

PITTSBURGH BALLET THEATRE

Meeting of the Board of Directors

Tuesday, September 14, 2021

12:00 p.m. - 1:00 p.m.

Via Zoom

Meeting Minutes

Board of Directors in Attendance: Kathleen Miclot, Mary McKinney Flaherty, Melonie Nance, Peggy McKnight, Rich Beaty, Dena LeMar, Douglas Kreps, Kara Davis, Sarah Pietragallo, Representative Austin Davis, Mary Finger, Geoff Bond, Michael LaRocco, Dona Hotopp, Barbara Cottrell, Connie Cesario, Stephanie Bozic, Susan Cruz, Shelley Taylor, Phil Barr, Stephanie Scullio, Winthrop Watson, Beth Brown, Betsy Teti, Debra Dermody, Becky Torbin (Board Emeritus)

Board of Directors Not in Attendance: Edwin Beachler, Carolyn Byham, Jay Costa, Celia Gerard, LeRoy Metz, Natalie Mihalek, Richard Rauh, Guy Reschenthaler, Lisa Saperstein, Vincent Silvaggio, Ayana Teter, David Tuthil, Hillary Tyson, Joseph Vincent, Vonda Wright

PBT Leadership in Attendance: Harris Ferris, Susan Jaffe, Jay Romano, Denise Mosley, Kathryn Gigler, Aaron Rinsema, Christy Rowing, Curtis Dunn, Liana Pears, Lauren Carlini

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Call to Order, Welcome, Approval of June 15, 2021 Minutes -

Mary McKinny called the meeting to order at 12:01 p.m. and reviewed the mission statement. She acknowledged that there is a packed agenda, so without further ado she asked Kathleen Miclot to give the Governance Report.

Approval of June 15, 2021 Board of Directors Meeting Minutes

Kathleen Miclot made the motion, second by Dona Hotopp to approve the June 15, 2021 Board of Directors meeting minutes. Passed.

Governance Report -

Kathleen Miclot is pleased to recommend Austin Davis for approval as a member of PBT's Board of Directors. He is a member of the PA House of Representatives for the 35th district in Allegheny and he currently resides in McKeesport. She was unable to meet with him, but a few other Board members did have that opportunity.

Kathleen Miclot made the motion, second Debra Dermody to approve Representative Austin Davis for PBT Board membership.

Financial Report - Rich Beaty and Jay Romano

Rich Beaty began the financial report. At this time last year the total assets were \$21M, and currently they are approximately \$27M. We are in a strong cash position, partly due to the government funds PBT received. The Live Music Appeal and endowment are up significantly; however, there is not a big increase on the liability side. Rich reviewed the programs that PBT has benefited from: PPP, Employee tax credit, Shuttered Venue Operators Grant. There are additional funds in the SVOG which we applied for and hopefully we'll be fortunate to receive. We are in a much better financial position today, but are still mindful of the cash position and the unknown risks that may arise during this season. At the end of the year depending on the cash balance some of the projects we'd like to address are the new *Nutcracker*, completing the Live Music Appeal, and the structural deficit.

There were no questions.

August 31, 2021 Financials and Cashflow Report -

Jay Romano gave the August 31, 2021 Financials and Cashflow report. The balance sheet being presented is one of the strongest PBT has seen in both unrestricted and restricted cash.

Statement of Financial Position -

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For the second month of this fiscal year the endowment is up about two and a half percent. Payables is averaging around \$100,000 - \$125,000 a month. The outstanding line of construction credit is \$835,000. Our deferred revenue mainly consists of subscription sales that are underway right now.

Statement of Activities -

The year end forecast has been updated to show a deficit of \$175,000 brought about from the School. This is mainly due to Covid as it continues to affect all PBT's revenue lines, especially in the School. The revised projection presently shows a negative variance due to a budget spread across all aspects of the school. On the public and private support side one new grant was received from The Heinz Endowments of \$42,000 for technology advancements. Right now we're showing -\$175,000, but we're comfortable where we are and will continue to monitor the situation and update the Board.

Statement of Cashflow -

There has been strong cash throughout the fiscal year. We are showing a negative number in June, but the hope is to set aside the funds from SVOG come year end.

Rich Beaty asked what the audit timeline is. Jay answered that the draft will be completed in September and the audit committee will meet. During the October meeting the audit report and 990 tax return will be presented.

