

UTAH SYMPHONY | UTAH OPERA

FULL BOARD MEETING

MARCH 21, 2017

MINUTES

Attended: John D'Arcy, Mark Davidson (musician), David Dee, Kristen Fletcher, Kem Gardner, Matthew Holland, Tom Jacobson, Frank Joklik, Tom Love, Paul Meecham, Bill Nelson, Ted Newlin, Dinesh Patel, Dave Petersen, Frank Pignanelli, Pat Richards, Joanne Shiebler, Lissa Stolz (musician), Naoma Tate, Bob Wheaton, and Kim Wilson attended from the Elected, Ex-officio and Lifetime Boards.

Guests present included: Carolyn Abravanel (Trustee Emeritus), Katie Chandler (Tanner Company LLC), Max Chang (ZAP), and Todd McKinnon (Tanner Company LLC)

Staff members present included: Carol Anderson, Jeff Counts, David Green, Hillary Hahn, Steve Hogan, Christopher McBeth, Jon Miles, Leslie Peterson, Abby Rethwisch, and Toby Tolokan. Julie McBeth was present to record the minutes.

I. Consent Agenda: Board of Trustees Chair David Petersen welcomed the board members, expressed appreciation for their commitment and time to help the organization achieve its mission, and conducted the meeting. He asked if there were any questions about or changes suggested for the November 2016 board meeting minutes and proposed change to the Utah Symphony Guild By-laws attached as the Consent Agenda. Mr. Nelson moved to approve the Consent Agenda as submitted. The motion was seconded by Mr. Newlin and, there being no questions, was approved by unanimous vote.

II. Utah Opera 40th Anniversary Season Preview Performance: Utah Opera Artistic Director shared information about the upcoming production of *The Long Walk* and encouraged board members to attend this very compelling topical opera about a soldier's return from the Iraq war. He also noted flyers detailing community collaborations during USUO's *Arts in Service to the Military* Cultural Festival, of which this opera is the centerpiece.

Mr. McBeth provided a brief overview of Utah Opera's 2017-18 (40th Anniversary) Season and introduced Principal Coach Carol Anderson and Resident Artist Abigail Rethwisch who performed an aria from *Die Fledermaus*, sung by the character she is cast to sing in the May 2018 finale of the season. Following the performance, Ms. Rethwisch shared her experience of stepping in to perform the title character in the March performances of *Lucia di Lammermoor*, replacing an ailing colleague.

III. An Evening with Renée Fleming Gala in Celebration of Utah Opera's 40th Anniversary Season: Board member and gala committee co-chair Joanne Shiebler noted that she and her co-chair Carolyn Gardner are recruiting committee members to promote the September 13th gala featuring Renée Fleming—arguably opera's most famous current performer. She shared that an experience with a previous gala demonstrated to her the credibility that a list of influential names lends to an event and asked permission to list all board members as gala committee members.

IV. Audit Committee: Audit Committee Chair Bill Nelson asked VP of Finance and CFO Steve Hogan to present the report. Mr. Hogan noted that the audit committee met in December to review in detail the draft 2015-16 report from auditors Tanner Company LLC. He introduced representatives of the firm Todd McKinnon and Katie Chandler to continue the report. Mr. McKinnon shared their opinion that the financial statements referred to in the audit present fairly, in all material respects, the financial position of Utah Symphony & Opera as of August 31, 2016, and the changes in its net assets and its cash

flows for the years then ended in accordance with accounting principles generally accepted in the United States. He noted that there were no disagreements with management during the auditing process and that they found management open and communicative. Ms. Chandler reported that as part of the audit they review the company's internal controls and found no material weaknesses, but noted a couple of deficiencies related to segregation of incompatible duties. She added that Mr. Hogan and the finance department employees implement checks and balances and have controls in place to make sure the numbers are accurately reported. Mr. D'Arcy moved to accept the audit as presented. The motion was seconded by Ms. Richards and, there being no questions, was approved by unanimous vote.

