

# PITTSBURGH BALLET THEATRE

Meeting of the Board of Directors

Wednesday, June 15, 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, Winthrop Watson, Janet Campbell, Stephanie Sciallo, Kathleen Miclot, Ayana Teter, Betsy Teti, Rich Beaty, Melonie Nance, Susan Cruz, Jim Crockard, Geoffrey Bond, Michael LaRocco, Dawn Fleischner, Celia Gerard, Connie Cesario, Dena LeMar, Debra Dermody, Barbara Cottrell

Board of Directors Not in Attendance: Carolyn Byham, 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, Sandra Nicholas, Mary Finger, David Tuthill, LeRoy Metz, Beth Brown, Sarah Pietragallo, Shelley Taylor, Camera Bortolotta, Steffie Bozic

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

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## VIII. Adjournment

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

Mary McKinny Flaherty called the meeting to order at 12:02 p.m. and reminded everyone to please sign the conflict of interest form that was distributed with the meeting materials. We are in the midst of a period of transition, transformation, and renewal. One transition being Harris formally passing the baton to Dr. Kathryn Gigler, PBT's current Director of Education and Community Engagement, who will be the Acting Executive Director effective July 1, 2022. After reviewing the agenda Mary asked for a motion to approve the minutes from the April Board of Directors meeting.

### Approval of April 20, 2022 Board of Directors Meeting Minutes

Donna Hotopp had one revision on page five that the first line in the McCune Resolution section should read "Harris and Mary." Liana Pears will make this correction.

Dona Hotopp made the motion, second by Janet Campbell, to approve the April 20, 2022 Board of Directors meeting minutes with the amendment that Dona Hotopp requested. Passed.

### Executive Director Report and Welcome - Harris Ferris and Kathryn Gigler

Harris Ferris began the Executive Director's report by listing several recent PBT accomplishments such as Open Air and *Swan Lake*. He's been focusing on seven key areas as he wraps up his 15 year tenure at PBT. These include assisting in the completion of the 2022-25 strategic plan, maintaining at least a seven figure surplus, fundraising efforts for the \$3.5M *Nutcracker* and the \$6M for Live Music, utilizing the mobile stage, the tribute to Dr. Fu, and lastly he's earnestly supported the efforts to balance the budget that will be presented later today. Finally, I've been working closely with Kati Gigler to ensure a smooth transition which includes introductions to several of the foundations, donors, and patrons. In regards to the budget, one of the items to help balance it is an assumption of a \$300,000 gift coming from the legislature under marketing to attract tourism. Next Harris touched on fundraising strategies. The main strategies that PBT utilizes successfully to market the ballet are artistic excellence both on stage and in the studios and economic impact including job creation, capital projects, and tourism. Harris advocated for a greater focus on tourism to explore how PBT's mobile stage could be taken to more remote locations to draw in audiences. A third case for the ballet is quality of life even to the point of health. We already have several programs we've secured funding for such as Dance for Parkinson's. Lastly, Harris thanked all the great people at PBT and will be leaving knowing that Kati is surrounded by a strong leadership team.

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Kati has had the opportunity to work with most of the Board members and looks forward to working with those she hasn't yet. Over the past three years her focus has been on creating inclusive environments for all our audiences and stakeholders, and she's excited that this is a core part of the new strategic plan. This inclusive environment was obvious at Open Air where

18 different performing arts groups and schools around the region had the chance to perform. Kati provided an overview of the upcoming programs such as ISP, Company Experience, and the Gala on November 12, 2022. She mentioned how great it is to work somewhere like PBT and shared that during Open Air one of the Mosites team members approached her and said that it looks like she really gets a lot of joy working at the ballet and working with all these people and she thought this was such a nice observation. Additionally, working through and now coming out of a pandemic Kati thinks that being able to work and lead a work environment where joy is still the lexicon is really important. She's really excited to work with all the Board members and looks forward to the days ahead.

Mary thanked Harris for his tremendous work and mentioned that a few of the Board members are organizing a more formal celebration for Harris early this coming fall. She welcomed Kati in her new role as acting executive director and looks forward to continuing working with her.

## Artistic Director Report - Susan Jaffe

Susan Jaffe gave the artistic director report. It was extremely difficult for her to decide to leave PBT to take on the artistic helm of ABT. That job was truly the only job that could have taken her away from here. Otherwise no amount of persuasion could have dragged her away from PBT. She has loved working with everyone and becoming friends with quite a few Board members. She gave a special thank you to Dawn and Mary for all of their support to onboard her here at PBT and to understand the organization on a deep level.

