

PITTSBURGH BALLET THEATRE

Meeting of the Board of Directors

Wednesday, December 15, 2021

12:00 p.m. - 1:30 p.m.

Via Zoom

Meeting Minutes

Board of Directors in Attendance: Mary McKinney Flaherty, Rich Beaty, Doug Kreps, Susan Cruz, Betsy Teti, Dawn Fleischner, Kathleen Miclot, Michael LaRocco, Peggy McKnight, Sandra Nicholas, Sarah Pietragallo, Stephanie Scullio, Deb Dermody, Dena LeMar, Winthrop Watson, Connie Cesario, Dona Hotopp, Barabara Cotrell, Geoffrey Bond, Ayana Teter

Board of Directors Not in Attendance: Edwin Beachler, Carolyn Byham, Jay Costa, Natalie Mihalek, Richard Rauh, Guy Reschenthaler, Lisa Saperstein, Vincent Silvaggio, Hillary Tyson, Joseph Vincent, Vonda Wright, Beth Brown, Kara Brown Davis, Mary Finger

PBT Leadership in Attendance: Harris Ferris, Susan Jaffe, Jay Romano, Denise Mosley, Kathryn Gigler, Liana Pears, Lauren Carlini, Aaron Rinsema, Greg Coppolo

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Call to Order, Welcome, Approval of October 19, 2021 Minutes -

Mary McKinny Flaherty called the meeting to order at 12:40 p.m. and reviewed the mission statement. While People are starting to come back to the theater there's still uncertainty. In 2022 we're raising money for key strategic priorities including the Live Music appeal where we are two thirds of the way to our goal for the whole campaign and two thirds of our way there on our Board goals. Later on during this meeting Susan will paint a vision for the next season and the vision for the organization. Mary concluded that the artform itself is the focus of the meeting today.

Due to prudent financial management and a lot of government support, PBT is in a cash position we've never seen before. This has created several wonderful possibilities, but it's also our responsibility as fiduciaries of this organization to do what we can to protect that position. We will briefly touch on this future planning through Rich, Jay, and Harris' reports.

Approval of September 14, 2021 Board of Directors Meeting Minutes

Susan Cruz made the motion, second by Kathleen Miclot, to approve the October 19, 2021 Board of Directors meeting minutes. Passed.

Appreciation Presentation to Dawn Fleischner - Susan Jaffe and Harris Ferris

Harris Ferris began the presentation. When Covid hit at the end of the 2019 - 20 season it prevented PBT's tradition of thanking our Board Chair, Dawn Fleischner, for her two years of leadership. Dawn requested that her photo be taken with *Diamonds*, which unfortunately was postponed twice. Today, however, we are able to unveil Dawn's photo, and we want to extend our heartfelt thanks to Dawn and everything she accomplished as the past Chair and as a current Board member.

Susan added that Dawn was the first person she met at PBT. Dawn's guidance and onboarding her were invaluable. It was an incredible time for Susan to learn about the organization and how to see Pittsburgh and PBT through Dawn's eyes. She's immensely grateful for everything Dawn's done for this organization. Harris unveiled a photograph of Dawn with the dancers. All of the dancers signed the picture that was taken by Rosalie O'Connor.

Dawn thanked everyone and felt very humbled by the appreciation since PBT has changed her life and her family's life. It's brought incredible art and a wonderful learning experience with all the Fleischners. She is excited to share the photo with her family.

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Financial Report - Rich Beaty and Jay Romano

Rich Beaty gave the highlights for the financial report. He noted that Mary already touched on the liquidity of the ballet, which is incredible thanks to the government support such as the PPP, SVOG, and ERT credits. We collected \$6.5M in total. Rich thanked Kelly, Shelly, and Jay for their hard work to ensure that PBT received this liquidity that has put us in the position to talk about the 2022-23 season. Rich mentioned that the *Nutcracker* ticket sales are looking very positive as they are doing better than our original forecast and that's before the discounted forecast. On the season ticket side, we are a little bit down from where we re-forecasted from historical numbers.

November 30, 2021 Financials and Cashflow Report -

Jay presented the November 30, 2021 financials and cashflow report.