V. Great American Road Trip Tour: USUO Senior Vice President and COO David Green presented plans for a Utah state tour this coming August 28th through September 2nd similar to the 2014 tour of Utah's Mighty 5TM National Parks. He noted that the primary objectives of the tour will be to connect people through music in smaller communities across the state, including Native American tribes, and to celebrate Utah's great natural landscapes and starry skies. He presented the outline of full orchestra and chamber concerts planned during the tour and noted additional educational activities presented in collaboration with the Natural History Museum of Utah and local visitor centers as well as star-gazing parties in partnership with the University of Utah's Consortium for Dark Sky Studies. The board members noted the great national and international press received by the 2014 tour, expressed interest in a future performance at Tuacahn Outdoor Theatre, and requested to receive assignments to help with thanking donors and legislators during the tour.

VI. Finance Committee: VP of Finance and CFO Steve Hogan noted the Fiscal 18 budget narrative sent in advance of the meeting (on pages 7 and 8 of the materials) and directed board members to the draft budget on page 9. He noted differences to past presentations included to demonstrate net revenue projections and talked through contributing factors to increased expenses as well as strategies to secure additional funding. He observed that progress is being made in reducing the structural deficit, but noted the importance of finalizing a plan to eliminate the remaining amount. The board members asked clarifying questions regarding government grants included in the budget and noted interest in making sure the budget is not overly optimistic.

Mr. Hogan directed board members to pages 10-11 of the meeting materials and talked through the projected cash flow for fiscal years 17 and 18. He then noted requested capital expenditures for Fiscal 18 on page 12 of the meeting materials. Following explanation and discussion of the included items, Mr. D'Arcy moved to authorize a capital expenditure of up to \$130,000 for the development of a new website. The motion was seconded by Ms. Richards and passed by unanimous vote. Then Mr. D'Arcy moved to grant authority to the finance committee to approve up to an additional \$100,000 for chorus risers, orchestra chairs, and replacement vehicles for statewide education initiatives at the committee's discretion when there is higher confidence in a balanced budget. The motion was seconded by Mr. Newlin and passed by unanimous vote.

Mr. Hogan directed board members back to page 9 of the meeting materials and noted the organization's hope to secure board approval of the Fiscal 18 budget. Mr. Gardner moved to approve the Fiscal 18 budget as presented. The motion was seconded by Mr. Love and passed by unanimous vote.

VII. CEO Report: USUO President and CEO Paul Meecham noted upcoming events listed on the bottom of the agenda, highlighting special details about each of the performances in the coming weeks. He encouraged board members to support the Utah Symphony Guild's *A Night in Paris* special event on April 27th which is their primary fundraiser for the season.

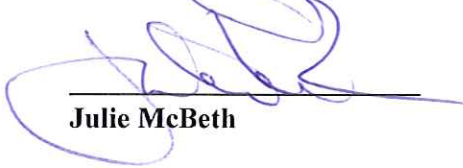
Mr. Meecham noted dates and locations of upcoming conferences for the League of American Orchestras and OPERA America. Ms. Richards and Mr. Newlin personally attested to the great opportunity provided by these conferences to learn more about the industries and what is happening with other companies as well as to connect with board peers from around the country.

Mr. Meecham reported that he is currently engaged with Thierry, Christopher, and the senior team mapping out artistic vision for the next few years to establish company focus and to help build the case for future fundraising. He shared that it is exciting to look beyond the celebrations of the symphony's 75th and the opera's 40th to imagine what the future might hold and noted that he will bring draft plans back to the board for input.

Mr. Meecham acknowledged the tradition of a CEO-recommended design subscription series for the board and shared his plans to send information about it to board members in the next couple of weeks. He noted the 2017-18 symphony and opera season brochures in the room for board members to take and added that Deer Valley® Music Festival brochures should be mailed soon.

VIII. Other Business / Executive Session: Mr. Petersen asked if there was any additional business to discuss or need for an executive session. Mr. Holland recognized the honor of Mr. Petersen being named Utah Business Magazine CEO of the Year and the board members applauded the recognition. There being no additional business, the meeting was adjourned.

Minutes Recorded By:



Julie McBeth

Minutes Approved By:



David A. Petersen, Chair