In regards to Covid, she worked closely with the dancers, HR, and the dancer's union to create a safe space to return to work. This really helped us to create trust and build a space where we could all feel comfortable and liked to work. This also allowed Susan to help the dancers retrain in a way that gave them more coordination, confidence, and power in their technique.

PBT pivoted to digital programs. Three highlights for Susan are storyboarding *A Midsummer Night's Dream* that aired on KDKA TV, acting as the point person for treatment and music/scene cuts for *Fireside Nutcracker*, and the filming of *Bolero* at Carnegie Museum. Digital Programs were filmed at WQED and Susan had an amazing experience learning about splicing each cut together and working with a filmmaker. We had a total of 58,107 digital performance views and were able to bring much more awareness to PBT and what we're doing. This also created other non-conventional performance opportunities in the Hall of Sculpture including seven shows of *Dracula's Kiss* in October over Halloween weekend and five shows of *Bolero* over Valentine's Day weekend. And of course our mobile stage brought wonderful

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performance opportunities as well as opportunities to offer the stage to other arts institutions in the community.

She's also had the wonderful opportunity to bring the apprenticeship program with the full support from Leslie and Hans Fleischner. It not only paid for their entire salaries with fringes,

but also offered college degree courses for the apprentices and they all grabbed on that opportunity with relish. This program raised the level of awareness in the US and abroad

through advertising and social media and brought some students to the school. We've had approximately three hundred fifty applicants each year.

She's also had the pleasure of working closely with the PBT School. She brought the ABT/NTC to the school which was funded by Dawn and Chris Fleischner. This was for faculty development and brought a deeper training to the faculty—especially for the teachers teaching the younger students. Additionally, she had bi-weekly meetings with Margie and Aaron and monthly meetings with the School Committee. Another project was helping to facilitate the Company Experience to perform at Hartwood as a way to bring more value to the intensive summer program and to bring a wonderful performance opportunity to the students. That performance is coming up on June 26<sup>th</sup> so I hope you all come. Tommie Kesten and Colin McCaslin will perform Don Q pas de deux with the students and we will have all the usual offerings at Hartwood, including the picnic.

In regards to programming for PBT she kept diversity in mind and brought new works to Pittsburgh. She worked with diverse choreographers and showcased many female choreographers like Helen Pickett. In her programming she also made sure to include a mixture of classical and contemporary works. This season also allowed her to choreograph her first professional full-length ballet, *Swan Lake*.

She's enjoyed getting to know the people of this community and has been inspired by the other artists of this community for all the amazing things they have accomplished, and the high-quality art that comes to Pittsburgh. This city is very lucky to have such a vibrant arts community.

Pivoting to the staff at PBT, Susan first thanked Harris. The first thing she saw from Harris was his leadership throughout the pandemic and how he pulled PBT out of it in a financially stable way. His creativity and fundraising brought us the mobile stage and allowed PBT to continue to perform and thrive when so many other arts organizations were shuttered. She's so grateful to have worked with and learned from him and is proud of their many accomplishments. She wishes him all the best in his new adventures. Next, she thanked Jay who is the rock of this organization. His incredible attention to detail and his wisdom has kept us thriving. He was instrumental in getting us over \$2M of the PPP and Shuttered Venue loans. The Marketing

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Team, Devo, Production, Costume shop, Education and IDEA, HR, and the Artistic staff have been a real joy to work with. They are top-notch and they have raised the bar in her world. In the future, she will have high expectations in all of these departments. She will miss them all when she departs in November. Last but not least, Susan is incredibly proud of the dancers. Their dedication, hard work, and desire to grow has been an incredible inspiration. Working with them has been nothing but pure joy.

Finally Susan touched on Hartwood Acres, ISP, and the new season as well as the three-year budget that's being created. A lecture series at the Carnegie Museum is also in development

as well as continuing the process for the Point Park/PBT joint degree. In 2023, Susan is excited that PBT will partner with the PSO for *Bolero*, and the *Violins of Hope*. Jennifer Archibald will choreograph the story of Florence Waren, a Jewish dancer who survived and thrived during the Holocaust.

There were no questions on the artistic director report.

Mary thanked Susan for her tremendous accomplishments and reminded the Board that Susan will be here for the next few months.

## Financial Report - Rich Beaty and Jay Romano

Rich Beaty began the financial report. It is a highlight of these meetings for him to introduce Jay, who is an integral if not the most integral part of keeping PBT together with his leadership. He also announced that Jay's role has been elevated from Director of Finance and Operations to Chief Financial Officer.