Statement of Financial Position -

The cash balance of unrestricted and restricted cash totals 3.8M. Of the \$2.4M in the restricted category \$1.8M is the SVOG money. There is a special procedure we have to follow in order to utilize this money. Some of those expenses are in the future, for example, one is related to payroll over next six months. As those payrolls are incurred we'll be able to transfer that money over and utilize it in the unrestricted balances. Our current assets are at \$4M, the endowment continues to perform for us at \$10M, and the Live Music is \$ 2.72M. The Live Music appeal is its own category so that we can continue to track it.

Statement of Activities -

The next page shows the variances in subscriptions sales. Currently we're around \$416,000 sales and we projected \$424,000, so there is still a possibility that we hit our goal. As Rich mentioned earlier the *Nutcracker* sales are doing well. We are 88% of the way to our goal with several selling days left until the end of the run.

The positive variance under salaries, wages, and fringe benefits due to the savings incurred from hospitalization. We budgeted for a large increase that never happened. There is a negative variance from GNA, but this comes from things such as the consultants we hired for strategic planning and the search for the new development director. This search is being funded so it is being offset with an increase in special projects. We are projecting a \$2M surplus at the end of this fiscal year.

Statement of Cashflow -

We are in a strong cash position which should continue through the remainder of the fiscal year.

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Doug Kreps asked what PBT is paying for the line of credit. Jay answered that we are paying prime, which averages \$2,500 a month. Doug asked if he considered just paying it off? Jay responded that PBT is waiting for the RACP funding, and in fact we just heard from them yesterday that it's proceeding through Harrisburg so there is some movement.

Artistic Director Presentation of 2022 - 23 Season - Susan Jaffee

Susan Jaffe presented the 2022 - 23 Season. Looking into this next season we're going to a brand of PBT by bringing in fresh, full, and challenging works. Having a mixture of masterworks, the classics, dramatic works, and innovation is how we bring the art form forward. Today we have an opportunity to add works by dance masters and innovators that can bring PBT into the future thanks to the legacy paved by PBT. Susan believes that offering our audiences extraordinary choreography and high caliber dancing will bring them back to the theater again and again. This happens through marketing such as word of mouth and visibility on social media, but also through educating our audiences in a meaningful way. Susan's aim is to get more people into the theater to see us dance. One way Susan plans to accomplish this is by partnering with CMOA by piloting a lecture series this spring. There will be two to three lectures a year with the Carnegie Museum and the Music Hall. This lecture series is based on Guggenheim's Works in Process where New Yorkers for the past thirty-five years have been able to see, hear, and meet some of the most acclaimed artists in the world. We plan to hold these lectures on Thursdays at the Carnegie Museum since they are already opening their doors until 8:00pm for young people to have a glass of wine and look at some art. The goal is to not only educate our subscribers, but also capture that younger audience. By having these lectures when the choreographers are here coaching and or creating works, it will help generate excitement, provide a deeper dive into the creative process, and give ample time to buy tickets to our performances.

The repertory we're bringing in for the 2022 -23 season has a mixture of classical ballet, contemporary ballet, and dramatic works that will delight our audiences, challenge our dancers, and increase their capacity as artists. This season is classic, both cerebral and innovative. With PBT's commitment to IDEA in mind, this season Susan looks to appeal to a wider swath of audience goes. For example, the *Dracula* production in February is a performance we believe will appeal to the LGBT and goth communities. Other works, like the *Sleeping Beauty*, are not only family and sensory friendly, but are beautiful for all ages. This season has something for everyone.

We will open our season at the August Wilson Center and the working title for this program is *Storytelling in Abstractions*. This program is really thought provoking and narrative in nature with each of the three works. The first piece is Nacho Duato's *Duende*, meaning "elf" in Spanish. Highly attentive to Debussy's music, the choreographer visualizes forms, making an almost sculptural piece in which body and movement are in perfect accord with the sound.

