

UTAH SYMPONY | UTAH OPERA  
ANNUAL GENERAL MEETING  
NOVEMBER 19, 2009  
MINUTES

**Attendance:** Pat Richards, Chairman, J. Richard Baringer, Blaine Carlton, Kathy Carter, James Clarke, Gary Crocker, John D'Arcy, Ray Dardano, Lisa Eccles, Chip Everest, Jerry Fenn, Kristen Fletcher, Jim Gulbrandsen, Richard G. Horne, Dan Johnson, Frank Joklik, Lee Livengood, R. David McMillan, Judith Mitchell, O. Don Ostler, Dinesh C. Patel, Chase N. Peterson, Mark Prothro, Melia Tourangeau, Shirley Van Wagenen, Judy Vander Heide, Jim Wall, M. Walker Wallace, Bob Wheaton, and John Williams. Ariel Bybee, David Salisbury, Jeff Shields and Ardean Watts attended from the Honorary Board. Carolyn Abravanel and Warren (Sandy) McOmber attended from the Trustees Emeriti Board. Carol Browning, Natalie Munk and Robert Wadley (Ernst & Young), Terry Nagata, Michael I. Poulter (The Private Client Reserve at U.S. Bank), Dr. Clifford Reusch, and Dorothea Smart attended as donor/guests. Kevin Bentz, Carey Cusimano, David Green, Steve Hogan, Melissa Mathews, Christopher McBeth, Jeannine Orr Leslie Peterson and Susanne Sheston attended from staff. Julie McBeth was present to record the minutes.

**I. Welcome and Consent Agenda:** Ms. Richards welcomed Board members, Lifetime Board members, Honorary Board members, Trustees Emeriti, USUO donors and guests and thanked everyone for their interest in Utah Symphony | Utah Opera.

**II. Performance by Violin Students of the Utah Symphony Guild Outreach Program:** Ms. Richards noted performers are invited to present at this meeting as a reminder of why we all dedicate time and support to USUO. She asked Shirley Van Wagenen, Utah Symphony Guild President, to introduce the performers. Ms. Van Wagenen shared the Guild is a service organization which does much more than host events to raise financial support for the Symphony, they also support a number of education programs including the Youth Guild, Fifth-Grade Docent Concert preparation and a music outreach program. She asked Maxine Beckstead, who organizes the music outreach program, to introduce the students who were at the meeting to perform. Ms Beckstead shared the students are provided with violins and after-school lessons twice a week; the program is organized by a committee of volunteers and all enjoy their involvement. The students performed a few short pieces.

**III. 2008-09 in Review and Today Moving Forward:** Ms. Richards asked Ms. Tourangeau to present a review of the 2008-09 season and the plans of the organization to move forward. Ms. Tourangeau began that it was one of the most challenging years of her career. It was a year of crisis – shared by the world, a year of success – success that our peers around the country did not see, and it was a year of tests - to gauge how strong we really are as an organization.

*A Year of Crisis.* USUO began the 2008-09 season with a challenge. At the Board retreat on September 4, 2008 the Board made a commitment to a \$100 million Comprehensive Campaign. Little did anyone know that lay ahead as that commitment was made. Between October and March six opera companies closed their doors; orchestras began opening contracts to ask for give-backs from their musicians; and contingency plans were developed at USUO that Ms. Tourangeau never imagined would have to be implemented. The current business model of arts organizations is being challenged and sustainable change is a phrase that continually arises. At the League of American

Orchestras Mid-Winter Manager's meeting in New York in January the conversations were some of the most sobering of Ms. Tourangeau's career – simply because all knew something must change, but didn't know how. At that point, she knew the contingency plans needed to be enacted fully and fast. The staff cuts made in February were the hardest professional decision she's ever made. The staff took the cuts with grace and with commitment to the organization. It is the most dedicated staff in the country, and the fact that they were willing to stick this out, holding their heads high, is a testament to their character. Ms. Tourangeau thanked the staff for their great commitment to the organization.

Ms. Tourangeau noted our musicians have been willing partners and collaborators in our work this past year. She is proud of the fact that USUO was the second orchestra to come to terms with our concessions, and soon after us, every orchestra around the country changed their contracts in some way to respond to the recession. For our musicians to take this leadership role in the industry was phenomenal. Ms. Tourangeau thanked the musicians for their dedication to the organization and leadership in the industry.

