

PITTSBURGH BALLET THEATRE

Meeting of the Board of Directors

Wednesday, September 14, 2022

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

PBT Studios and via Zoom

Meeting Minutes

Board of Directors in Attendance: Mary McKinney Flaherty, Dona Hotopp, Becky Torbin, Peggy McKnight, Janet Campbell, Kathleen Miclot, Ayana Teter, Betsy Teti, Rich Beaty, Melonie Nance, Susan Cruz, Jim Crockard, Geoffrey Bond, Dawn Fleischner, Connie Cesario, Debra Dermody, Shelley Taylor, Sandra Nicholas, Doug Kreps, Sarah Pietragallo, David Tuthill

Board of Directors Not in Attendance: Carolyn Byham, Edwin Beachler, Jay Costa, Natalie Mihalek, Richard Rauh, Lisa Saperstein, Vincent Silvaggio, Hillary Tyson, Joseph Vincent, Austin Davis, Mary Finger, LeRoy Metz, Beth Brown, Camera Bortolotta, Celia Gerard, Winthrop Watson, Stephanie Sciuillo, Dena LeMar, Barbara Cottrell

PBT Leadership in Attendance: Denise Mosley, Dr. Kathryn Gigler, Liana Pears, Lauren Carlini, Curtis Dunn, Margie Grundvig, Aziza El-Feil, David Hammond, Kristen McLain

TABLE OF CONTENTS

- I. Call to Order, Welcome, Approval of June 15, 2022 Minutes
- II. Financial Report
 - A. August 31, 2022 Financials and Cashflow Report
- III. Executive Director Report
- IV. Building a Workplace Culture Based on Opportunity and Inclusion
- V. Artistic Director Search Update
- VI. School Report
- VII. Executive Session
- VIII. Adjournment

PITTSBURGH BALLET THEATRE

Call to Order, Welcome, Approval of June 15, 2022 Minutes -

Mary McKinny Flaherty called the meeting to order at 12:02 p.m.

David Tuthill made the motion, second by Dawn Fleischner, to approve the June 15, 2022 Board of Directors meeting minutes. Passed.

Financial Report - Rich Beaty

Rich Beaty remarked that the balance sheet remains strong despite our lower endowment as the markets have pulled back. The \$8.6M endowment invested compares nearly to where we were back in June 2020 at the height of the pandemic. While it was at \$10M at the height of the pandemic, it's still in line with prior covid numbers. As mentioned in prior Board meetings the government support we've received has greatly helped cover expenses. We have two minor liabilities – our AP and some debt that's earmarked with payback sources from the government that we are still waiting to receive.

Mary noted that the \$4M in the cash and cash equivalents is related to *The Nutcracker* funds and that the Live Music Appeal funds are held separately.

Generally speaking we do have concerns that we've highlighted in the past that are becoming closer to reality, particularly with respect to season ticket sales. A comment we made at the last meeting was about having an exciting season line up that Susan created that might translate to additional ticket sales, but as we know Susan isn't available to promote this season. Additionally we're struggling since this season isn't family friendly. We do hope that we can make up some of this revenue in single ticket sales particularly with the *Nutcracker* and *Dracula*. We're also considering adding a family friendly package to promote *The Nutcracker*, *Dracula*, and *Sleeping Beauty*. We are near historic lows for ticket sales this season, but we do have some savings on the expense side that somewhat offsets this such as the savings incurred by not paying for an artistic director and leaving Alejandro's position unfilled. This \$167K savings falls under the line item salaries, wages, and fringe benefits. We are projecting that we will be getting back into the line of credit in June which has been a historic process for PBT in terms of the financials and cash cycle.

Executive Director Report – Dr. Kathryn Gigler

Dr. Kathryn Gigler thanked the Board for their continued support and mentioned that in her recent meeting with the RAD committee they noted that PBT has one of the most engaged Boards in Pittsburgh.

To begin her report she touched on Marketing and Development updates and opportunities. As Rich highlighted, subscriptions are hitting us the hardest although we're seeing this affect

PITTSBURGH BALLET THEATRE

arts organizations nationwide. We are continuing to creatively find ways to address these issues such as introducing flex passes that allow subscribers to have the flexibility to build their own ballet package. We hope to partner with other cultural peers to bolster ticket sales for everyone. For example, we plan to work with the CLO around A Christmas Carol and *Nutcracker* promotions.

Our focus has shifted to single and group ticket sales, especially for *The Nutcracker* and *Dracula*. Though it's early, *Dracula* tickets are already tracking well. Since *Dracula* lends itself well to Halloween, we're planning some "grassroots" marketing this October.

We are working with the Advisory Board of the Arts (ABA), a performing arts consulting service, on a perception study. We'll be rolling this out next week and believe this data will be useful for our conversations, especially amidst this time of transition.

