

PITTSBURGH BALLET THEATRE

Meeting of the Board of Directors

Wednesday, April 20, 2022

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

PBT Studios and Via Zoom

Meeting Minutes

Board of Directors in Attendance: Mary McKinney Flaherty, Betsy Teti, Rich Beaty, Shelley Taylor, Beckey Torbin, Dona Hotopp, Melonie Nance, LeRoy Metz, Susan Cruz, Janet Campbell, David Tuthill, Beth Brown, Stephanie Sciuillo, Sarah Pietragello, Geoffrey Bond, Barbara Cottrell, Connie Cesario, Dena LeMar, Jim Crockard, Sandra Nicholas, Debra Dermody, Camera Bartolotta, Steffie Bozic, Kathleen Miclot , Michael LaRocco

Board of Directors Not in Attendance: Peggy McKnight, Winthrop Watson, Dawn Fleischner, Carolyn Byham, Celia Gerard, Doug Kreps, Edwin Beachler, Carolyn Byham, Jay Costa, Natalie Mihalek, Richard Rauh, Guy Reschenthaler, Lisa Saperstein, Vincent Silvaggio, Hillary Tyson, Joseph Vincent, Vonda Wright, Philip Barr, Austin Davis, Ayana Teter, Mary Finger

PBT Leadership in Attendance: Harris Ferris, Susan Jaffe, Jay Romano, Denise Mosley, Kathryn Gigler, Liana Pears, Lauren Carlini, Aaron Rinsema, Curtis Dunn, Margie Grundvig, Kristin McLain, Aziza El-Feil, Lois Wholey

TABLE OF CONTENTS

- I. Call to Order, Welcome, Approval of February 16, 2022 Minutes
- II. Financial Report
 - A. March 31, 2022 Financials and Cashflow Report
- III. Executive Director Search Update
- IV. Executive Director Report
- V. Artistic Director Report
- VI. PBT School Report
- VII. Marketing Report
- VIII. Education and Equity Project Transformation Team Report
- IX. Adjournment

PITTSBURGH BALLET THEATRE

Call to Order, Welcome, Approval of February 16, 2022 Minutes -

Mary McKinny Flaherty called the meeting to order at 12:02 p.m. We have a delightfully packed agenda today, including some major fundraising announcements and artistic details regarding *Swan Lake*.

Approval of February 16, 2022 Board of Directors Meeting Minutes

David Tuthill made the motion, second by Susan Cruz, to approve the February 16, 2022 Board of Directors meeting minutes. Passed.

Financial Report - Rich Beaty and Jay Romano

Rich Beaty highlighted that the ballet is in a great place on the liability side of the balance sheet because there virtually aren't any. There is some outstanding debt associated with RACP that's a timing gap. The ballet remains in a good cash position as well. In terms of the statement of activities there has been minimal change since the last Board presentation. He did note that the Executive Committee discussed where we are in the budget process for next fiscal year and have run into revenue challenges. We may shift some of the one time proceeds from an anonymous donor that weren't utilized this past year because it was distributed because of Covid and we have the ability to appropriately shift those into the next fiscal year. We have not done so yet, so this will not be reflected on the statement of activities in your packet, but there's a \$600,000 delta as a result. Rich asked Jay to provide further details on the finances.

March 31, 2022 Financials and Cashflow Report -

Statement of Financial Position -

Our current assets continue to be strong at \$3.846M and are made up of 85% cash. Our endowment and Live Music fund are at \$10.3M, which is up slightly by about half a percent. As of March 31 our total assets are at \$27.4M. Our accounts payable are at \$147,000. The outstanding RACP money through PNC of \$835,000 will be paid off once we receive the RCAP grant from the state of Pennsylvania. PBT's deferred revenue is at \$656,000 that's basically made up of monies that we're starting to collect for next fiscal year. A little over half of that money is School revenue that's been collected for the ISP program and last month we kicked off the 2022-23 subscription campaign. After one month we've collected \$150,000 towards 2022-23 subscriptions. History shows that we should be at 85% of the goal by June 30. Our goal currently is \$529,000, so our goal and target is to have \$450,000 collected by June 30 for the 2022-23 subscriptions. Historically we've struggled to hit our goal if we're not at 85% by June 30, so we'll keep our eye on this number.

