

MINUTES

ROLL CALL

Trustees

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

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

Ballares, Kati, Director of Public Art
Brown, Kiara, Canal Convergence Events
Krivanek, Erin, Director of Development
Martin, Michael: CFO
Marsh, Natalie, Director of Learning & Innovation
McCabe, Jennifer, Director & Chief Curator, SMOCA
Messmer, Abbey, Director of Programming
Reeves, Meribeth, Managing Director of SCPA
Roth, Summer, Director of Marketing
Sheridan, Andria, CAO & Recording Secretary
Wuestemann, Gerd, President & CEO

Guests

Karen Lord
Mike Miller

OPEN MEETING

**1. Call to Order & Announcements**

**Dennis Robbins**

- a. Dennis Robbins called the meeting to order at 4:05 p.m.
- b. Public Comments – **No public comments made**

CONSENT AGENDA

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

**Action**

**Dennis Robbins**

- a. **October 2023, Board of Trustees meeting minutes**

**A motion was made by Alison Lewis and seconded by Kathy Wills to approve the consent agenda. Motion passed unanimously.**

REGULAR AGENDA

**3. Chairs Report**

**Dennis Robbins**

- a. **Mission Moment**

The mission moment for this month is related to the staff and the overall hiring environment. For the first time since 2018, we are recruiting for zero open positions. Extracting the data for our FY23-24 so far, we have had 23 job postings, a total of 41 hires, including temporary hires for Canal Convergence in November, and 1,190 candidate applicants for those positions. There is an average of 29 days between posting the job ad and receiving a signed job offer. This reflects a swift hiring process with much stability.

Additional mention is made regarding end-of-December assets totaling \$26.7 million.

**b. Honoring Mike Miller**

**Alison Lewis/Kathy Wills**

Kathy introduced Mike Miller, a former Board member for 18 years, who was also an interim CEO. Mike knows the organization inside and out. Alison shared that when Mike was the chair, he was the person you could count on for advice, provided invaluable input, understood the organization's history, and remains one of Scottsdale Art's biggest fans. Gerd remarked that after two decades of serving the organization in various capacities, the press and community weren't always kind. Still, he did have an unenviable job as our treasurer when we didn't have such strong fiscal strength. Under his tenure, though, we were able to build back financially. Mike was calm, cool, and collected and steered the ship with an easy hand through those difficult times. We are pleased to present Mike with a gift that has a special meaning to our board retirees. This includes one of our Solari Bells and a staff member, Ian Coyne, who created a mahogany stand to display it. This small token reflects a huge appreciation for Mike Miller and his contributions to Scottsdale Arts over the years.

Mike addressed the board, offering his thanks, and overviewed the years of his service. He returned to service with Scottsdale Arts in 2003 because he wanted to give back to the community and knew that Scottsdale Arts was the perfect place to be because it is such a huge part of our community. Mike highlighted his recruitment by Frank Jacobson, who retired during his first meeting. Mike provided some historical context, including a time when there was a desire to bifurcate the organization into 3 pieces, but luckily, the organizational structure we have today prevailed. He was Board Chair for 3 years and can attest that difficulties make you tougher, allowing you to see what is valuable and what is not. While his stint as interim CEO was intended only to be 2 months, it expanded to 6 months. He knew that strong leaders were already within the organization, and during that time, his job was primarily to keep things level and calm. Mike concluded his speech by saying he would keep his eye on what we were doing because he knew that the work being done reflected a commitment and dedication that transcended a paycheck.

**4. Finance Update**

**Michael Martin / Kathy Wills**

**a. Presentation of the FY23 Audit**

**Karen Lord**

Michael introduced Karen Lord with Baker Tilly and overviewed that Karen's colleague Colette Kamps presented the audit to the Finance Committee last week, who approved the audit and the presentation to the Board today. Karen summarized our FY 23 audit results. The audit was conducted as planned and previously communicated. Cooperation was received from members of management and outside accountants, and an unmodified opinion was issued. The financial statements are fairly presented in accordance with Accounting Principles Generally Accepted in the US (GAAP). All appropriate disclosures have been properly reflected in the financial statements and footnotes. No material weaknesses or significant deficiencies were identified. Karen noted two audit adjustments and two reclassifying entries as part of the audit process. Three client entries were made after the final trial balance was received, and one passed adjustment was made as part of the audit process. Karen reviewed that an accounting policy was adopted: ASC Topic 842, Leases, which is right of use asset and operating lease liability equal to approximately \$240,000. There were no sensitive estimates affecting finances, no significant changes to estimates, and all disclosures were neutral, consistent, and clear. Karen noted there were no difficulties,

disagreements or significant issues with management. All related party transactions have been disclosed in the footnotes of the financial statements. No fraud was identified, and they did not note any non-compliance with laws and regulations.

