

MINUTES

ROLL CALL

Trustees

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

Martinez, Cristobal	Absent
Nelson-Johnson, Priscilla	Absent
Peterson, Erik	Absent
Peterson, Linda	Present
Roskam, Merle	Absent
Schenkein, Jaqueline	Present
Sutton, Melanie	Present
Weishaar, Mistie	Absent

Krivanek, Erin, Director of Development
Marsh, Natalie, Director of Learning & Innovation
Martin, Michael: CFO
McCabe, Jennifer, Director & Chief Curator, SMoCA
Messmer, Abbey, Director of Programming
Sheridan, Andria, CAO & Recording Secretary
Wuestemann, Gerd, President & CEO

Guests

None

OPEN MEETING

1. Call to Order & Announcements

Stephanie Lyon

- a. Stephanie Lyon called the meeting to order at 4:11 p.m.
- b. **Introductions:** Welcome to Sam Stinebaugh, the new HR Assistant
- c. **Mission Moment:** The LA Blues show was great, and the performance went well. Friday was SMoCA opening of newest exhibitions. Gerd gave kudos to Jennifer McCabe and to entire SMoCA staff, Devo team and all that helped put the event together. There were over 700+ guests in attendance that evening for the opening.
- d. **Announcements:** Included in the pre-read packet is the new strategic plan, which will help Scottsdale Arts to hold up the lens for operational excellence. In addition, most Board of Trustee members are on a committee to help foster engagement and build strong relationships. Gerd will be sharing some things about fundraising, and Stephanie will provide information about Piper Trust Boarding Training shortly.
- e. **Public Comments—None.** Alison Lewis asked a clarifying question about public comments. Since Scottsdale Arts is not a public entity, why do we call for public comments at each meeting? Gerd responded that this is a public meeting. So, even though we are not a public entity, we have to adhere to public meeting rules.

CONSENT AGENDA

2. Motion to Approve Consent Agenda Items

Action

Stephanie Lyon

a. May 2024, Board of Trustees meeting minutes

A motion was made by Kristopher Harman, seconded by Dr. Jackie Schenkein, to approve the consent agenda. Motion passed unanimously.

REGULAR AGENDA

3. Chairs Report

Gerd Wuestemann

a. Senior Staff Departure: Meribeth Reeves, Managing Director of Scottsdale Center for Performing Arts, has left the organization. Meribeth was one of the first hires under Gerd when he came on board with Scottsdale Arts. Since that time, a lot of things have evolved. Now performances don't just take place in the Center. As a result, we are looking at this change as an opportunity to look at our internal structure. Abbey Messmer will be stepping forward as Director of Performances, and underneath her, we will look at a potential restructuring to see what we can better align to tap into the really wonderful staff members on our teams and see them expand. While we will miss Meribeth, we wish her well and know that this next opportunity was also an opportunity for her to expand as well.

4. Board Resignation and New Board Member

Stephanie Lyon

a. Board Resignation: J.P. Dahdah is resigning from the Board to focus more fully on his business. J.P. has fulfilled his first term on our board, and we will invite him back to a future meeting to celebrate him and his contributions to our board.

b. New Board Member: Jeff Rakoczy recently retired from Progressive Insurance. He has been volunteering here as an usher and has stated he enjoys Scottsdale Arts and wondered what else he can do with his leadership skills. Dennis shared that Jeff is very experienced in the business world and will be a great addition. Erin shared that Jeff has a long history with Scottsdale Arts as both a sponsor and a member.

A motion was made by Rhonda Anderson and seconded by Steve Biddle to approve Jeff Rakoczy as a new Board of Trustee member. Motion passed unanimously.

5. Finance Update:

Michael Martin, Cathy Long

- a. **Welcome to the new Treasurer:** Cathy Long will be taking over from Kathy Wills as our Treasurer. Gerd highlighted that Dino Camunez will be stepping up as the treasurer at the end of Cathy's term.
- b. **August 24 Financials and Investments:** Michael reviewed the figures the finance committee reviewed, discussed, and approved in the last meeting. A quick note: at the end of the last fiscal year, we ended with a surplus of \$12 million, mostly due to estate gifts from Ziegler, Sternberg, and Morof. In addition, there is another gift from Erik Youngerman, who was a trustee back in the early 2000s. Mr. Youngerman lived to be 100 years; he passed away earlier in 2024. This year, thus far, we have finished our second month and are off to a fast start. We are on budget and well ahead in earned revenue. Contributed revenue is also ahead of last year. Our total revenue is right on budget and 12% higher than last year. Expenses are behind, as we have some large expenses that happened earlier than anticipated: Canal Convergence, Dreamy Draw, and SMoCA exhibition costs. For full-year projections, we are within the budget overall. Kathy Wills asked whether our deferred revenue shows on the financials. Micheal confirmed that is cash we have earned but haven't received yet, which is mostly the money received from City of Scottsdale. The balance sheet reflects our receivables of \$3.3 million remaining from the Ziegler Estate, as it has proven to be difficult to sell the remaining assets. However, it is anticipated that it will be completed by the end of the fiscal year. Our net assets, which are equivalent to net worth, sit at \$22.5 million and are near our all-time high.