PITTSBURGH BALLET THEATRE

Statement of Activities -

The revised goal for *Here + Now* ticket sales was \$33,500, and we ended at \$30,000. He noted that it's amazing how one line item, such as the cancellation of *Alice* back in February, does to the variances. For example the negative subscription variance of \$209,000 where \$144,000 is due to the cancellation of *Alice*. The same thing can be said for the expense side of the budget where there's a positive variance \$362,00 in direct production expenses, and \$351,000 of that number is a result of the cancellation of *Alice*. We're currently projecting a surplus of \$2.2M.

Statement of Cashflow -

The bottom row is our ending cash number, and virtually all year we've been in an amazing cash position. We have a few big events coming up, such as *Swan Lake*. Our single ticket sale goal is \$358,000 and we're a little over half of the way to goal. If everything goes according to plan we should end the year with \$1,723,000 in cash in the bank.

It's been PBT's goal to take any monies we've collected for next fiscal year and set that money aside so when we start a new fiscal year we'll have that money ready. What might change is the deferred income and prepaid expense, depending on what gets collected between now and June 30.

There were no questions on the Financial Report.

Mary thanked Rich and Jay for their excellent and thorough analysis.

Executive Director Search Update - Rich Beaty and Dr. Melonie Nance

Dr. Melonie Nance reported that they're working with MCA, David Mallette, and his group. We've met with them regularly and finished the position description. We're already getting a significant amount of interest according to David. Now we're moving ahead and communicating with the stakeholders to meet.

Rich mentioned a few milestones and key dates of the process. By mid May MCA should have a list of recommended candidates. As mentioned previously we have assembled an eleven person committee composed of Board members, Susan, and Jay to get the position profile document completed, which Laina and Lauren have if any Board member would like to see it if they haven't already. Once the document was completed, MCA distributed it into the world of candidates and posted it to the appropriate professional sites. At the end of May we'll have our phone virtual interviews for first round candidates where we'll create a candidate profile for our final candidates. In mid June we'll hold in-person interviews similar to what we did for the Artistic Director search and Liana will help schedule those. We did receive feedback from the

PITTSBURGH BALLET THEATRE

senior management team that during the Artistic Director search we didn't reserve enough time for some of those interviews and as a result things felt a little hectic. For these live interviews we've asked MCA to reserve an extra day and a half to allocate additional flexibility there. Otherwise our timeline is set to get us our next Executive Director by mid July.

Mary thanked Rich and Melonie for their efforts. Additional details will be provided when available in a separate meeting. Mary acknowledged Harris for his leadership of this organization and that as a result of his diligent work he has several exciting announcements.

Executive Director Report - Harris Ferris

Harris Ferris mentioned that during the February meeting he had seven goals he intends to accomplish before his departure on June 30 including, the completion of the next strategic plan, completing this fiscal year with a surplus, 7 goals supporting strat. Plan, completing F22 complete with surplus, delivering on the *Nutcracker* grant, completing the Live Music fund, and delivering on the promise of the mobile stage, the tribute to Dr. Fu, and supporting the efforts for a balanced budget for FY 2022-23.

With respect to funding Senator Bartolotta has some exciting news to share. She is thrilled to announce that PBT is the recipient of a \$487,000 grant for job training that will allow students and apprentices to dance in productions for PBT. She is sad to hear Harris is leaving, but is grateful for him introducing her to the world and letting her contribute to the success of PBT in any way she can. She believes this grant will go far in extending the vision and mission of PBT.

On March 31 the Strategic Planning Committee met and had a great meeting with the senior managers who covered different aspects of the four pillars they felt responsible for. He thanked Dena and Winthrop for their continued leadership and guidance. He met with Ayana last week, PBT's incoming chair, to brief her on the progress of the plan. The next steps are to elaborate on the timeline and key performance indicators, incorporate more of the dancers' voices, and ensure that Susan's artistic vision is penetrating throughout the plan. We'll be carrying some objectives from the previous plan into this one, including refining PBT's identity. PBT has partnered with the Advisory Board for the Arts (ABA) to define PBT's core values through a series of workshops and Mary had the opportunity to attend the most recent one.