PBT's cash position has remained the same mostly due to the government support we've received over the past two years. We currently show a strong balance sheet, and as a result of this funding we will show a surplus for this year. Despite the government support, there were still several challenges with respect to the 2022-23 budget. We started with a negative \$2M and thanks to the hard work of the Finance Committee and Jay we were able to work towards a balanced budget that we will be proposing to you all today. One of the biggest challenges is the difference between wage and production costs. The wage issues are not new and the current economic situation has only compounded the issue. In 2018-29 we budgeted \$4M for wages, and increased this by 25% for the 2022-23 budget. While wages and production costs continue to increase our revenue is not increasing at the same rate, so we will need to think about ticket pricing, revenue structures, and most importantly the impact of the School. Rich is confident that Kati and Jay's leadership will address the issues of the School as an immediate priority. Since there were no questions, Rich asked Jay to provide the detailed financial report.

*Approval of 2022-23 Budget -*

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Jay Romano gave additional details on the 2022-23 budget. Next season's budget spending plan is similar to this season's. As Rich mentioned earlier, the main difference is the government funding line. We had to look for other sources of funding in order to present a balanced budget this afternoon, and we're happy to be able to do so and we're confident that we can make any necessary adjustments as next season unfolds. We see a lot of potential in ticket sales with the exciting lineup of productions Susan has planned for 2022-23. There are many opportunities as we look at this budget. Curtis Dunn has done an excellent job with rentals this year and we hope to see that continue. As Rich mentioned, we'll look at the School and Gala numbers to see if there's anything we can do to help offset any shortfalls that we see coming down the road in the next twelve months. Jay looks forward to working with someone as talented as Kati.

There were no questions on the 2022-23 budget.

Winthrop Watson made the motion, second by Donna Hotopp, to approve the 2022-23 budget. Passed.

## *March 31, 2022 Financials and Cashflow Report -*

### *Statement of Financial Position -*

Jay continued that the ending of the fiscal year aligns with the projections we had. Our strength right now is in our balance sheet, especially our current assets. Our season has concluded with only one program left at the end of June, Hartwood Acres.

### *Statement of Activities -*

Minimal changes have been made in the statement of activities.

### *Statement of Cashflow -*

At the end of the fiscal year PBT will have \$1.7M in the bank.

### *Live Music Resolution -*

Mary covered the Live Music Resolution, which is similar to the one completed for the new *Nutcracker*. This resolution formally establishes the Live Music Fund. As a Board in late 2018 or early 2019, we agreed to move forward with fundraising for live music. This is a project that Harris helped to create with the support of an anonymous donor for a \$3M matching gift that has now come to a close. This is agreeing to accept those funds and manage them as a long term endowment. This was passed by the Executive Committee on May 16, which is why there are already signatures on the resolution. Therefore this is being recommended by the Executive Committee to the full Board for an affirmation of the decision made by the Executive Committee.

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Harris added that the pro forma that was created by PNC Bank suggests that it could continue to fund live music for more than 50 years based on the calculations of the 7% annual return that PNC used. This upcoming fiscal year (2022-23) will be the very first year drawing from this fund for the entire cost of live music for next season. We have almost 100% Board participation as there are a few members who will be invited to make a donation.

Before passing the resolution, Mary recognized Harris and the development team's work to complete this fund. Before Mary joined the Board the PBT and the PBT orchestra were not on good terms and live music had to be discontinued at performances because of the financial situation. Under Harris' leadership, the relationship between PBT and the PBT orchestra has vastly improved and now with this fund live music will be performed at two

productions every season. Additionally this frees up fundraising space and resources for other initiatives of the organization.

Ayana Teter made the motion, second by Janet Campbell, to affirm the resolution and establish the Live Music Fund. Passed.

## Governance Report - Kathleen Miclot and Dr. Melonie Nance

### *Board of Director Renewals -*

Kathleen Miclot gave the Governance report. The following are the members up for renewal:

1. The Honorable Camera Bartolotta (06/19)
2. Mr. Rich Beaty (09/16)
3. Dr. Geoffrey Bond (12/16)
4. Ms. Beth Brown (06/10)
5. Ms. Connie Cesario (04/17)
6. The Hon. Jay Costa (02/04)
7. Ms. Barbara Cottrell (09/19)
8. Ms. Dawn Fleischner (10/13)
9. Ms. Celia Gerard (09/19)
10. Ms. Peggy McKnight (02/10)
11. The Hon. Natalie Mihalek (12/19)

These members were already approved by the Governance Committee and are being brought to the full Board for consideration. There are four resignations for the class of 2022: Mr. Philip Barr, Mr. Michael LaRocco, Ms. Steffie Bozic, and Congressman Guy Reschenthaler. Kathleen invited Michael to say a few words.

