

PITTSBURGH BALLET THEATRE

Pittsburgh Ballet Theatre
Meeting of the Board of Trustees
Tuesday, April 14, 2020
12:00 - 1:00 p.m.
Via Zoom

Meeting Minutes

Board of Trustees in Attendance: Phil Barr, Camera Bartolotta, Rich Beaty, Geoff Bond, Steffie Bozic, Beth Brown, Barbara Cottrell, Susan Cruz, Jim Crockard, Kara Brown Davis, Dawn Fleischner, Celia Gerard Dona Hotopp, Doug Kreps, Dena LaMar, Michael LaRocco, Mary McKinney Flaherty, Peggy McKnight, LeRoy Metz, Kathleen Miclot, Melonie Nance, Sandi Nicholas, Terrence S. Orr, Stephanie Sciuillo, Shelley Taylor, Ayana Teter, Betsy Teti, Becky Torbin, David Tuthill, Winthop Watson

Board of Trustees Not in Attendance: Edwin Beachler, Carolyn Byham, Connie Cesario, Jay Costa, Debra Dermody, Mary Finger, Freddie Fu, David Hall, Natalie Mihalek, Richard Rauh, Guy Reschnethaler, Lisa Saperstein, Vincent Silvaggio, Hilary Tyson, Joseph Vincent, Vonda Wright

PBT Leadership in Attendance: Janet Campbell, Curtis Dunn, Harris Ferris, Kati Gigler, Margie Grundvig, Dennis Marshall, Katie Potts, Aaron Rinsema, Jay Romano, Christy Rowing, Tanaz Waldenziewicz

Call to Order, Welcome, Approval of February 11, 2020 Meeting Minutes, Chair's Remarks:

Dawn Fleischner called the meeting to order at 12:00 p.m. and began by thanking the PBT team for all their hard work to swiftly pivot to online content and continued efforts during this time.

Approval of February 11, 2020 Board of Trustees Meeting Minutes:

Mary McKinney Flaherty made the motion, second by Susan Cruz to approve the December 10, 2019 Board of Trustees meeting minutes. Passed.

PBT/COVID-19 Update -

Harris Ferris PBT stated that PBT managers have been challenged to remain focused on the organization's mission and innovate new ways to deliver on PBT's mission even under these circumstances. Mr. Ferris expressed pride in the ways in which PBT has pivoted to online training in the School and with educational programming. He also thanked the officers of PBT's

Board for all their effort and assistance during this period. PBT leadership gave a brief update on their department's during COVID-19.

Margie Grundvig and Dennis Marshall (School) - Trustees watched a short video from PBT School. The video consisted of student choreography being safely performed in student's homes that otherwise would have been highlighted during the student choreography showcase originally scheduled for the beginning of April. Thirty students had choreographed pieces for that project. Currently, all eleven full-time faculty members are working and are super committed to keeping the students engaged through online content and virtual classes. PBT School provides weekly live classes. The School is also adding individual meetings with parents and teachers for all student division levels. The School will also continue with one-on-one meetings with pre-professional students. Teachers will also add Zoom "office hours" next week.

Aaron Rinsema (School continued) - Continued to showcase the School's efforts. By April 10, PBT School offered nearly ninety live-stream classes across student, pre-professional division and community divisions. Moving forward, PBT is likely to see about 45 School classes per week. 5% of these classes were presented on Facebook or Instagram live and 95% were presented on Zoom. The School is seeing 67% class attendance. Community Division classes are seeing a substantial increase in attendance in virtual classes with a 400% increase. PBT will begin to charge a nominal \$5 fee per class fee, which may lower participation. Moving forward, the School's main area of focus is summer programming. PBT is currently working on plans for Company Experience (enrollment of 95) and Intensive Summer Program or ISP (enrollment of 214). PBT is considering a commuter/local-only ISP by removing dorm access. PBT may be able to pick up approximately 50 new students for a commuter-only ISP as opposed to the 200 the School would lose. Much of this decision making is subject to change as decisions are being made by Governor Tom Wolf.

