

UTAH SYMPHONY | UTAH OPERA
FULL BOARD MEETING
NOVEMBER 15, 2016
MINUTES

Attended: Jesselie Anderson, Doyle Arnold, Mark Davidson (musician), David Dee, Kristen Fletcher, Matthew Holland, Tom Jacobson, Tyler Kruzich, Tom Love, Paul Meecham, Dave Mortensen, Bill Nelson, Ted Newlin, Dave Petersen, Carol Radinger (USG), Pat Richards, Lissa Stolz (musician), Naoma Tate, Tom Thatcher, Kim Wilson, and Thomas Wright attended in person from the Elected, Ex-officio and Lifetime Boards.

Staff members present included: Jeff Counts, Thierry Fischer, David Green, Steve Hogan, Lance Jensen, Christopher McBeth, Jon Miles, Leslie Peterson, Michael Spassov, and Toby Tolokan. Julie McBeth was present to record the minutes.

I. Consent Agenda: Board of Trustees Chair David Petersen conducted the meeting. He introduced Matthew Holland, Tyler Kruzich, and Lissa Stolz attending their first meeting as board members. He asked if there were any questions about or changes suggested for the September 2016 board meeting minutes attached as the Consent Agenda. Upon a motion duly made and seconded, the minutes were approved as submitted by unanimous vote.

II. Artistic Update: Utah Symphony Music Director Thierry Fischer shared that when he and the musicians came together for rehearsal after the summer, they continued to feel the enduring spirit of the fantastic 75th Anniversary special projects and noticed the collective confidence they gained together through the successful execution of those projects. He noted this spirit has remained through the five Masterworks concert weeks already completed this year and that the form of the orchestra seems stronger than ever.

Mr. Fischer reported that a live recording is being captured at the current week's concert featuring the music of Prokofiev and noted the challenges and rewards of recording, including the great exposure the orchestra has received nationally due to recent recordings. He shared that Hyperion has taken notice of the progress of the Utah Symphony and recently approached him with a collaboration suggestion to record and release all five of the symphonies of Saint-Saëns.

Mr. Fischer noted the biggest challenge facing the continued artistic evolution of the orchestra will be motivating the wonderful musicians who join the Utah Symphony to see Utah as a long-term location for their careers and lives. He added that many of the more than 35 new players who've joined in the last several years have been young musicians in the early stages of their careers and he would like to continue the growth of the full ensemble and develop a fantastic collective rather than become a 'stepping stone' orchestra where young musicians to start their careers before moving to other opportunities.

Mr. Fischer concluded his report by sharing that a group of Utah Symphony musicians will be traveling to Haiti in April to help with a music education project for the youth of that country and those musicians asked if he would be willing to join them to conduct the final concert. He continued that the schedule aligned with a few days he had available, so he is pleased to be joining. USUO President & CEO Paul Meecham noted a flyer detailing local fundraising events hosted by ModernWest Fine Art gallery and Susan Swartz Gallery that will support the initiative. Mr. Meecham also highlighted an upcoming MOTUS After Dark event to be held December 16th which will donate cover charge proceeds to the Utah Food Bank.

Utah Opera Artistic Director Christopher McBeth noted that the great ticket sales from the previous season have continued with the October production of *Carmen* including two sell-outs and full houses every night. He expressed appreciation to Mr. Meecham for his prioritization and support of developing plans for Utah Opera's 40th Anniversary Season celebrations during 2017/18 which he is eager to share in the coming months. He introduced a new team member who he anticipates will be important to continued success of the opera—Michael Spassov, who will prepare the chorus and serve as assistant conductor for all of the operas, will conduct this season's Access to Music Concert in January, and will provide artistic planning and auditioning support. Mr. Spassov shared information about his background and expressed excitement to join Utah Opera's industry-renowned production team.

III. Board Retreat Planning: Mr. Meecham referenced a short book he recently read written by a charismatic young museum director in Santa Cruz titled *The Art of Relevance* that examines ways in which cultural organizations are addressing how to reach new audiences while simultaneously deepening loyalty with their existing audience. He proposed that this topic might make an interesting starting point for the January 24th half-day board retreat. He directed board members to some sample questions on p. 5 of the meeting materials intended to prompt meaningful discussion. He noted that additional demographic data would be delivered in advance of the retreat to provide context for the direction the community is moving as well as what trends we might want to take into account (e.g. age, ethnicity, and/or population density of specific areas). He added that Mr. Newlin has offered to help plan a structure for the day with the goal to emerge from the retreat with a clearer idea of what longer term goals the board believes the organization should set to best serve our community.