**Motion to approve audit made by Dino Camuñez, Seconded by Cathy Long. Motion passed unanimously.**

**b. December 2023/Q2 FY24 Financials & Investments**

**Michael Martin**

Michael reviewed that we just finished the second quarter of our fiscal year and we are now half way through. The figures we are presenting were reviewed, discussed, and approved by the finance committee in our meeting last week. Financial events which occurred in Q2 are as follows: hosting our first paid concerts in the outdoor East Bowl. This included the co-produced Dreamy Draw Country Music Festival which incorporated all of our outside concert venues. We received payment of a significant portion of our Ziegler estate gift receivable. The original gift was estimated at \$11.5 million, and we received nearly \$9 million of that several days before Christmas. Most of that went to fixed income. \$2.5 million went into a CD at Midfirst. \$2.5 million went to Norther Trust's fixed-income account. \$3.3 million went to a new banking partner, Sunflower Bank. In reviewing the income statement, we had a good second quarter. Our earned revenue are back above pre-covid levels year to date. They are also 79% higher at the end of the second quarter compared to this same point last year. Facility rentals are having a great year, as is interest revenue. Retail revenue, in contrast, is still finding its footing. In contributed revenue, some lines were behind in the second quarter; we think this is timing, and many of these have late surges. Meanwhile, the bequest line has taken off. We have had no bequests for many years and will set a goal in our strategic plan to focus on them. Canal Convergence had another successful year. Michael noted it was great to see private contributions for Canal Convergence increase 100% over last year. Total revenue is 11% ahead of budget year to date. In our expenses, we paid out a special unbudgeted one-time profit share with the staff to share in the good fortune of the bequests in the amount of approximately \$220,000. On the operational bottom line year to date, operations are ahead of budget, and the full-year projection is for a surplus of over \$300,000. Below the line investments are doing well, up over 5% for the fiscal year. The capital portion of the Ziegler gifts is also shown here, and overall, we are predicting a surplus of \$11.7 million for the full year.

J.P. Dahdah asked a question about the 100% increase in sponsorships for Canal Convergence and if there is a strategy in place to grow that. Jennifer Gill recognized the Development team and their efforts in this space. Erin highlighted the partnership that Jennifer brought in with Lulu Lemon, an NEA grant that we received, and new sponsors we have from individuals like Christine Kovach as well as some corporate sponsors. Dr. Jackie Schenkein asked about our marketing strategy to partner with hotels and transportation partners. Jennifer responded that we are exploring those options as we grow the event.

**Motion to approve budget made by Bruce Beverly, Seconded by Cathy Long. Motion passed unanimously.**

**5. CEO Report**

**Gerd Wuestemann**

Gerd provided an update to the Cultural Assessment. This originated back in 2021 with leftover CARES money and will wrap up in mid-February. The city charged Scottsdale Arts to oversee this process, and in the end, we can benchmark ourselves against other cities. This will also support us to go back to the City Council to show the importance of reinvesting back into arts and culture since we pride ourselves in Scottsdale being a cultural destination. We recognize that political leaders come and go, but we hope this cultural assessment will be a document we can hold to account. In March a final wrap-up will be provided.

Gerd discussed the beginning of the City of Scottsdale audit of Scottsdale Arts. We are the second largest contract with the city and they give operating dollars to Scottsdale Arts to facilitate buildings and programs. This audit will go back to FY20, FY21, FY22, FY23. It will center on the services we provide, the documents we collect. We provided the

city with over 200 documents just before the holidays. Our last audit was back in 2017. An auditor has yet to be assigned, once that takes place we will walk through the process.

Gerd briefly mentioned a few items that we will shift to the next meeting in the interest of time including the Strategic dashboard and new strategic plan prep.

Gerd provided a 2023 year in review with a focus on his top ten items: Civic Center reopening, SMOCA named Best Museum for second year running, Canal Convergence, Learning & Innovation hosted inaugural Family Arts Festival, Finance team closing FY23 with a significant surplus, addition of several new Trustees to the Scottsdale Arts Board, Scottsdale Public Art's 50<sup>th</sup> Anniversary, DEIA initiatives and our partnership with Teniqua Broughton with Verve Simone, Performances and Events has had an extraordinary comeback post-covid, East Bowl opening with Wilco, and finally the Ziegler Family Gift.