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Next is *Exiled* by Helen Pickett that Susan described as a dance play. Anna Kisselgoff (former critic) of the NYTimes said that Helen Pickett is one of the most in-demand contemporary dance makers of her generation. Her internationally-acclaimed choreography has become known for its ability to enliven the senses and create connections between the dancers and the audience that are intimately palpable, uniting them on a shared physical, sensual and emotional journey. The *Exiled* is her first narrative ballet, a piece inspired by the Existentialist movement that will tell the story of three characters, trapped by their unwise life decisions and the two Reckoners that make them pay the price with eternal conflict. Lastly is a work by Goyo Montero titled *Alrededor No Hay Nada (Around There is Nothing)*. This work is a strikingly original piece of choreography danced to music by singer/songwriter Joaquin Sabina and poet Vinicius de Moraes. The title poem is a list of body parts. Here the movement phrases are separated by darkness and silence as the dance is delivered in skillfully structured bite-size chunks related to the Spanish text. The partnering work is aggressive, as bodies are thrown and caught, but contained by a steely intensity and an unwritten code semaphored between dancers. For the holidays will be at the Benedum for Terry's *Nutcracker* and there will be a sensory friendly performance and student matinee.

Moving into spring, we will perform Michael Pink's *Dracula*. Michael Pink is the artistic director of The Milwaukee Ballet and has been at the helm for 20 years. A review of *Dracula* in the Milwaukee Magazine in 2018 wrote:

"Pink's talent for translating a nuanced narrative with movement is unparalleled, particularly when he's blessed with an original score by composer Philip Feeney, a trusted collaborator for more than three decades. The movement and music are so symbiotic and naturally intertwined, it would be easy to believe this ballet had just been created. Many of the traditional story ballets we know and love today tend to use a format which unapologetically halts the story for a series of variations aimed at displaying technical ability. In Pink's *Dracula*, however, virtuosity is embedded in the narrative. Each solo and pas de deux serves to advance the story; every moment is intentional. Like the Bram Stoker masterpiece, this *Dracula* is carefully crafted to endure time and age, indefinitely."

Last week Denise Mosely had a discussion with Mr. Pink about how to market this production. He said this ballet not only brings out ballet goers, but also brings out the LGBTQ and the Goth communities. These groups who would not normally come to the ballet are attracted by this dramatized version of *Dracula*.

In April will be the Master Works Program at the Benedum. The Master Works Program is full of athleticism, classicism, strength and beauty. We start the program with a work by Christopher Wheeldon. Mr. Wheeldon has created and staged productions for many of the world's major ballet companies. We will be performing his signature work, *Polyphonia* (meaning "many voices"). "Romantic with comic twists" is how Christopher Wheeldon describes his

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ballet set to ten piano pieces by György Ligeti. The second work in the Masters Program is "1st Flash" by Jorma Elo with Music by Jean Sibelius. Power, energy and athleticism are paramount in choreographer Jorma Elo's ultra-modern "1st Flash." This work joins elegance, style, and speed with agility. We conclude the Masters Program with George Balanchine's *Theme and Variations*. Balanchine describes this work as "An intensive development of the classical ballet lexicon. *Theme and Variations* was intended to evoke that great period in classical dancing when Russian Ballet flourished with the aid of Tchaikovsky's music." Susan mentioned that this ballet is deathly difficult and very exciting. This will not only increase our dancers' technique by working on it, but it will wow our audiences with daring, classy, and athletic choreography.

Back on the Benedum stage is *The Sleeping Beauty* by Ronald Hynd. Mr. Hynd's rendition of *The Sleeping Beauty* (which is regarded as the ideal classical ballet) is a happily-ever-after experience for all ages. From fairies that really fly, to the Prince's awakening kiss, and an imperial wedding celebration, each moment of *The Sleeping Beauty* faithfully portrays the beloved fairy tale with grand storytelling, magnificent sets, and gorgeous costumes.

Last but not least, we will be collaborating with the PSO for three performances in June on the stage of Heinz Hall with Susan's *Bolero*. This is the beginning of what we hope to be a series of wonderful collaborations with the PSO in the future. These performances are during the time of the PSO's presenter's conference where we hope to inspire those presenters to bring us to dance performances in front of orchestras across the country.

There were no questions on the Artistic Director's presentation of the 2022 - 23 season.

2022 Budget Presentation - Harris Ferris

Harris Ferris preserved the 2022 budget. He thanked Susan for her amazing and inspiring report. Harris Ferris thanked Liana Pears and Greg Coppolo for organizing this meeting and setting up the studio and Zoom. He recognized the department heads that are present and thanked them for submitting their written reports.

This week on Friday is the sensory friendly *Nutcracker*. PBT's first sensory friendly performance of *The Nutcracker* was in 2013 and he's proud to say that PBT was one of the first organizations to make an experience for families that feel ostracized because they have a child on the spectrum. This event is treasured by PBT and Harris thanked the board for their support and those who volunteer their time to help make this performance possible.