Michael LaRocco has been on the Board for about 20 years and when he first joined he was a ballet novice. In the 20 years that he's been here he's had the tremendous pleasure of watching

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some extremely talented individuals and has made some great friends. He's served on the strategic planning committee for six years. He came to the conclusion that now is an appropriate time to step down since the ballet is in such a great position. He's ready for some new challenges, but will certainly continue to support the ballet. He is grateful for the time he served on the Board and is looking forward to seeing everyone in the future.

Mary also clarified that Representative Reschenthaler resigned from the Board as he is no longer working in Pittsburgh since he's been sworn in as a member of the U.S. House of Representatives. Additionally, Philip Barr moved to Boston which was one of the reasons he resigned from the Board.

Winthrop Watson made the motion, second by Ayana Teter, to approve the Board Class of 2022 renewals. Passed.

## *Extension of Office Positions for One-Year -*

Kathleen explained that with the amount of turnover that we've had in the top executives of the ballet, the executive committee decided to extend the officer positions to Mary, Ayana, Rich, and Betsy for one year. The Executive Committee felt like this would help keep some sense of stability and that we will get new officers when the timing is more appropriate. Like the Live Music resolution and Board renewals, the Executive Committee already voted on this and is bringing this forward today for full Board recognition.

Mary mentioned that the bylaws provide for two terms for each of our officers and that in the event the organizational need requires the additional election of an official term or a portion thereof. Each officer has served for one term, so this coming year will be the start of the second term which is consistent with the bylaws. The recommendation of the Executive Committee is that the current officers remain in their existing positions for one year with normal elections resuming at the annual meeting in 2023.

Kathleen Miclot made the motion, second by Jim Crockard, to approve the current officers remain in their positions and that normal elections will resume at the annual meeting in 2023. Passed.

## Search Update - Rich Beaty and Dr. Melonie Nance

Rich gave a summary of the search so far. At the beginning of this process the focus was on the executive director position, but after Susan's announcement the focus shifted to filling the artistic director position. Nothing has changed with respect to the priorities of how we want to approach these searches. We are still working with MCA as our consultant and they received about 130 candidates for the executive director position and then whittled that number down to three that they believed were very strong candidates. This was about two and a half months ago. Since then we've talked to those three individuals and decided to pause that process as



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we are waiting to see what happens with the artistic director search. Many executive directors want to know who the artistic director is first so they have a better understanding of this artistic vision and can formulate a plan to best support that. Rich did mention that Susan's departure to ABT has really elevated PBT's standing, and as a result we actually have eleven new ED applicants that came in even though that isn't our priority. He doesn't have the details from MCA to share at the moment, but has a call with MCA along with a search committee meeting coming up within the next couple weeks. In terms of the AD search, there are more than 40 candidates that are extremely exciting and we are also going back and reconnecting with some of the folks that were part of the original search before Susan was hired. Rich asked if Mary could share more details with respect to the diversity numbers for the search.

Mary explained that although they haven't seen the shortlist of AD candidates from MCA, they did communicate to us that there are 34 individuals, 18 of whom are women of color. This is significantly more diverse than the overall population of existing artistic directors. These are the individuals that Jason and David are reaching out to and who they believe would be a good fit for this position. Included in that list are people who are currently artistic directors of smaller organizations than PBT or who are in high positions of leadership in a large or similar organization.

Dr. Melonie Nance added that the transition of looking for an ED to an AD went relatively smoothly. Working with MCA and David is advantageous since they already have familiarity with PBT and our priorities and we've completed a search with them once already fairly recently. We don't feel like we're starting from scratch, but are bringing in some expertise to really help us hone in on the skills and characteristics we're looking for in our future AD and our organization. One final note is that MCA will be reaching out to some of our key funders just to shore up their support and make sure that they feel heard and have any questions answered.

Rich reminded the Board not to hesitate to reach out to him, Dr. Nance, or Mary with any questions or concerns. Also if any potential candidates come to mind, please feel free to pass them along to us so we can share that information with David.