During the February 16 meeting Harris was able to report that we were at \$5.3M with \$675,000 to go for the Live Music appeal. Lois, along with several others, have been working with Harris to complete this fund. Now we are at \$5.45M with \$548,000 to go meaning we are at 91% of the goal.

We will be reprising our successful Open Air June 9-12 and making use of our mobile stage thanks to Curtis, Susan, and Kati. This is the beginning of a wonderful partnership with

PITTSBURGH BALLET THEATRE

Allegheny Shores and the Mosites company who have a vision for an amphitheater along the beautiful banks of the Allegheny River.

The tribute to Dr. Fu will be held during *Swan Lake* on May 13. We're working on putting together a video similar to the one we did for Patricia Wilde. We'll be dedicating the performance to Dr. Fu and Hilda will also be in the audience.

Harris said that he's here to answer any questions and help with the search. His hope is that the next Executive Director can bring attributes that he might not have brought and that he's extremely grateful for his time here.

RESOLUTION: Approve Acceptance of McCune *Nutcracker* Grant and *Nutcracker* Reserve Fund Policy

Harris and Mary read the McCune Resolution that was included in the Board packet.

Mary noted one thing that is not stated in the resolution which is that Mr. McCune himself didn't want any recognition when he established this. Publicly this is an anonymous gift, so when we talk about this gift we as Board members should be mindful not to disclose the source of the funding is from the McCune Foundation.

LeRoy Metz congratulated Harris' work and the enormous importance of this money for the future of PBT. He's grateful that this will allow Susan to move ahead in the creation of a new *Nutcracker* which he knows audiences will be thrilled to see. He did ask Mary if she could provide additional details on paragraph seven of the resolution. Mary answered that we have an obligation to put \$500,000 into the reserve fund and then each year we put in an amount that's consistent to historical 10% of *Nutcracker* revenues into the reserve fund. McCune then asked that we include their standard reserve fund and policy language which allows us to withdraw funds at our discretion beyond those required contributions that can be used toward capital expenditures related to the funds. For example since the new *Nutcracker* is a high tech production we can update equipment such as the projectors provided that we remain on track to meet the goal set forth in the resolution that we have \$3.2M in fifteen years we can use these funds. Mary can circulate more detailed documents after this meeting.

Rich added that there is a committee for the new *Nutcracker* to work through the different milestones, production process, and how the money will be spent.

Mary recognized Kelly Englet, Jay Romano, Susan Jaffe, and Curtis Dunn. Harris thanked Mary for her help in making sure all of the legal requirements were met.

PITTSBURGH BALLET THEATRE

Barabara Cotrell made the motion, second by Stephanie Scullio, to approve the resolution to approve the acceptance of the McCune Foundation grant to support *The Nutcracker* and *The Nutcracker* reserve fund policy. Passed.

Artistic Director Report - Susan Jaffe

Susan Jaffe excitedly announced she officially finished the last piece of choreography for *Swan Lake* two days ago, and will discuss further later in her report. In the new strategic plan on the artistic side of things we are working on a three year production budget in order to have the ability to project, get marketing materials ready, and to know that all the production elements needed are prepared. Sometimes the production elements can trickle in and become more expensive than we originally planned, but with a three year production budget we can look at all the production elements and know what we can afford. This will give Curtis and his team a much longer timeframe to know the production costs as well as artistic licenses. Currently Susan has planned out two years out of repertoire and Bob and Curtis are working on those budgets. Also repertoire can be used from this year into 2024-25 and she plans on dispersing this repertoire so that audiences will see both familiar and new productions. Seeing the dancers grow from this kind of work, such as the August Wilson Center, has been deeply gratifying for her. Of course, Susan is mindfully ensuring that our repertoire continues to be diverse. She wants to include more women choreographers, not leaving out the men of course, and diverse pieces. She explained that being in the audience at the August Wilson Center was so special because of how inclusive it felt and everyone was enjoying the performance since there was something for everyone.

Another aspect of the strategic plan is continuing to work closely with Denise and team on branding. I want to make sure they completely understand each new work and choreographer that is coming and why it's important to Pittsburgh, why it's important to our dancers so that they have a complete view of how to market our upcoming performances. This will continue to rebuild our brand as we look to the future, which is a mixture of exceptional classics along with neoclassical works and innovative repertoire. This is a wide array of offerings to the public and makes our dancers that much more versatile.