*A Year of Successes.* The celebration of Keith Lockhart's tenure with the season closing performances of the Bernstein Mass demonstrated not only Keith's strengths as a conductor, but also the special nature of our organization to be able to produce this type of event, and the community's support of Maestro Lockhart's tenure in Utah with sell-out audiences. All the great guest conductors who led the Utah Symphony during the season inspired our musicians and ultimately led to the recruitment and naming of Thierry Fischer as our new Music Director. Utah Opera produced a fantastic season on many levels which Christopher will report on in a few minutes. For an organization of our size to find nearly \$1.4 million in savings (7.4%) – with six months remaining in a fiscal year, is an impressive feat. Ms. Tourangeau noted her pride in the staff and symphony musicians who all came together to make that happen.

Marketing successes for the season included ticket sales exceeding the 2007-08 season by 28% with 16 sell-out performances; sales for the DVMF increasing by nearly \$130,000 or 23% from 2008; and subscription commitments for the 2009-10 season increasing for nearly every series we offer – most with percentage increases in the double digits. Development successes included Board giving exceeding goal by 15% – matching the sacrifices the staff and musicians made; receiving three leadership gifts from O.C. Tanner Company, Wasatch Properties and the Sorenson Legacy Foundation; implementing a successful challenge grant from the Perkins Prothro Foundation for the DVMF; and acquiring over 350 new or returning donors to the organization showing that people are making choices and USUO is a priority in their lives.

In May we had a strategic planning retreat from which we developed a strategic plan to help us during the next 1000 days. The process was difficult and yet helpful in seeing what issues are still brewing within the organization and where we need to focus our time. From that plan came three major initiatives of focus: creating Sustainability; continuing to build relevancy in our community; and building a healthy organization internally. We are already working hard on this plan and have created sustainable change during a year of crisis. We have created an environment of trust and collaboration on all sides – management, union musicians, and board members. This is something that has not been here for many years and through this we have demonstrated to the community that we are willing to make difficult decisions in order to preserve the organization. We have named new artistic leadership for the orchestra putting the entire leadership in place for the first time in three

years: Patricia Richards as Board Chair, Ms. Tourangeau as CEO, Christopher McBeth as Opera Artistic Director, Jerry Steichen as Principal Pops Conductor and Thierry Fischer as Symphony Music Director. With Thierry's leadership, the orchestra will begin the next stage of its artistic journey and his positive energy and collaboration will endear our audiences and our community. We have made investments in our future – changing our development and marketing staff structure to focus on our customers and build their loyalty to the organization. This includes shifting our development software over to Tessitura and working with the County on making this transition happen over the course of this year. We have changed our offerings in the community – reducing the Entertainment series and temporarily suspending the chamber music and new music series. These reductions (not splitting the orchestra during opera weeks) have produced a better artistic product in the pit for the opera and the opportunity to use those services of musicians not in the pit by having them go out in the community doing educational and community projects. We are preserving and growing our educational programming despite the cuts from the State Legislature and the financial challenges we face. We are building a strong organization with unified message, focus, and commitment.

*A Year of Tests.* This year has tested our faith in each other and in the community that supports us. This year has tested our belief that what we do is meaningful and has value to the people we serve. This year has tested our and the community's commitment to our art forms and to each other. We aren't done with these tests and our future will continue to require hard work on all of our parts to see us through this difficult time. However, we have passed the first stage by surviving this past year and working through the crisis with integrity and focus, as opposed to panic and chaos. From that work, we are now seeing a community taking ownership of our challenge and they are not willing to see us go away; a community excited about our future and wanting to be part of it; and a community who is making us a priority.

Ms. Tourangeau thanked the Board members and donors for the deep commitment they have to our mission. As staff and artists, we are only able to do so much beyond the core work and service to the community. It takes the leadership of our Board to engage the leadership of this community to help us in this time of need and instead of running for the hills when the economy collapsed, the Board demonstrated even greater commitment to the organization. Ms. Tourangeau acknowledged that while she knows we still have a long journey ahead of us, she is inspired, encouraged and incredibly grateful for the groundswell of support that she is sensing from the people of Utah. She can't thank everyone enough for their help and support of our cause and she can think of no better place to be in this financial downturn than with this Board, in this community, with this organization.

Ms. Richards thanked Ms. Tourangeau for her leadership of the organization and shared she felt that leadership would help us through the remainder of the economic recovery.

**IV. Utah Opera Artistic Director Report:** Ms. Richards asked Mr. McBeth to share his insights from the 2008-09 Utah Opera season. Mr. McBeth echoed Ms. Tourangeau's sentiments regarding the organization's staff – he noted all of the opera staff are artists and share a close relationship as a group.

The season opened with a magnificent production of *Madame Butterfly* which over-realized budgeted revenue by nearly 10% with sell-outs for three of five performances. It also brought in a record number of young audience members.