Executive Director Report - Harris Ferris

Harris Ferris presented the Executive Director's report. His and Susan's trip to Cape Cod to meet with a donor and had the opportunity to meet with the Executive Director of Jacob's Pillow were major highlights of this summer. While on this trip he and Susan were able to converse about the future of PBT. Speaking of the future, PBT senior managers and their direct reports met with ClearSpace, a consulting firm based out of Chicago, yesterday for the first day of two full Strategic Planning retreat days. He looks forward to engaging Board members with the new plan and big concepts and ideas. *Pointe in Time* Gala is November 6, 2021. We are 66% of the way to our goal. This Thursday night Geoff Bond and Liz Frame will be hosting a wine gathering at their home. Touching briefly on the Development report we are at 50% of the way to our goal, which is a major improvement from this time last year when we were only at 35%. Of course, this is partly due to the SVOG, but there is strong momentum. Disappointingly Christy Rowing has taken a new position as an Executive Director and will be leaving PBT in October. She built a great team and PBT is in a better position since she joined. There are some big projects to look forward to this year, including the Live Music Appeal that we hope to complete by seizing the momentum of success we've had so far.

There were no questions on the Executive Director Report.

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Mary thanked Christy for her tremendous service to PBT and the outstanding work she has done and notes that she will be greatly missed. With respect to the Live Music Appeal Mary stated that 100% Board participation is very important to close the gap no matter the amount. Board participation is important to individual funders and foundations as an example and again can help close the gap.

Harris added that PBT has been lauded by national planners with respect to how ballets capitalize their programs. The Live Music Appeal has been cited as a great strategy since it sets up a fund that will last for 50 years and contribute about \$300,000 to the operating budget every year. We are well over 60% of the way to our goal. Pittsburgh stands alone in setting out to accomplish this endeavor, so the Board should be proud that we have set aside a fund for live music for the next 50 years.

Celebrating PBT's Return to Theatre's - Denise Mosley

Two great events recently gave us hope for the upcoming season: Hartwood Acres and the *Lights On!* Celebration. At Hartwood we saw an estimated total audience of 5,000-6,000. For the first time subscriptions were sold at this event totaling a little under \$1,000. Following Hartwood the *Lights On!* Celebration took place last Thursday. We saw a wonderful turnout and it was a great opportunity for the community to get to know our new Artistic Director, Susan Jaffe. For this event people were able to reserve seats and almost as soon as the email was sent those seats were booked. There were 500 total seats and almost all of them were filled. Last week on September 7 single ticket sales went on sale. We are about 8% of the way to our goal. Looking at this time last year we were close to 10%, so we are not too far behind. Also keep in mind that single tickets usually go on sale in August, but this year they went on sale in September. Subscription sales began May 6 when the season was announced. We are currently at \$375,000, which is about 71% of the way to our goal. An innovative way to reach our goal that Susan helped to brainstorm is the idea of choreography videos to educate the public and put a spotlight on talented choreographers such as Jennifer Archibald and Helen Pickett. There will be new videos on social media with interviews from choreographers featuring the dancers in those pieces. We're capitalizing at our events by selling tickets, subscriptions, and merchandise. For the season premiere we have print, posters, radio and social media advertising. Another new marketing avenue we're exploring is potential transit marketing for the year, which is expensive, but could capture more out of market buyers. We just hired a graphic designer who starts next Monday and are still looking for a PR person.

There were no questions on the Marketing Report.

PBT School Report - Susan Jaffe and Aaron Rinsema

Susan gave an introduction for the School report. We are excited to have the students back and to see so much activity and happiness. Children under twelve aren't vaccinated, but are

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continuing to take precautions to keep everyone safe. There are five students coming into Diamond rehearsals to work with us. Marianna Tcherkassky is working with them privately. Lastly we are working on the Covid protocols for the students who will be participating in the *Nutcracker*.

Aaron Rinsema continued the School report. He reflected back on the summer programs, which were well attended. There are some variances in certain areas, but overall well attended and relatively close to what was budgeted. We are successfully into week two of the school year program. The vast majority of classes are in person, but there are still some that are virtual. As Jay mentioned earlier, we do acknowledge that school enrollment is down, but we're continuing to improve those numbers the best we can. What we've heard from families is the same narrative of covid being the deterrent to enroll this fall. Some families are waiting until spring to re-enroll. The Byham House is about 60% filled, which is another school area of the budget significantly impacted by Covid.

There were no questions on the School Report.

