

UTAH SYMPHONY | UTAH OPERA
FULL BOARD MEETING
FEBRUARY 27, 2024
MINUTES

Attended in person: Steven Brosvik, John D’Arcy, Barry Eden, Jason Englund, Brian Greeff, Stephen Tanner Irish, Annette Jarvis, Abbie Magrane, Dinesh Patel, Claudia Restrepo (musician), Pat Richards, Barb Scowcroft (musician), Stan Sorensen, Tom Thatcher, David Utrilla, Kim Wilson, and Henry Wurts attended from the Elected, Ex-officio, and Lifetime Boards.

Attended via videoconference: George Cardon-Bystry, David Dee, Brandon Fugal, Kem Gardner, Dennis Hranitzky, Tom Love, Dave Petersen, Miguel Rovira, Shane Stowell, Jim Tozer, Jean Vaniman (Onstage Ogden), Kelly Ward, Don Willie, and Thomas Wright.

Elected and Lifetime Board members not available to participate: William Bailey, Austin Bankhead, Stewart Barlow, Judy Billings, Gary Crocker, Luz Escamilla, Theresa Foxley, Julie Aiken Hansen, Dan Hemmert, Jon Huntsman Jr., Tom Jacobson, Frank Joklik, Clark Jones, Judy Moreton, David Mortensen, Scott Parker, Frank Pignanelli, Gary Porter, Shar Quinney, Joanne Shiebler, Harris Simmons, and David Winder.

Guests and USUO staff members present in person or via videoconference: David Green, Steve Hogan, Meredith Kimball Laing, Ben Kipp, Christopher McBeth, Garrett Murphy, Leslie Peterson, Alexander Purdy, Katie Swainston, Toby Tolokan, and Gregory Walz. Julie McBeth was present to facilitate the technology and record the minutes.

I. Welcome and Consent Agenda: Board of Trustees Chair Brian Greeff welcomed the meeting participants. Mr. Greeff asked if there were any questions about or recommended changes to the Consent Agenda. Upon a motion duly made and seconded the Consent Agenda, which consisted of the draft minutes from the December 5, 2023 Special Board Meeting, the Audience Development Metrics Dashboard report, and the Private Contributions Growth Metrics report, was adopted by unanimous vote.

II. Approval of Fiscal Year 2023 Audit: Audit Committee Chair John D’Arcy relayed that the Audit Committee had met with the auditors and that no issues came up during the process. He introduced Tanner Company representatives Todd McKinnon and Jeremy Hickman. Mr. McKinnon reported that he and his associates completed and issued a clean opinion on the audited financial statements prepared by the organization for the year ended August 31, 2023. He noted that Tanner LLC was independent from the organization and did not encounter any difficulties working with the USUO finance team or the Audit Committee, whose members they found to be thoughtful and diligent.

Mr. D’Arcy reported that the Audit Committee had met with management and with Tanner Company representatives to review the financials in detail and shared the recommendation of the committee that the board approve the audited financials for the Fiscal Year ended August 31, 2023. Upon a motion duly made and seconded, the Board of Trustees voted to adopt the following.

RESOLVED, that the proposed audited financial statements for the fiscal year ended August 31, 2023 be approved for issuance.

III. Finance Committee update: USUO VP of Finance and CFO Steve Hogan highlighted changes to the FY24 projection report included in the meeting materials, noting that the finance committee had finished releasing the cash reserve as authorized by the board. He summarized the Cash Flow Projection and potential sources for liquidity included in the meeting materials.

IV. Retreat follow-up: Mr. Greeff shared that he felt the energy and conviction of all who participated in the January 8 board retreat had been enlightening and inspiring. Board member Shane Stowell facilitated additional follow-up discussion which included interest in finding a mechanism for activating member commitment between meetings and developing board-specific goals and strategies.

Mr. Brosvik talked through the information in the slide deck attached to these minutes which provided comparative industry statistics and an overview of the comprehensive campaign. The board members asked questions throughout the presentation and expressed a deeper understanding of the efficiency of the organization in creating such high-quality experiences for audiences. Suggestions were made for finding ways to effectively communicate this concept with donors, perhaps a summary of inferences drawn from the comparative data underwritten and credentialed by members of the Board.

V. Other Business / Executive Session: VP of Development Leslie Peterson introduced Calli Forsyth, who had recently joined USUO as Assistant Director of Institutional Giving. Mr. Greeff asked if there was any additional business to bring before the Board or a request to break into an executive session. There being none, the meeting was adjourned at 5:30pm.

Minutes Recorded By:

Julie McBeth

Minutes Approved By:


Board vote at May 20, 2024 meeting



UTAH SYMPHONY



Company Update and Comprehensive Campaign
February 2024



THE VALUE OF THE ORGANIZATION

Beyond the sheer value to our communities of serving 350,000 people across our state each year through meaningful and sometimes life changing performances, the breadth of our popular education programs, and our leadership as a partner in the arts community, we are a good investment for our donors' generous gifts.

- We facilitate economic impact where we perform and where we live.
- We are an ambassador for the quality of life in our state.
- We present a broad range of performances to suit most musical tastes.
- We create meaningful social experiences that connect people thru great music.
- We use the resources well.

