged that our Board of Trustees members are wonderful advocates for our organization. Opportunities we are looking for assistance with would be in our Scottsdale Arts information booth to talk about how Canal Convergence involves all our other branches. We would welcome whatever time you can give, and Jennifer provided the dates of the event from November 3 – November 12, 2023.

8. CEO Report

Gerd Wuestemann

Gerd outlined that he is trying something slightly different with CEO reports rather than a long list of things to review he is transitioning the CEO report to a PowerPoint so that the information is more easily digested. Gerd acknowledged that we have so many things going on, as we are not an organization with a defined season any longer, but now we are a 365 days a year organization.

In this last month we did not hold a governance meeting because we didn't have any governance issues to review. In addition we did not have any HR issues. Our employee handbook is under review and currently we have only a 3% vacancy so we consider this full staffed for our organization. We have built a lot of loyalty into the organization and recently hired a new Marketing Director, Summer Roth who will onboard with us in October. The entire Senior Management Team as well as the Marketing management team were part of the interview and selection process with a priority on making sure we hired someone that was highly qualified and would be a good fit.

Gerd highlighted that we hired Teniqua Broughton with Verve Simone Consulting to lead us through some DEAI focused workshops. Teniqua gave us an in depth report on the findings from sessions held with all staff earlier in the spring. We will have 3 workshops in October to start to move towards long range change in the organization in the DEAI space. We are also putting funding together to be able to do this work. The summary report that Teniqua put together is a great basis for our continued DEAI work.

Gerd also overviewed financial aspects of the organization with a review of the last 11 years from Fiscal Year 14 – Fiscal Year 19. In that period, we lost between \$100,000 to \$1 million dollars. From Fiscal Year 20 and on we have had surpluses and this year we will have \$11 million due to our gift. This doesn't tell the whole story. We were draining our new assets in FY19 and completely under water even with our endowments. We have been growing in FY20 and every year since.

City of Scottsdale charged us with a city-wide cultural calendar. That calendar will launch on October 9, 2023 with 30+ organizations represented. We will do a big launch, which is goodwill building as it gives smaller organizations larger platform to be better represented in the community, everyone will have a spot and it costs them nothing to participate. City of Scottsdale has decided to brand the reveal of Civic Center as "Fall in love with Civic Center"

campaign. We also have a new partnership with Dia de Los Muertos celebration. This will coincide with overseeing in Civic Center, so we will not be able to use the grass. That celebration is on October 26, 2023 and is the second year running including a ballet performance inside the Center. Canal Convergence is coming November 3 – 12, 2023. Last year we had about 156,000 people in attendance. We are anticipating an equally robust turn out this year as well. Opening weekend of Canal Convergence we are also hosting the first Dreamy Draw Americana Festival on November 3-4, 2023. This will be a heavy lift for our teams in order to make both possible. We have a robust list of media attendees which really highlights that Scottsdale is a fabulous luxury destination, and the bands we are showcasing will reach a whole new demographic for us.

The Sterling Awards will take place on November 9, 2023 and are being hosted here in the Center. Scottsdale Arts is one of the three finalists. That evening we will also be hosting a Veterans Day band and later in November the Mavericks. Gerd shared a roadmap of the new campus that was taken with drone footage.

Gerd reviewed two pieces of collateral in front of all attendees. The first is a small pocket guide for Scottsdale Public Art. This is a lookbook guide to every piece of public art that we currently have installed including maps by region in the city to where everything is. This is being published just in time for our 50 year anniversary of Public Art. The second piece is our guide for the season and all department, events and exhibitions across the entire organization.

Kathy Wills asked a question whether this CEO report is presented to City Council? Gerd responded that he will give a presentation to the Council on October 10, 2023 and invited all members of the Board to attend.

9. Other Business

Dennis Robbins

None

10.Executive Session

Dennis Robbins

This is closed to the public

11. Move to Piper Theater Stage for Board of Trustees Picture

All

12. Tour of the Center and meeting staff.

All

13.Adjourn

Dennis Robbins

Meeting Adjourned at 5:28 pm

Respectfully submitted,
Andria Sheridan
Recording Secretary