Kati Gigler (Education and Community Engagement) - PBT's arts education department currently has nine team members actively creating and deploying virtual programs and classes. The department has had great success in transferring programs to online formats. Over 1,000 people have watched Dance the Story, streamed live on Facebook every Tuesday and Thursday at 10:00 a.m. The education team also uploaded activities to PBT's website for children and families that correlate with Dance the Story. Classes for Hope Academy and Lauri Ann West Community Center have continued through Zoom, and attendance has been good for both programs. PBT is continuing Dance for Parkinson's classes for both the Pittsburgh and South Hills groups. This is the first time both groups are able to take class together and socialize with one another. This past weekend, PBT had thirty-five families attend an open adaptive dance class via Facebook Live. PBT is also continuing community partner programming - PBT will begin leading Buzzword programming. Classes will also be offered to all Boys and Girls club houses in Pittsburgh. The team is also working on creating a Lunch and Learn with development and a collaboration with The Frick, which will feature Janet Campbell discussing Jewels costumes. The education team has also been working on the Talks with Terry

series that will go live this Friday and working with Pittsburgh Public Schools to continue offering creative movement classes.

Tanaz Walendziewicz (Marketing) - Tanaz highlighted a dancer video created for social media. With the postponement of two programs (*Here and Now* and *Balanchine and Tchaikovsky*), the marketing team reached out to subscribers and single ticket holders with the option to convert tickets to donations, and receive a voucher for next season or receive a refund. As of now, only one or two people have requested refunds. Most wanted to hold into their tickets to see what would happen moving forward. 580 subscription renewals came in before the postponement was announced out of 1,000. The marketing team still needs to send out another renewal mailing but is waiting for the revised season announcement. The goal is to capture all 1,000 subscription renewals. Marketing also updated PBT's website to include a digital content webpage and continue to support social media strategies with Company dancers. The team has also been working on the Talks with Terry video series that will go live Friday and include a Q&A with Terry and Company dancers.

Janet Campbell (Costume/Production) - Janet and her team are building costumes for *Theme and Variations*. Once completed, they will work on repairs for *The Nutcracker* and inventory on costumes.

Terrence S. Orr (Artistic) - The dancers are receiving daily barre classes. PBT is making sure everyone is safe in what they are doing. Alejandro Diaz is offering gyrokinesis classes and Jessica McCann and Yoshi Nakano are offering yoga classes. Company members are also watching classes from American Ballet Theatre and other European ballet companies.

Christy Rowing (Development) - The development team continues to maintain relationships while matching the news cycle to revenue projections. The department has been blessed with the flexibility of the School and education departments, which makes for a compelling story for funders. The team continues to work to close revenue gaps as PBT comes to the end of this fiscal year.

March 31, 2020 Financials and Cash Flow Report -

Doug Kreps gave the March 31, 2020 Financials and Cashflow report.

Doug Kreps thanked Harris Ferris and Jay Romano immensely for meeting weekly with Doug, Dawn and Mary as things progressed and changed. Mr. Romano and Mr. Ferris are doing a great job in helping the organization navigate the unknowns.

Covid-19 Impact (Page 7 of financials) -

PBT has cancelled the last two performances (*Here and Now* and *Balanchine and Tchaikovsky*), PBT's tour to The Joyce Theater and six weeks of PBT School, generating a total of \$855,000 in

lost/deferred revenue offset by expense savings of \$990,000 for a net positive variance of \$134,520.

Statement of Financial Position (Page 1) -

Cash stands at \$67K on March 31. It is now higher with the April 1 receipt of a \$600,000 donation for the 2020-21 season. This significant gift turned the April cash flow positive. The Endowment is at \$7.7mm and was at \$8.7mm in February, which is down 11%. Accounts payable are under control at \$158,500. Deferred revenue is at \$729,500 including \$200k in FY20 subscription revenue for two cancelled shows and another \$200k in FY21 subscriptions, ISP at \$225k, and \$104k in special event revenue from the Festival Gala.

Statement of Activities (Page 2) -

The year-end operating results remain net positive at \$2,500. An additional \$311,000 in the contingency line will drop to the bottom line if the remaining three months conform to forecast. Built into the \$311,000 is \$82,000 in potential refunds. After covering sunk costs, PBT moved the remaining revenue from The Festival towards next year and netted out the cost of the event.

Statement of Cashflow (Page 3 - 4) -

The reclassifications of revenue related to cancelled performances and events has increased deferred income by \$526,000 to \$2.7mm. PBT's line of credit is projected to be paid off before June 30 ending the year with no outstanding balance, which is impressive. PBT still needs to work on the structural deficit but now is not the time.

Payroll Protection Program Loan -

PBT applied for a \$1.2mm payroll protection program loan. Of the \$1.2mm, 75% will go towards salaries to help keep staff employed. The application made its way through PNC channels and is currently at the Small Business Administration. PBT hopes to hear on the status within the next 7-10 days.

Contingency Planning -

Harris Ferris and Jay Romano briefly discussed contingency planning.