Susan is very excited for the upcoming 2022-23 season. We are making a ballet to be in alignment with the *Violins of Hope* in October of 2022. This ballet will be set during the Holocaust featuring the true story of Florence Warren. She was a Jewish dancer living in Paris that hid from the Nazis by dancing for them, meanwhile she helped to hide other Jewish people in her home, and then finally she came to the U.S., got married and she passed away just recently a few years ago. Susan asked Jennifer Archibald to tell this story, who is extremely excited to work on this piece. We will also use projections and LED panels that we'll be working with for *The Nutcracker*.

PITTSBURGH BALLET THEATRE

In terms of IDEA and our strategic plan, Susan's aim is to not only get excellent dancers, but to bring more diversity to the Company. One of our apprentices, Sujanya Dhillon, is now a full Company member. Susan is excited to welcome three new apprentices: Noah McAuslin, Maria Eduarda Pinto, and Ariana Chernyshev. Ariana is a PBT School success story as she started her training from Pre-Ballet all the way through the Graduate program and is now a PBT apprentice. One other dancer, David O'Matz, was given a full Company contract. He is originally from Pittsburgh, but went to the Orlando Ballet last year because Susan didn't have space for him then. She was thrilled to be able to offer him a spot this year since he's a gorgeous dancer who she believes is worthy of Boston, San Francisco, and the like.

Finally, Susan wanted to mention that the team around her has been absolutely amazing - Mariana, Stephen, Bob, Missy, and Yolland. Susan specifically mentioned how Yolland put together a thumb drive that has the entire score of *Swan Lake* on it so that the répétiteurs could be in different studios to rehearse. Brian Stephens, a dramaturg, is helping Susan tie up any loose ends for the story of *Swan Lake*.

There were no questions on the Artistic Director report.

PBT School Report - Ayana Teter, Margie Grundvig, Aaron Rinsema

Aaron Rinsema began the School report with an update on the School's spring performance. The School team is revising the plans initially made in the fall of 2019 to present a residency at PNC Theater Pointe Park University of Pittsburgh Playhouse. This has been scheduled for the week of May 23 with four performances during that week. The first two performances on May 26 and 27 will spotlight our Student Division students. The final two performances, both on May 28, will spotlight and pre-professionals dancers. Additionally we decided to add a post performance light reception on May 27 as we've recognized that there is a need for more social gatherings for students and families.

Before providing programmatic details for the spring performances, Margie Grundvig mentioned that there are 22 students who've had a chance to learn *Swan Lake* with Susan. Half of these students are understudies and half will be performing. Janet and Margie were there in the beginning when Susan staged the second act and thought it was the perfect opportunity to take Susan's staging and put it on the graduate students. The students who are performing with the Company will perform some of the soloist and principal roles with the School. The Student Division will perform a piece choreographed by Eun Young Ahn and it will be with live music. The Student Division's format will be a bit different than previous years since they'll perform the classical part in the first act and then the jazz part in the second act with the professional parts interspersed throughout. Joanna Schmidt, one of the Company members, started choreographing on the graduate students in the fall that will also be part of the spring performances. Lastly, we will feature one of PBT's new apprentices, Ariana, who actually

PITTSBURGH BALLET THEATRE

performed *Swan Lake* with the Tulsa Ballet and was offered a contract with them, but ultimately came to PBT.

Aaron mentioned that tickets went on sale last week and is happy to send them the link so they can purchase their ticket to at least one of the upcoming spring performances.

We've also begun preparations for our summer programs. We've got a full slate of programmatic offerings for two full months opening June 13 and spanning to August 12. Enrollment for our Children's and Student Divisions opening March 1 and so far registration looks great. Currently about 115 students are registered, but it's too early to provide a detailed enrollment analysis and projection, but we're happy to see the direction enrollments are trending.

Margie added that she's optimistic since it seems like there was a trend for Children's division that we saw with our Sunday programming which has really picked up. We're continuing these one off Sunday programs for the Children's division that are engaging more children. Then for the first time we've had to open up two sessions for our junior intensive program that is a condensed three week program and we already have 30 students enrolled.