- c. **CDs/T-Bills Update:** When we received the Ziegler money we put \$8 million to work in safe investments. Thanks to Kathy Wills at MidFirst Bank, Dino Camunez at Sunflower Bank, and Tim Baughman at Northern Trust. Our CDs and T-bills are being well managed. We anticipate to make around \$700,000 in interest alone on these investments.
- d. **Audit/City Audit Update:** The main concern around the city audit is related to our Managed Service Agreement (MSA) with the city, while the financial audit is centered around our internal finances. The city auditors have been very thorough in all their questions, asking questions on public art funds in particular. We are currently at about the halfway point through the audit process. Our financial audit is more rigorous than usual because we have new auditors this year. They came in a week early to get an understanding of the organization. They are looking at procedures, paperwork, and contracts. Gerd remarked that the city audit is more an audit of our partnership with the city than about us individually, but it is critical as it paves the way for the negotiations surrounding our upcoming contract renewal. Gerd thanked everyone on the board and the staff for their efforts toward both audits.

A motion to approve the financials was made by Linda Peterson, seconded by Cathy Long. Motion passed unanimously.

6. Board Book/Images/PR

Gerd Wuestemann

Gerd reviewed that we want to do more with our Board of Trustee members and make sure that we are focusing on stronger engagement. Gerd recognized that engagement means something different to everyone, but it is important to find a way for everyone to find their voice. A lot of thought has been put into this to keep everyone as engaged as possible, and we are working toward some new things. We are putting together a new binder of materials so that the Board can be equipped with high-level info that can be shared. We also want to assemble a board book and press release. A request will be sent out by Andria Sheridan for a headshot and updated bio as part of this project. More information to come as we work towards this.

7. State of the Arts Report FY24 to FY25

Gerd Wuestemann

- a. **FY24 Review/FY25 Preview:** Gerd reviewed the presentation on some of the key numbers coming out of the last fiscal year. In FY2024, we experienced growth. We served 800,000+ patrons over 485 different events throughout the fiscal year. This includes 39 schools and 150,000 hours of student engagement. This work is served by 185 staff, 30 trustees, and 75 advisors. Our budget grew from \$11 million in FY19 to \$14.5 million in FY 25. Our net assets have also grown from \$4.5 million in FY19 to \$23 million in FY24. We have \$6.5 million in endowments, \$3.5 million in reserves, \$11 million in capital funds. All being done with very low staff turnover. Gerd highlighted some of the successes within each of our departments, including Public Art, Learning and Innovation, SMOCA, Performances, Events and Rentals, and Canal Convergence. \
- b. **Strategic Plan/KPI Update:** Senior Management is working with staff to map the KPIs aligned with our strategic plan, which was finalized over the summer and went into effect this fiscal year.
- c. **Five Big Lifts:** There are several big lifts the organization is striving towards:
 - a. **SPA Ordinance:** The current ordinance was written in 1983, with the last revision in 2004. The city has hired Karen Churchard to assist with this current revision
 - b. **Ziegler Theater:** We are in the final stages of making this a reality, and it is going to the city council next month. The next steps after that would include hiring an architect, designing, demolition the current space, hopefully in May, with building during the summer and a launch in October of 2025. We are also looking to shift our annual Gala to October of 2025 to make it a large celebration around the groundbreaking, with an official opening the following spring. The current bond money will allow us to change the existing Stage 2 and convert it into a black box theater.
 - c. **MSA:** We are beginning to renegotiate that now. Currently, we have a 5-year contract. Due to the large-scale investments we are making, which demonstrate our commitment to the relationship, we are asking the city to invest as well with a 10-year contract. A lot of the work we do benefits the

citizens of Scottsdale. 75% of our programming is free to the community; only 25% is paid and ticketed.

- d. **Cattletrack:** We will host a future meeting at Cattletrack, which will include a tour of the property. Our goal is to build a hub for our ArtSpark program to launch from this space.
- e. **Brand Evolution:** We have hired a company to create a new mission-critical website. We want to put what we do front and center and make it easy to find information. Our current launch date is April 1, 2025, and we are focused on creating a comprehensive brand standards guide.

8. IDEA Roundtable

Peter Boyle

Peter reviewed the ongoing work in the area of DEIA and our strategic plan. The members of the IDEA Committee are excited to think about DEIA work and how that can be integrated into our mission, vision, and values. To make sure this becomes part of our practice, we see the larger board as a brain trust and want to invite you into the conversation. Tables were broken out into small groups for a breakout session surrounding DEIA questions related to our value of Innovation.

9. Other Business

Stehanie Lyon

None

10. Adjourn

Stephanie Lyon

The motion to close the meeting was made by Kathy Wills and seconded by Cathy Long. Motion passed unanimously

Meeting Adjourned at 5:07 p.m.

11. SMoCA Tour of Current Exhibitions

Jennifer McCabe

Respectfully submitted,
Andria Sheridan
Recording Secretary