UTAH SYMPHONY | **UTAH PERA**

Comparative Industry Statistics

Group 1 – US Orchestras

FY22 Statistical Report	USUO	Group 1 Average
Expense Budget	\$24MM	\$45MM
Endowment to Expense	1.8:1 *	3.6:1
Fundraising Expense (F/E)	\$1.1MM	2.6MM
Resulting support to F/E	16.7:1	9.1:1
Corporate Funding	\$982K	\$1.0MM
Foundation Funding	\$2.3MM	\$5.7MM
Board Giving	\$2.3MM	\$6.6MM
Marketing Expense	\$1.7MM	\$3.2MM
M/E ratio to resulting sales	4.1:1 **	5.7:1
Fundraising as % of income	77%	66%
Sales as % of income	23% **	34%

* In 2021, this was 1.60

** Hence our Strategic Plan Audience Development/Mktg Investments

ECONOMICAL
OPERATION

3

Comparative Industry Statistics

Group 1 – US Orchestras

FY22 Statistical Report	USUO	Group 1 Average
G&A Expense	\$3.4MM	\$6.6MM
FT Admin Staff	59	75
PT Admin Staff	18	50
FT Orchestra Musicians	81	81
Board membership	58	57
Volunteers	501	421
Total Assets	\$59.6MM	\$219.1MM
Assets to Budget Ratio	2.5:1	4.9:1
Population of SLC MSA	1.3MM	5.0MM
Pop of Wasatch Front/Back	2.8MM	5.0MM
Cost of Living	100%	103.9%

USUO Economic Comparison

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4

Comparative Industry Statistics

Group 2 – US Opera Companies (expense \$3MM - \$15MM)

FY23 Annual Field Report	USUO - Opera	Group 2 Average
Income	\$595k **	\$7.3MM
Expense	\$2.3MM	\$7.0MM
Capacity sold	46.5% * **	52.1%
Productions	4	3.4
Performances	16	16
Sales as % of income	28%	19%

* Hence our Strategic Plan Audience Development/Mktg Investments
 ** Lost 4 of 5 (R)evolution of Steve Jobs performances due to illness

Top 5 Most-Produced Works Nationwide:
 Carmen, La bohème, Magic Flute, La traviata, Tosca

We have produced two of them in the past two seasons

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MARKETING EFFORTS
PROGRESS REPORT

Metric	FY23	FY24 Target	FY24 YTD
Total Revenue	\$6.4MM	\$7.1MM	\$5.0MM
Avg Ticket Price	\$41	\$43	\$40 **
Subscriber Retention	62%	69%	70%
New to File	15,357	15,000	7,699
Added Mktg Invest			\$500k
YOY Tkts Sold by 10/31			\$500k
YOY Tkts Sold by 2/15			\$1.0MM
FY24 Projection 2/15		\$7.818	(\$104k)

** Projected at \$43 by end of season following Deer Valley performances

THE PAST SEVERAL SEASONS

- “Pivot” – Adapted and continued performing
- Strategic Plan Completed and active
- Incredible performances and impact across state
- Programming focused to drive sales and attendance
- Music Director Search
- Focus on Staff Culture
- Orchestra Musician negotiations
- Marketing and investment for audience development
- Endowment via gifts and market recovery is back to \$48MM
- Launched quiet phase of campaign
- Annual Fundraising holding strong / building the team for campaign
- Institutional decisions to extend runway and prepare for campaign

Utah Symphony | Utah Opera Comprehensive Campaign

7

USUO NEED

- Legacy is valued - real impact and quality is not understood
- Broader understanding of our impact and what it means to properly fund an arts organization like ours
- Largest arts organization campaign in state history

	Current	Goal
Annual Operating gap to solve	\$1.5-2MM	
Operating Expense to Endowment	1:1.9	1:4+
Endowment Value	\$48MM	\$100MM
Annual Draw	4%	4%
Reliable Annual Fund (ind, corp, fndtn)	\$9MM	\$10-12MM
Development Staff Members	8	staff for campaign
Audience Development a large factor		

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8



ACTIVE DECISIONS DURING PANDEMIC

Used PPP/ERTC/SVOG for intended purposes
Ongoing giving, continued performance, and reduced expenses allowed:

- 'Escrowed' future ticket sales
- No endowment draw for two seasons
- Reduced endowment draw %
- Creating Operating Reserve knowing we would need it now
- New Strategic Plan
- Prepped Board for campaign

USUO COMPREHENSIVE CAMPAIGN

Four Components of \$150-\$200 MM campaign

- \$50 Million Annual Fund
 - \$50 + Endowment
 - \$50 + Capital to support hall renovation
 - Early Funding goal \$7-10MM
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CURRENT STATUS

- Quiet Phase
- Campaign consultant engaged
- Internal working committee in place
- Several 8- and 7-figure gift conversations underway
- Several 7- and 6- figure board pledges in place
- Hall masterplan concepts in pricing
- Negotiating naming rights with the county for recognition opportunities.

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UTAH SYMPHONY | UTAH PERA

11

CHALLENGES

County owns and operates Venues

Challenges balancing County's focus

Hall opened in 1979 and needs upgrades

Donors question why give to renovate county facility

Endowment NOT the preferred giving area

Preferred arts giving is to annual fund

Universities and Hospitals focus on naming, scholarships, and programs

Rapidly Growing Market

Growing social Issues to solve

2034 Winter Olympics

MLB Expansion Team

Early entrepreneurial focus

Entrepreneur giving and multi-generational giving not ensconced

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12

FUNDING OPPORTUNITIES

- *Madama Butterfly* Project
- Artistic Projects Fund
- MD Announcement Fund
- Thierry Fischer Mahler Weeks February '25
- David Robertson Creative Partner
- Film Series and Films Festival weeks
- Elizabeth Brown Dee Fund for Music in the Schools
- Naming of Positions (musicians, conductors, staff)
- Board Challenge

UTAH SYMPHONY | UTAH PERA

FOR QUESTIONS OR PATHS
TO SUPPORT THE CAMPAIGN
PLEASE CONTACT

LESLIE PETERSON OR
STEVE BROSVIK

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