## **6. Canal Convergence**

**Jennifer Gill**

Jennifer Gill, Deputy Director of Canal Convergence, shared an update on the 2023 annual Canal Convergence event. Event dates were from November 3 – November 12, 2023, with hours on Fridays and Saturdays from 6–10 p.m. and Sundays through Thursdays from 6-9 pm. Admission to the event is free to the public, with some ticketed events for workshops and tours. The theme this year was Power of Play. Jennifer shared that installation took a total of 11 days and required 14-20 team members to complete. The team also took on fabrication as a way to absorb some cost savings. Jennifer also provided some metrics related to the event. Most notably, our attendance is estimated at 178,500 over the 10-day event. Other metrics include: hosting 39 different workshops with 5,759 workshop attendees and collaboration with 9 community organizations to provide some of those workshops. Feedback from workshop participants indicated 95% felt the experience was high quality and 96% stated they learned new art-making skills. Overall, There were 74 different experiences, including those workshops and 14 canal tours with 208 total attendees. From a marketing perspective, we had 1.1 million impressions, 500,00 paid impressions, 19,000 reactions on social media, and over 47,000 engagements. There were 149 instances of local, national and international press coverage, 10 location tv spots/features, 2 of which will have national airing. There were 34 local print or online publications surrounding the event, and our website experienced 300,000 page views over the 10-day event.

Tim Baughman asked how we know some of the metric numbers on attendance, etc. Jennifer reviewed that we partner with a software that uses geofencing so it is an estimate only. The attendance numbers are conservative and an estimate only since they use cell phone pings. In speaking with Experience Scottsdale it is difficult to tie numbers to one event but area hotels for that week when compared to the month overall had a 15% occupancy rate increase, and a 6% increase in rates as well as reported increase in overall revenue.

## **7. Gala Preview**

**Erin Krivanek**

Erin presented a preview of our 2024 Gala, the theme will be Cosmic Crescendo and will take place on April 6, 2024 on our campus. Attendees will witness eclipse-inspired performances that blend dance, music, and visuals, celebrating the seamless unity of art forms. Collaborative acts and interactive art stations foster a sense of shared creativity, while a celestial-inspired cuisine and cosmic elegance in attire amplify the gala's enchanting atmosphere. Guests can expect a red carpet arrival, signature drinks, photo opportunities, immersive experiences, a live auction, and an awards ceremony. Erin highlighted ways that the Gala can be supported through purchasing of tickets, tables, through sponsorship and through our live auction.

## **8. SMOCA 25<sup>th</sup> Anniversary**

**Jennifer McCabe**

Jennifer shared that Scottsdale Museum of Contemporary Art is celebrating its 24th anniversary on February 14, 2024. We will be hosting 25<sup>th</sup> birthday celebration with VIP hour and opening events on February 9, 2024. New exhibitions include Dorothy Fratt opening on February 3, 2024. Carolina Aranibar-Fernández's Oleaje opens on February 10, 2024. Jennifer provided some historical information on Dorothy Fratt and her pioneering approach to

abstract painting in AZ. Carolina Aranibar-Fernández is an emerging Bolivian-born artist whose labor-intensive works talk about harm to our environment. Jennifer also shared that SMOCA received a \$80,000 grant from the Warhol Foundation. We are in good company with other Warhol awardees including the Whitney Museum in New York, San Francisco Museum of Modern Art, and UCLA Hammer Museum in Los Angeles. In addition, Cristobal Martinez was awarded a United States Artists Fellowship...1 of 50 artists and a tremendous honor. Additionally, Gabriela Munoz and Jenea Sanchez – who we worked with recently for the Division of Labor exhibition and whose work is in our collection - received the same award.

**9. Other Business**

None

**Dennis Robbins**

**13. Adjourn**

Motion to close meeting made by Stephanie Lyon, seconded by Linda Peterson. Motion passed unanimously

**Dennis Robbins**

Meeting Adjourned at 5:33 p.m.

**14. Executive Session**

Closed to Public/Staff Discussion – 10 mins

**Dennis Robbins**

Motion to close meeting made by Richard Coleman, seconded by Allison Lewis. Motion passed unanimously

Respectfully submitted,  
Andria Sheridan  
Recording Secretary