Harris Ferris stated PBT does have a number of what the impact would be if PBT summer programming could not happen, which is down \$415K net. PBT's Intensive Summer Program (ISP) is like The Nutcracker for PBT School. Other contingencies include the fall season. There are conversations with national ballet companies and some are preparing not to open again until The Nutcracker. The Cultural Trust is going to announce the cancellation of both the Children's Festival and Arts Festival. Mary McKinney Flaherty stated she and Dawn Fleischer have begun putting together a decision making framework document/policy for the organization and the Board. The framework identifies major decisions that may need to be

made, who will be involved in those decisions, communicating those decisions and the data included. Dawn Fleischner stated one of the most valuable aspects of the Board is the great ties to the community and with other organizations. If Trustees find any examples of decision making framework please pass it on, and if anyone would like to be involved in this taskforce please let either Dawn Fleischner and/or Mary McKinney Flaherty know.

The Board discussed alternative spaces for performing, such as outdoor performance venues and the use of streaming. Theaters are speculating on this but nothing is known. Dawn Fleischner asked if Kevin McMahon built into The Trust's budget resident companies performing in an empty theater and would The Trust obtain the proper equipment to stream it. Curtis Dunn stated there are other options besides a 360 camera for live streaming but he does not have the costs on these at the moment. Mr. Dunn stated he will look into the costs.

20-21 Season Revision -

Terrence S. Orr and Harris Ferris presented a revised 2020-21 season.

PBT will move the *Balanchine and Tchaikovsky* program to the fall and replace *Cinderella*. The Balanchine program, due to be performed this April, was almost all set. PBT will then replace *The Merry Widow* scheduled in February with *Cinderella*. PBT has still not heard from the PSO regarding the collaboration in October. PBT will perform two programs, *Here and Now* and *Modern Masters*, at the August Wilson African American Cultural Center and still intend to close out with *Alice in Wonderland*. By opening with *Balanchine*, PBT can pick up the work that was supposed to close this season and some of the costs were already incurred. Moving *Cinderella* to February allows for PBT to maintain a strong family-oriented season package. The program at AWAACC will be April because PBT has a tour in March that so far has not been cancelled. PBT has never before had the luxury of doing a rotated or double program. Most expenses were incurred for *Here and Now* because it was due to open just as COVID-19 shutdowns were announced. Much of the repertory for The Joyce was included in next season's *Modern Masters* program so those costs were incurred as well.

PBT has reduced ticket sales projections in next year's annual budget. The presentation of this revised reason includes a 20% reduction in what the marketing team originally planned for tickets. In the event the cancellations continue into the fall, PBT will update forecasts and budgets accordingly.

LeRoy Metz congratulated PBT on how impressive PBT leadership and the Board officer's work is during this time.

Approval of Revised 2020-21 Season:

LeRoy Metz made the motion, second by Dena LaMar to approve the revised 2020-21 Season. Passed.

Artistic Director Search Update -

Dawn Fleischner and Mary McKinney Flaherty presented PBT's next artistic director.

On behalf of the artistic director search committee and working group, Dawn Fleischner and Mary McKinney Flaherty, search committee co-chairs, are thrilled to present to the Board Susan Jaffe as PBT's next artistic director.

Ms. Fleischer and Ms. McKinney Flaherty are extremely grateful to the search committee, the working group, Harris, Terry and the entire senior management team, as well as everyone who participated in the search process and provided feedback throughout the process.

Dena LaMar thanked Dawn Fleischner and Mary McKinney Flaherty for an easy and seamless search process and creating one that allowed all Board members to participate in.

This is such a big moment for PBT during such a difficult time. It has been hard trying to celebrate PBT's 50th Anniversary and Terrence S. Orr. The organization intends to celebrate Terry when we can all get back together again. This is a turning point for PBT and it is important to recognize this could not have happened without Terry's guidance and all he has done for the organization.

The search committee cannot wait for the Board to get to know Susan Jaffe. It has been such a pleasure getting to know her and everyone will enjoy working for her.

Mary McKinney Flaherty made the motion that the PBT Board of Trustees approve the unanimous recommendation of the Search Committee selecting Susan Jaffe as the next Artistic Director of Pittsburgh Ballet Theatre, second by Terrence S. Orr. Passed.

Dawn Fleischner and Mary McKinney Flaherty expressed gratitude for Katie Drozynski and her excellent work putting together the announcement press release and coordinating press.

Adjournment -

Mary McKinney Flaherty made the motion, second by Sandi Nicholas to adjourn the April 14, 2020 Board of Trustees meeting.

There being no further business, the meeting adjourned at 1:04 p.m.

Submitted by, Harris Ferris

Approved by, Betsy Teti