PBT has entered the vitally important second quarter of fiscal year. He is happy to echo the wonderful update from Jay regarding *The Nutcracker*. We're currently at \$1.18M in sales which is 87% of our goal with over 20,000 tickets sold. Of the 20,000 tickets sold 7,000 of those came for our first weekend. We have twelve remaining shows with fifteen more sales days. We are at 77% of our subscription goal for the year, which is outstanding considering the fact that we

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were unable to start subscription sales until June when historically these start in February. The total for subscription sales is \$408,000 for this current fiscal year, and some of this is from the deferred revenue from the previous fiscal year.

Susan just gave a wonderful presentation of next season that includes two full length ballets that are new to Pittsburgh and this gives us a great marketing opportunity. Our fifth program with PSO is already generating excitement and we've already received several donations for this show.

Today we will not be going into detail for the show P&L since there is still some work that needs to be done, but there is great potential here. Compared to other seasons we have faced some more challenges, but have raised one third of the money that's needed to underwrite this season.

As for the development report, Harris welcomed back Lois Wholey who is helping complete the Live Music campaign. In the two weeks she's been here she's already raised \$61,000. While PBT received a lot of government support, Harris reminded the Board that PBT was able to hit the bottom line thanks to the Development team hitting all the categories of fundraising: foundation, individual, Board, corporate, and special projects. Harris shared a dynamic chart that shows the progress of the Live Music appeal for both the Board and the overall progress. Please see here for the link:

<https://www.pbt.org/documents-for-board-of-directors/live-music-appeal-progress/>

The Live Music fund already made \$60,000 in interest this past quarter, and once we hit the \$6M mark it will generate about \$300,000 a year which will cover our two orchestras. Other development departments highlights include contributed revenue where PBT has raised \$6.5M against a \$9.7M goal and PBT is still in the process of searching for a new Development Director. A few additional grants recently came in from RK Mellon for \$350,000, the Laurel Foundation for \$60,000, and a significant amount from Edith Trees.

Next, Harris recognized the unfortunate passing of Dr. Fu. A couple weeks ago Harris spoke with Hilda since PBT would love to do something to honor Dr. Fu, but Hilda is not ready to be in the spotlight yet and would like to think about it. Susan Jaffe and Harris suggest that the opening for Swan Lake can be a tribute for Dr. Fu with a possible reception afterwards if approved by Dr. Fu's family.

Harris briefly went over the PBT School report. Enrollment is down by 37%, but Margie, Aaron, and all the School faculty have done a tremendous job keeping the School running despite the challenges from Covid. A positive highlight for the School is that we have so many children participating in *The Nutcracker*.

PBT also has several special projects that are multi-year with one of those being the SAM 450. We did receive \$250,000 from RAD to fund our mobile stage over the next three years. We're

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exploring some collaborations going forward that will fulfill that promise with the outdoor stage, including the Cultural Trust who is looking to host another event similar to the *Lights On!* program they held in September.

Staff updates include Jenna Bodnar joining the marketing team in media relations and Jordan Duberow in development who manages institutional partnerships and reports to Kelly Englert. Unfortunately Christine Wingenfeld has left for a position with the Cultural Trust, so we'll still be working with her. While we will miss her, we're proud and happy for her. As mentioned earlier, MCA is helping with our search for a new Development Director and expects to have candidates in early February.

In terms of staff trainings, senior managers and a few of their direct reports participated in the first of two project management sessions and later this week on Thursday senior leadership will meet to continue strategic planning conversations. During the strategic planning meeting the goal is to begin narrowing our focus on specific visionary projects we want to accomplish through actionable objectives. Some key areas for the strategic plan include: expanding performance venues, rebuild and recalibrate the School, sharpen PBT's identity and brand, cultural tourism, remaining innovative especially in terms of streaming and digital content, a Black Box theater, and having a fortress balance sheet where the \$2M surplus will move into the balance sheet.

Greg shared the participants on the Zoom call on the two monitors. Everyone lauded Sandi Nicholas for a fabulous Gala.

There were no questions on Harris' report.

Adjournment -

There being no further business, Mary McKinny Flaherty adjourned the meeting at 1:30pm.

Submitted by, Harris Ferris

Approved by, Betsy Teti