



DEPARTMENT of ECONOMIC DEVELOPMENT

JACKIE BISKUPSKI  
MAYOR

KAREN KRIEGER  
DIRECTOR

**BOARD MEETING MINUTES**  
**November 9, 2016**  
**Art Barn in Reservoir Park**

**PRESENT:**

Matthew Castillo	Annie Dayton
Efren Corado Garcia	Kerri Hopkins
Jennifer Horne	Linda Hunt
Whitney King Hyans	Richard Jaramillo
John Johnson	Eva Rinaldi
Cannon Tarbet	

**Staff Members**

Kelsey Ellis, Assistant Director  
Wendy Evanoff, Office Facilitator  
Dana Hernandez, Public Art Program Manager  
Jesse Schaefer, Performing Arts Program Manager

**EXCUSED:**

Karen Krieger, Executive Director	
Kandace Steadman, Visual Arts Program Manager	
Denise Brenes	Mike Colby
Chad Whittaker	

**GUEST:**

Sylvia Richards, Public Policy Analyst, City Council Office  
Lia Summers, Salt Lake City Mayor's Office  
Lara Fritts, Director of Economic Development  
Teresa Beckstrand, Dept. of Finance, Salt Lake City  
Ian Robbins, Osborne Robbins & Buhler

**I. Call to Order/Approval of the Minutes**

Ms. Kerri Hopkins called the meeting to order at approximately 5:30 p.m. Mr. John Johnson made a motion to approve the minutes from October's board meeting; the motion was seconded by Mr. Richard Jaramillo.

**II. Executive Committee**

Mr. Ian Robbins with Osborne, Robbins & Buhler reviewed the audit results. He reported on the internal controls and financial accounting. Mr. Robbins explained why the Foundation has a net deficit. He mentioned this is a result of the net pension liability reported from Utah Retirement Systems in

accordance with the requirements of GASB Statement No 68, "Accounting and Financial Reporting for Pensions" which the Foundation adopted effective July 1, 2014. Mr. Richard Jaramillo made a motion to approve the final audit results; the motion was seconded by Ms. Linda Hunt and passed unanimously.

Ms. Lia Summers from the Mayor's Office reported that the Cultural Core plan will be presented to the City Council on December 6, 2016. Ms. Summers also reported on Paint the Pavement which is a community-building movement aimed at creating a community gather space that began in Sugar House in 2013. She stated that Rose Park would like to take a stab at another pilot program in the spring of 2017. The Mayor's office is working on updating the guidelines for this project.

Ms. Lara Fritts informed the Board that she has been advised by the City Attorney to not discuss the details regarding the administrative leave of Ms. Karen Krieger. She reported that it is a personal matter that is being addressed and Ms. Krieger will receive a predetermination letter for a hearing within the next couple of days. Ms. Linda Hunt expressed her frustration stating the situation with Ms. Krieger seems catastrophic. She said the Board needs to hear what's going on to function and help this organization move forward. Ms. Eva Rinaldi questioned if the staff of the Arts Council is being supported and moving forward in the absence of Ms. Krieger. Ms. Kelsey Ellis responded that day to day operations are getting done. She also reported she has taken on as much of Ms. Krieger's responsibilities for the operation as she can.

Ms. Lara Fritts reported that the Department of Economic Development hired Ms. Annie Davis as the Marketing and Research Manager. Ms. Davis delivers a strong communications background; she was a reporter for channel 13.

### **III. Budget Update**

Ms. Kerri Hopkins reported that the budget amendment request of \$150,000 was presented to the City Council in their work session on October 25. She said there was a straw poll vote by the Council where six of the seven Council members were present and there were five thumbs up to push the amendment through. The final vote is scheduled for December.

Ms. Kelsey Ellis provided a Balance Sheet and a Profit & Loss statement to the Board. She reviewed the financial needs of the Arts Council for the remainder of the year. Ms. Ellis reported that one of the biggest challenges is when the Non-Departmental funds are deposited there are expenses remaining from the Twilight Concert Series which ends up cutting into the funds for grant payments.

Ms. Kerri Hopkins reported that she reminded the City Council that last year when the original budget amendment was presented, a \$150,000 was requested to fill the deficit, and was approved, then there was an ongoing amount of \$150,000 presented which the Council said they would approve. Ms. Hopkins stated that this was the only reason the Arts Council felt comfortable moving forward and planning for Twilight. The ongoing funding did not make it into the Mayor's budget.