Aaron then looked ahead to the pre-professional summer programs. Company Experience looks to be a really nice, robust program. In the fall we recalibrated the size of the program to align more appropriately with the name and intention of the program. This summer we will have 60 dancers enrolled in Company Experience. The good news is we also recalibrated the tuition side of it, so from a tuition and revenue standpoint the projections are close to where we initially budgeted prior to the recalibration. There will be fewer dancers in dorms so there will be a negative variance there, but we'll also have several expense savings.

Margie commented during those two weeks we really try to replicate what the Company is doing. We'll have new choreography, a Company dancer will come in to also do some new choreography, and we'll set various classical repertory. Additionally, thanks to an introduction from Susan, we're bringing in Alexander Brady and Rika Okamoto from Twyla Tharp Dance who will be doing a joint choreography piece that involves all the dancers.

To conclude the School report Aaron touched on ISP enrollment. We've been reporting that enrollment for this program so far has been low and slow as compared to pre-covid years which remains the case as we look at it today. We have around 140 dancers enrolled as compared to pre-covid years of about 200 dancers, so there is a bit of a variance this year. There will be some expense savings in areas such as transportation, supervision, dormitory related costs, and on the studio and artistic side there will be additional cost savings with it being a smaller more compact program compared to prior years.

There were no questions on the School report.

PITTSBURGH BALLET THEATRE

Marketing Report - Denise Mosley

Denise Mosley gave the marketing report starting with *Swan Lake*. The marketing team along with Susan have recorded choreography videos to educate audiences about the artistic process. We've been highlighting these videos in our email outreaches as well as featuring them in our social media. This year we tried something different for our digital and display marketing for this show called Discovery which gives access to targeting ads on both Google and non-Google platforms. This means that anyone who searches something similar to the ballet of *Swan Lake* will see those ads. Another benefit of working with this company is that they provide us with a direct report of the revenue we generate through that market. We're also planning to use this same method for the subscription campaign. Currently we're tracking at \$150,000 in subscription revenue for the 2022-23 season. Another part of our strategy is launching six big acquisition and renewal mailings for our subscribers with special attention to our lapsed subscribers. In terms of ticket sales for *Swan Lake* for single and group tickets we're at \$190,826 as of yesterday. Lastly Denise noted that a monthly School marketing meeting has been established to ensure that the marketing team is properly promoting all the amazing events happening in the School.

There were no questions on the marketing report.

Education and Equity Project Transformation Team Report - Kathryn Gigler

Kati Gigler highlighted some of the Education team's most recent programming collaborations, both virtually and in person, such as Phipps Conservatory Botanical Ballet and Pittsburgh Symphony Orchestra's Fiddlestick Concert. PBT was once again selected for participation in Boost, Pittsburgh Public's Schools' summer enrichment program in July as well as Mark Morris Dance Group's upcoming international Dance for PD Community Festival.

In terms of upcoming work we've got a packed slate for *Swan Lake* educational programs including a series of digital panel discussions featuring partners such as dance historian Elizabeth Kay, the University of Pittsburgh, and World Affairs Council Pittsburgh.

Kati then provided a few updates for the Equity Project Transformation team. The Community Youth Scholarship audition is expanding this season with two auditions. One audition will target children ages five to nine and the second auction will target older children up to age thirteen and possibly fourteen. We're excited that this will give more children the opportunity to join the program. We've also expanded the financial accessibility of it as well, so it's now 135% of free reduced lunch. We're also working with the School to streamline scholarship accessibility across departments to allow more opportunities to more students regionally and nationally. Another highlight is the series *PBT Then & Now: Documenting Diversity* oral histories from

PITTSBURGH BALLET THEATRE

Ernest Tolentino and Charon Battles. Finally Kati mentioned that a priority area is IDEA planning in the strategic plan that she highlighted in her Board documents.

There were no questions on the education and equity transformation team reports.

Mary thanked everyone for their hard work and the wonderful reports.

Adjournment -

There being no further business, Mary McKinny Flaherty adjourned the meeting at 1:04 p.m. and hopes to see everyone at *Swan Lake*, the School performances, and at the annual Board of Directors Meeting on June 15.

Submitted by, Harris Ferris

Approved by, Betsy Teti