## Approval of 2022-25 Strategic Plan - Winthrop Watson and Dena LeMar

Winthrop Watson presented the 2022-25 strategic plan. He first thanked Michael LaRocco for asking him to be a part of this committee and to Dena LeMar for joining him as Co-Chair. Winthrop thanked the staff and gave a shout out to Harris and Liana for helping to keep the process moving. The mission and diversity statements are strong so we kept those along with our values. Next Winthrop mentioned the four pillars document, which is being brought before the Board for approval today. Although not in the materials for this meeting, the staff also worked on a timeline document that supports the four pillars. The strategic planning committee felt that the goals of the four pillars were appropriate for this time of transition while their execution may be revised over the next few months. That document does not need Board

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approval, but is certainly something we can share in September. Winthrop then reviewed the four pillars: 1. Enhance and Deepen the Participant Experience, 2. Improve (and Sustain) Long-Term Financial Stability, 3. Build a Workplace Culture Focused on Inclusivity and Opportunity, and 4. Refine and Sharpen PBT's brand.

Rich made the motion, second by Dawn Fleischner, to approve the 2022 - 25 strategic plan. Passed.

## Accolades and Appreciation - Mary McKinney Flaherty, Ayana Teter

Mary concluded the business portion of the meeting at 1:04 p.m. Liana played a short PowerPoint presentation of some of the highlights of Aaron and Harris' tenure at PBT.

Ayana Teter said a few words of appreciation for Aaron as the Director of School Operations. It's been her pleasure working with him and seeing the different ways that he's served in so many roles. He served as a political ambassador during the past few Covid years and his work involved a creative overhaul of scheduling as PBT had to pivot to online and hybrid classes. Under his leadership the Byham House was established and he created the new database system that has revolutionized how we engage with the school. The school has changed for the better under your 15 years of directorship and we're so incredibly grateful for you and will miss you.

Aaron thanked everyone and gave an overview of his time at PBT. August will mark 15 years and he started right after Harris. When he started he soon came to realize that his predecessor had been released from her duties so the circumstances he found himself in were challenging to say the least. There was only one other person in the school office who had been hired a month or two before so a lack of manpower and systems, processes, and infrastructure that didn't exist added to the challenges. Fast forward to today, Aaron is proud of how far the school has come and the accomplishments that have been made since then including the systems and processes that have been put in place.

Since 2007 when Aaron started to pre-pandemic, PBT overall enrollment has grown more than 50% and the school net revenues have almost tripled. He was thrilled to contribute to the planning and opening of the PBT student residence (Byham House) in the fall of 2010. He was privileged to help form and implement PBT's first company experience in 2014. He had the pleasure of participating in the planning and opening of PBT's Byham Center for Dance in the fall of 2016. And overall he is proud and honored to have been a part of the leadership team responsible for the school's expansion both nationally and internationally. He's greatly enjoyed working alongside such talented, creative, and hardworking team members. It's been a pleasure getting to know and working with the Board. Aaron concluded that he sincerely appreciates his tenure at PBT having developed so many great relationships with so many over the years.

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Mary presented a photo of Harris with all the dancers at Swan Lake and as a thank you and a celebration of 15 successful years of being at the helm of this organization. His innovation, passion, and vision have truly transformed PBT and some of which were highlighted earlier today. One of the biggest was transforming the relationship between PBT and the Union which has culminated in a \$6M Live Music fund. Mary thanked Harris for his vision in seeing what this campus could be and continuing to see what that can look like. There was a \$21.2M capital campaign which enabled us to build the Byham Center for Dance and of course the building we're sitting in now that was not the property of PBT, but was the property of the Pittsburgh Ballet Theatre Foundation. Thank you Harris and Celia Gerard among others for ensuring the confidence that we had the strength and security as an organization to maintain this building as an asset which then enabled us to realize certain RCAP funds. We are beyond grateful for everything you've done for Pittsburgh Ballet Theatre.

Harris shared his gratitude to everyone and a bit about his time at PBT. When he first started he did everything he could on his own, but has come to realize that he can't do any of this by himself. This organization has so many talented people. There's a certain point while working at PBT how much is on everyone's shoulders and that really makes you appreciate the hard work and dedication of the team around you. He is grateful to have worked with the senior management team and several Board Chairs throughout his tenure.

Several Board members also shared their appreciation for Aaron and Harris.

**Adjournment -**

There being no further business, Mary McKinny Flaherty adjourned the meeting at 1:25 p.m.

*Submitted by, Harris Ferris*

*Approved by, Betsy Teti*