IV. Finance Committee: VP of Finance and CFO Steve Hogan reported that the auditors from Tanner Company LLC have completed their onsite review at USUO offices and noted that the Audit Committee is scheduled to meet in mid-December to review the 2015/16 audit results. He directed board members to the financial statements on page 7 of the meeting materials and reported the 2015/16 actual is a \$281,380 surplus that, after depreciation, will show in the audit as a deficit of \$25,777. Mr. Hogan continued that the current fiscal year appears to be on track to a balanced budget with \$1 million at high-risk, and shared details regarding how the organization hopes to close the high-risk gap as outlined in the meeting materials. He then talked through the cash flow report on page 12 of the meeting materials, highlighting that there is currently just over \$1 million in the bank with all of the line of credit available and some of the annual endowment draw remaining to be taken.

Mr. Hogan noted that the finance and executive committees recommend that a recently received planned gift of \$327,000—designated by the donor for operational support—be set aside to begin a cash reserve. Mr. Meecham clarified an intention to build a cash reserve to at least \$2 million over time to prepare for the next economic downturn and noted his support for using a bequest like this to build cash rather than relying on it to support operations. Mr. Arnold made a motion to establish a cash reserve and to place the \$327,000 contribution in that reserve. The motion was seconded by Mr. Nelson and was approved by unanimous vote.

Mr. Hogan directed the committee members to page 10 of the meeting materials and talked through a Capital Expense recommendation for the current fiscal year to purchase a projector to use for concerts like the Harry Potter movies in lieu of renting. Ms. Richards moved to approve the purchase of a projector at a cost of \$100,000 to relieve the need of renting a projector for movie presentations at a cost of \$25,000 per week. The motion was seconded by Mr. Mortensen and was approved by unanimous vote. Mr. Hogan noted a second recommendation to give the Finance Committee authorization to incur an additional \$170,000 in current fiscal year Capital Expenses for purchase of chorus risers, orchestra chairs, and a truck for symphony equipment transportation at the committee's discretion. Following a discussion

regarding specifics about the condition and repair history of the truck currently owned by the company, Mr. Thatcher moved to give Finance Committee authorization to incur an additional \$170,000 at the committee's discretion for purchase of chorus risers, orchestra chairs, and a truck for symphony equipment transportation pending exhaustion of other alternatives, including purchase of a quality used vehicle. The motion was seconded by Mr. Wright and was approved by unanimous vote.

V. Investment Advisor Recommendation: USUO Investment Committee Chair Doyle Arnold acknowledged and expressed appreciation for Kristen Fletcher's leadership of the Investment Committee prior to his tenure as well as the support of the committee members, in particular Karen Urankar. He talked through the memo sent in advance of the meeting and located in pages 11-14 of the meeting materials outlining an investment advisor search process and recommending the selection of Wells Fargo as USUO's investment advisor. Following a discussion regarding the process and decision factors, Mr. Nelson moved to approve selection of Wells Fargo as USUO's investment advisor, custodian, and co-fiduciary to assist the USUO Investment Committee in management of the endowment. The motion was seconded by Mr. Newlin and was approved by unanimous vote.

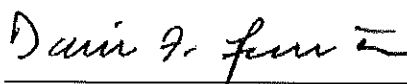
VI. Post-election League of American Orchestras advocacy: Lifetime Board Member Pat Richards relayed that each time there is an election involving change in Congress the League of American Orchestras works with other arts organizations to determine what advocacy may be needed for the health of the industry. She relayed some of the current areas of interest including tax policy—particularly to maintain charitable giving tax incentives, funding for the NEA and arts education, and immigration—especially in regard to artist visas. She asked board members for help connecting the organization with congressional leaders to advocate for policy advantageous to USUO.

VII. Other Business / Executive Session: Mr. Petersen asked if there was any additional business to discuss before adjourning to an executive session. There being no additional business, the staff members and guests present left the room and the board, including the musician representatives, discussed a contractual matter relating to a member of staff. .

Minutes Recorded By:


Julie McBeth

Minutes Approved By:


David A. Petersen, Chair