Dawn Fleischner asked who the study is being sent to and Kati answered it will be sent to everyone on PBT's distribution list.

Shelley Taylor asked if the Cultural Trust sends out notifications of PBT's productions. Kati said that PBT does collaborate with the Shared Services and the Cultural Trust in several ways. Next month a piece will be distributed advertising two productions for each of the shared services partners. For us those two shows will be *Nutcracker* and *Dracula*. Following Shelley's question, Dawn asked if the August Wilson Center promotes our productions. She hopes for a stronger partnership with them. Kati hopes that we can be stronger partners and do more cross promotional collaborations in the future as right now we are mainly working with the resident companies.

In terms of the School we are still forecasting lower enrollment overall, but we do have an increase of 33% in the Children's Division. Kati commended Margie for her work with the Byham House as we initially had eight students there, but we are now at a full house with 16 students. The School budget is looking good when compared to 2018-19 and the good news is we broke even with the ISP.

Another exciting initiative is that relaunched the Community Division last week as Dance and Wellness. We will be adding more inclusive movement styles, expanding the catalog of dance genres, and offering audience education programs. The classes have been doing very well.

As a reminder, Pointe in Time is November 12 this year. Invitations will be sent within the next couple of weeks and single tickets are already available for purchase. Instant wine cellar auction We've started hearing back from our major corporate partners such as Delta, PNC, and UPMC Health Plan. We've already brought in \$187K. As per tradition we will be offering the instant wine cellar as one of the auction prizes since it's a crowd pleaser. Kati invited everyone to

PITTSBURGH BALLET THEATRE

donate a bottle of wine and said that more information would be coming soon on the wine gathering parties.

In terms of Artistic updates, the Company is back and hard at work. The Exiled set has been set up in studios D&E. Unfortunately Goyo Montero is unable to travel to the U.S. this season, however we have successfully negotiated to bring his piece here next season. For this season Yoshi Nakano will be choreographing a piece. This is especially exciting since he's working with the cast of dancers who aren't included in other pieces, meaning that *Storytelling in Motion* will feature every Company dancer. One other note with the Company is that there is another choreography opportunity for them to submit ideas and concepts for a *Dracula* themed piece for Pointe in Time and one will be selected. In terms of artistic planning we will of course work closely with the new artistic director as well as using perception studies and other long-term data to construct both a realistic and attractive season for audiences would like for 2023-24 and 2024-25.

PBT was awarded the status of a vibrant champion by Vibrant Pittsburgh last month. There were 75 organizations that submitted an index and only 11 received the vibrant champion designation. PBT was the only arts and cultural organization to earn this achievement.

Kati is excited to have PBT's new Director of Development, David Hammond, on the call all the way from Austin, Texas. He will be joining us on October 17.

Mary asked Kati if she could explain more about the community division rebranding. Kati answered that we are using the model from Ballet Austin who is the industry leader in wellness. They have an incredible open division, which again focuses on well-being versus fitness. PBT has also already been able to leverage this for different sponsorship opportunities. The Pilates studio is also reopening to the public with an event on Sunday which everyone is welcome to attend.

Building a Workplace Culture based on Opportunity and Inclusion – Dr. Kathryn Gigler and Lauren Carlini

As you all are aware the third pillar of our strategic plan is to build a workplace culture based on inclusion and opportunity. Today we wanted to look more deeply into what this means for PBT.

Compass, a long-term HR partner with PBT, conducted a cultural assessment specifically around artistic practices this past May and shared the results with PBT leadership in August 2022. The report was structured such that it identified first areas of prioritization and on positive global themes, areas of opportunity, and finally recommendations.

PITTSBURGH BALLET THEATRE

The positive cultural themes include: an engaged board of directors seeking to implement the actions and cultural initiatives required to create a more inclusive organization, the presence of a transition committee focused on IDEA, and a renewed focus on marketing and pending strategy around social media utilization. The recommendations we received are things PBT has been working on prior to this assessment. Three of the main recommendations are to create a culture of support and transparency at PBT, including increasing collaboration between the administrative and artistic functions, creating time for company member training and development, conducting psychological safety training, and ensuring access to an impartial conduit for voicing concerns and bringing forward potential violations of code of conduct and/or other PBT policies, increase focus on and awareness of self-care, mental health, and employee needs, and create more comprehensive communication across the organization such as town hall meetings, cross-functional newsletters, and opportunities to celebrate the accomplishments of individual employees.

Coming out of those recommendations are several topics that we are working on in a specific nature. The first being to establish a culture of support and transparency. This includes language changes such as "leader" and "team member" instead of "supervisor" and "employee." We are also implementing regular standing executive and human resources director office hours. Second is strengthening trust between administration, artistic team, and the Company. We really want to deepen collaboration between artistic and administrative functions and increase communication with AGMA counsel and representatives. The final two goals are refocusing attention on IDEA progress and organizational training and prioritizing health, including physical health, injury prevention, and mental health. PBT will be working with WorkPartners, an EP, which will provide a number of benefits to all PBT team members (including part-timer team members) such as up to six in-person or virtual one-on-one sessions with a trained counselor and access to a myriad of training courses.