Mr. Richard Jaramillo discussed with the Board the concerns that came up in the Executive Committee meetings regarding cash flow. He reported that the complicating factor is how and when money flows in and out regardless of the budget year after year. Mr. Jaramillo said one of the questions is, there are grant payments are to be disbursed in October but have not yet gone out, what is the consequence of grant payments not going out in terms of legal liability and contractual obligations with our agreement with the City. Ms. Lara Fritts responded that as it relates to the grantees, the Foundation would have to seek legal counsel. As it relates to the contract with the City, there has been an inquiry, but no answer as of yet. Mr. Cannon Tarbet stated the cash flow situation is nothing new and should have been discussed one or two

years ago. Mr. Richard Jaramillo responded that the City should have thrown a flag if this was going to be a serious concern. Now with a new set of eyes from the administration, we are seeing that this should have been a bigger concern for the Board in years previous. He explained that if we can't get to a point financially to make grant payments, the only viable option is to cut back on programming and the biggest cost of the Arts Council is Twilight. Mr. Cannon Tarbet reiterated that this isn't a surprise and questioned why is this a big deal today and not two years ago when this all started and Twilight got so big. He stated his frustrations and reported that he feels as though there has to be a fall guy. He reported that we go to the City every year for additional funding and every year we squeak by. He doesn't think it should fall entirely on the Executive Director and it should fall higher than that. Mr. Tarbet stated that when the Director of the Arts Council changed, the cash flow problem was already present from years past and we started in a mess that we never got out of. Ms. Eva Rinaldi questioned why don't we cut a program if the non-profit is not making money? She expressed her frustration of having this same conversation time after time. Ms. Linda Hunt said that her frustration is we have always discussed ticket prices and additional sponsorships but never addressed the cash flow issue. She sympathized with Mr. Tarbet, but as a board member the question should have been asked a year ago. Mr. Jaramillo responded that the knobs of Twilight have been tweaked with the hopes that the program would have economic sustainability, but we are seeing that it has not happened and the conversation cannot be avoided any longer. Ms. Hunt reported the issue is we can't go forward without the help of the City. Ms. Rinaldi proposed we create a plan that is within our budget and not having this ongoing conversation. Ms. Ellis reported she has created a budget of what a fully funded program looks like and our reliance is on something we don't have at this time. Mr. Efron Corado Garcia suggested the Board meeting in December be a priority meeting in which executive action is taken to either cut a program or cut expenses because of the financial burden.

The question was asked if grantees could bring potential legal claims against the Foundation for the delay in grant payments. Ms. Kelsey Ellis stated that she informs grantees that they sign a grant agreement with the Arts Council, not a contract. Ms. Jennifer Horne stated that whether there is an agreement or a contract, she is concerned that there may be no legal distinction between the two. Ms. Horne suggested engaging in outside legal counsel to review the grant agreements. Mr. Richard Jaramillo made a motion to have Ms. Ellis start the process of identifying and finding counsel on a pro bono basis for the Foundation; the motion was seconded by Ms. Jennifer Horne and was passed unanimously.

Mr. Matthew Castillo suggested we take the opportunity build a better relationship with the City Council seeing how there is an obvious disconnect where we are not meeting in the middle. He stated we need to get in a position where we are not living paycheck to paycheck and build a reserve so we are not spending time wondering how bills are going to be paid. Mr. Castillo discussed that in collaboration with the City Council we build in a surplus. He suggested we cut our programming in year one and as we start to build a reserve we'll also build our programming and hopefully the City will partner with us and increase their support of our programs as we show we are able to be fiscally responsible with the funds they are providing.

Ms. Kelsey Ellis reminded the Board that Firetoss, who is our web design team, is hosting a Casino Night fundraiser. The fundraiser will be held on Thursday, November 17. Ms. Ellis reported that the Arts Council was recommended for \$15,000 from NEA to go towards the Living Traditions Festival.

#### **IV. Committee Report**

Ms. Linda Hunt reported that the Grants Committee recommends that Seven Canyons Trust be funded for a Mini Grant. Mr. Richard Jaramillo made a motion to approve the Mini Grant; the motion was seconded by Ms. Whitney King Hyans and was approved unanimously.

## **V. Staff Reports**

Ms. Dana Hernandez reported that the Sorenson Unity Center received an NEA grant and the outcome of the grant resulted in three different sculptures and three different sites. One at the Sorenson Unity Center, one at the Oxbow site and another at the Pump Track. Ms. Hernandez is working with Ms. Donna Pence to complete these public art projects. The project is scheduled to be completed by June, 2017.

Mr. Jesse Schaefer reported on the grand opening of the Eccles Theater. He mentioned that the Arts Council was involved with programming the performing artists throughout the day on Saturday, October 22.

Ms. Kelsey Ellis provided an update on the Visual Arts program reporting that approximately thirty people showed up to the workshop about building an art collection on a modest budget. Ms. Ellis announced that the Holiday Craft Show opens on December 2 and runs through December 20, 2016.

## **VI. Arts Event Discussion/Upcoming Events**

## **VII. Public Comment**

## **VIII. Other Business/Adjourn**

The meeting adjourned at approximately 7:00 p.m.