Artistic Director Report - Susan Jaffe

Susan Jaffe began her report by mentioning how great it is to have dancers back in person and to see their progress. The dancers had a full schedule with performances at Hartwood, Lights On!, and learning a new work by Jennifer Archibald. As Denise mentioned in her report we are working on two minute videos for more educational experiences for our audience members to have a greater understanding of our choreographers such as Jennifer Archibald and the artform overall. Susan invited the Board to visit the studio as there's much excitement in the air as we're getting ready for the Benedum performances. We're hearing from those in the Cultural District that due to the Delta variant there is some hesitation on coming back into theaters. To address these concerns we're planning to have one performance live streamed and are just waiting to receive permission from the Musician's Union. One needs to first buy a seat and if the decision by that individual is made that he/she does not want to attend in person then they will have access to the live stream performance. It will be a closed live stream, but we wanted to make sure that everyone had a chance to experience this performance. We are also preparing for a celebration for Terrance S. Orr to commemorate his many years with PBT. Susan has been working with the development team to create opportunities for prospective audience members to see a working rehearsal. So far we have two lined up, and the next one is for the Young Professionals. Susan is finishing the slate for the 22-23 season, and she had a few things finalized, such as opening the season at the August Wilson Center. The performance scheduled for February is *Dracula*, which will be new to PBT. This version of *Dracula* is choreographed by Michael Pink who is the director of the Milwaukee Ballet. From what she's learned from the Milwaukee Artistic Director this ballet is one of their most popular and brings in more audience members than just ballet because it aligns so closely with the novel. Susan thanked David and Janet Campbell for sponsoring a Christopher Wheeldon ballet for us next year. We'll be

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performing one of his signature works, *Polyphonia*. The end of the season will be *Sleeping Beauty*, and Susan noted that she danced as Aurora. Susan believes this ballet will be a great experience for families since it is family friendly, but will also benefit the dancers in their growth as performers. She explained how it helped her become a better dancer since she was learning how to dance one of the most stringent classical ballets in the ballet canon. There is nothing to hide behind as it is pure classicism through and through.

There were no questions for the Artistic Report.

Education and Equity Project Transformation Team Report - Dr. Kathryn Gigler

Education and Community Engagement -

Kati Gigler gave the Education and Community Engagement report. Over the summer we worked with Pittsburgh Public Schools in their Boost Program formerly known as their Dreamers Program. This was the first time we've been back in person at Pittsburgh Public School since the start of the pandemic with about 60 students. For the fall programs for creative movement there will be a mix of in person and virtual options. Over the summer we did a full tour in Westmoreland County, hitting every library in the Westmoreland County library network system. We focused on *Alice in Wonderland* to generate excitement and interest for the production we'll be doing this spring. We also participated in the Open Doors Pittsburgh Strip District tour. This was very successful with a couple hundred people in the building, which is a greater turnout than what we've seen in prior years. This provided an opportunity for people to get into the building, learn more about PBT and all the things we do. Good way for people to get people in the building and expand people's knowledge of PBT. For Hope Academy all programs are running, but there will be a hybrid of in person and virtual classes. The Education team is working with the School on wellness programming for the children's division up through the graduate division.

Equity Project Transformation Team -

Kati gave a special thanks to Lauren Carlini and the work she's done with recruitment and policy building. Both the school and employee handbook have been updated to reflect these newer policies. Many things that were previously recommendations from different departments are now actual policies. We've worked to codify the transformational work of IDEA at PBT.

Next Kati provided an update on the Community Youth Scholarship. We will have 25 students this year, and similarly to what Aaron reported earlier, enrollment is down due to scheduling conflicts and covid concerns. Students who need extra support will be provided bars and ipads as needed.

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Lastly Kati mentioned that we will be offering virtual student matinees. This is exciting because last year with our digital matinees we jumped from 2,000 audience members to over 10,000. The two virtual student matinees will be *The Nutcracker* and *Alice in Wonderland*.

There were no questions on the Education and Equity Project Reports.

Strategic Planning Update - Winthrop Watson and Dena LeMar

Winthrop Watson informed the Board that the Strategic Planning and Executive Committees are scheduled to meet tomorrow with the consultants from ClearSpace and select PBT leadership. We are tackling the questions of who we are today and where we want to be in the future and how to get there. He anticipates having a great conversation and looks forward to coming back to the next Board meeting to deliver a progress report.

Dena LeMar added that what is particularly exciting for this strategic planning process is the fact that we aren't handcuffed to any previous work. We will not be trying to fit the old strategic plan into the new one. We asked Harris and Susan what they'd like us to accomplish together, really focusing in on five big projects and allowing ClearSpace to help us with their process on how to prioritize those. From there we want to keep the process simple to create a simplified, clear, and really relevant strategic plan.

Susan expressed her gratitude and appreciation to Dena and Winthrop for their guidance in the process so far. Harris also extended his thanks to them as well as Liana for her role in organizing the retreat.

Adjournment -

Mary thanked everyone and noted that we were able to go through the entire agenda with nine minutes remaining.

Melonie Nance asked for an updated staff list to be sent to the Board so they have updated contact information. Liana will work with Lauren to provide the updated staff list.

There being no further business, Mary McKinny Flaherty adjourned the meeting at 12:54pm.

Submitted by, Harris Ferris

Approved by, Betsy Teti