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

Mary gave the artistic Director search update on behalf of Rich and Dr. Nance. There were 45 formal applications. All of these candidates were highly qualified and had lots of enthusiasm and excitement about the position, PBT, and Pittsburgh. The search committee met last month to review the top 15 candidates with MCA and narrowed it down to nine to be interviewed via Zoom. The search committee completed these video interviews last Friday. We met as a committee last night to review the nine candidates and are hoping to bring in four finalists for on-site interviews. We are still working on selecting the finalists since there's such an extraordinary set of candidates and we want to make sure that we're bringing in the right people.

Also in this process we're working with Ayana Ledford from Carnegie Mellon University who is their associate director of diversity, equity, and inclusion. As an external consultant, she has

PITTSBURGH BALLET THEATRE

been helping us view things through a DEI lens to ensure that we are screening the candidates without biases and how we're engaging with the candidates throughout the process. The plan is to select the four finalists within the next week, bring them to PBT for two days to meet the Board members and PBT team members, and hope to make an offer soon after that. The dates of the on-site interviews are TBD and will be communicated once they're nailed down. The start date of the chosen candidate will depend on contract negotiations and his or her available start date. We do not have plans for an interim artistic director at the moment, but this could change if the selected candidate cannot start until next summer.

Janet Campbell shared her concerns for the timeline of planning the next season without an artistic director. Mary answered that there's a skeleton for next season as Susan planned most of the 2023-24 season before she left. Kati added that the new artistic director would be able to be in conversations regarding season planning before they officially start. There's enough space for them to bring their own identity even if they are not living in Pittsburgh yet. Shelley mentioned that the committee considered the sense of urgency vs. finding the right person and everyone agreed it would be better to have the process extend the original timeline in order to find the right person. Margie explained that when she spoke with the Company earlier today they are in good spirits and working hard. They do not feel directionless or sense of urgency to bring in a new artistic director.

School Report - Ayana Teter and Margie Grundvig

Ayana Teter is proud to announce that Sarah Pietragello will be transitioning into the role of the School Committee Chair starting today.

Margie thanked Ayana for everything she's done as the School Committee Chair and looks forward to working with Sarah. The good news is that enrollment is trending upward. The summer Children's Division was at 180 students for this year, which is near 2018's pre-pandemic numbers. As Kati mentioned earlier we are up 33% from this time last year and have reintroduced the Children's Division in-person. We had a robust August in terms of marketing with an open house that had a record number of people in attendance. The Student Division is also doing well with 125 currently enrolled compared to 2018 with 144 enrolled students. The Pre-Professional Division was doing well throughout the pandemic and continues doing well. We are putting lots of momentum into advertising next summer. Last year was when we introduced the School's own social media channels and we are excited to use this for different promotion opportunities.

We're also implementing more wellness programs through UPMC with injury prevention information and several additional resources and contacts for our students. This week we have two Chatham counselors here to talk about stress management and positive psychology and mindfulness. We'll be continuing to bring in these kinds of experts to discuss things such as nutrition and other wellness topics throughout the year.

PITTSBURGH BALLET THEATRE

We're implementing two new things programmatically in the fall starting with an in studio demonstration in November for the younger Student Division. This will also be available virtually so families can participate as well. On November 4th we'll begin student choreography. *Nutcracker* auditions begin next Saturday and we believe the Covid policies will be similar to last year, but a bit more relaxed.

Dr. Melonie Nance asked about School staffing and if someone will send communications out for *Nutcracker* like last year? Margie answered that there will be. She explained the restructuring of the School. Laura Caton is now manager of operations in a similar role to Aaron. Alanna Rygelski was at the front desk and is now school operations coordinator and she will send communications on behalf of the School. Our new front desk manager is Natalie DelVecchio-Wolfe and on September 1 Autumn Lenze started doing registration which was previously Laura Caton's position. That is the personnel update and It's extremely exciting to be fully staffed in the School. Dr. Nance thanked Margie and commented that things are working well on the website and the google docs and is a great resource to keep parents updated.

Dawn added that she's excited for the November performance since not all of the students are able to be involved in *Nutcracker*. It's very exciting to watch your child dance and it makes a huge difference to parents. She thanked Margie for adding this into the schedule.

Mary thanked PBT for work throughout the summer and ended the meeting by going into an executive session at 1:05 p.m.

Executive Session

An executive session was held.

Adjournment

Submitted by, Dr. Katheryn Gigler

Approved by, Betsy Teti