In January, we presented an opera new to Utah Opera audiences – Mark Blitzstein’s *Regina* based on the Lillian Helman play *The Little Foxes*. It was a challenging piece due to the dark story and thick orchestration during spoken dialogue, but an important work for our organization to present since Maurice Abravanel was the conductor of the world premiere performances on Broadway. We also received some nice national press with a nod to the great casting of Deanne Meek as the title character prior to the performances and a great review in *Opera News*.

March brought performances of one of Mr. McBeth’s personal favorite operas *The Marriage of Figaro*. It was box office success with final ticket revenue exceeding budget by \$21,000 and audiences averaging 90% over the five performances. It also introduced Utah audiences to Ryan McKinny, the bass-baritone who played Figaro – Mr. McBeth shared with the Board members they are likely to hear of him in the future as having a major career in opera.

*Don Pasquale* was exactly what was needed at the end of the season – a fun story reset in the American West featuring fantastic singing comedians. The performances also marked the pit debut of USUO’s own Dr. Susanne Sheston (Symphony and Opera Chorus Master) who conducted a first-rate musical accompaniment.

The Utah Opera *Ensemble* program has experienced a large number of changes in the organization’s efforts to reduce costs. The number of artists participating has been reduced by 50% but we’ve been able to engage a higher quality of artists because we are also featuring them more in Utah Opera’s mainstage performances. These artists are Utah Opera’s ambassadors throughout the state and provide more than 200 performances in schools and communities each season.

Ms. Richards noted it was a great season and she is looking forward to this season’s operas.

**V. 2008-09 (FY09) Financial Report:** John D’Arcy gave the finance committee report. The organization began FY09 with a projected \$2.5 million shortfall that was to be made up through the Leadership Challenge portion of the Comprehensive Campaign and a board loan. Following the realization of the world economic crisis, budgeted expenses were reduced by \$1,377,000 or 7.4%. The fiscal year ended with total revenues coming in \$695,000 or 4.3% below budgeted targets – the majority of this in contributions (\$252,000) and anticipated ZAP funding (\$321,000). This shortfall was offset by the reduction in budgeted expenses which enabled the organization to reduce the final deficit for the year to \$1.8 million.

The biggest expense savings were in musician and staff salary and benefit reductions of \$1,171,000. The musicians accepted a cut in salary and benefits totaling \$445,000. This contribution included donating two full weeks of salary, giving back half of their pension contribution, donating one week of floating vacation and a portion of their personal services. In February management reduced salaries for administrative staff between 3-10% (depending on pay status) and suspended all employer contributions to the 403(b) retirement plan, reductions that will continue through FY10. In addition, USUO laid-off six people and did not replace two other positions that became vacant

because of attrition. This represents more than a 10% reduction in full-time administrative employees. A hiring freeze is in place for all but the most critical positions.

Cash was tight during the fiscal year, but we were able to keep operations moving through close observation of Endowment draw and season renewals timing as well as creative solutions including Leadership Challenge bridge funding from several local institutions and a loan of \$3 million from the Utah Symphony Board-Restricted Endowment to the Annual Operating fund of USUO as approved by the Kearns family and a court hearing.

Ms. Richards thanked the members of the Finance Committee, in particular John D'Arcy and Steve Hogan, for their exceptional work during this very challenging year and noted the people involved are doing absolutely the best job possible and we all owe them a debt of gratitude for their commitment to USUO.

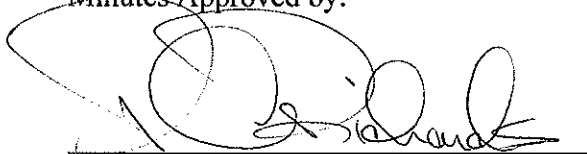
**VI. Board Chairman Report:** Ms. Richards expressed her belief that USUO is the arts organization in the state most-worthy of support and her honor in being part of it. The current economic climate represents the biggest challenge facing the arts in our lifetimes and we cannot thank the staff and musicians enough for their sacrifices made for the organization. Their actions have set the bar high for the Board and each member will need to step forward and connect USUO with acquaintances who have the capacity to make a difference. The organization is seeing some great support from the community and special thanks needs to be given to Chase Peterson, Scott Parker, Jim Wall and Gary Crocker who've recently made some important connections for USUO.

Ms. Richards shared that Utah Symphony | Utah Opera has never had a brighter future possible – exceptional leadership is in place and the internal alignment between Board, staff and musicians is stronger than ever seen before. There are still challenging issues being faced in the present, but she would not want to be in any other place.

**VII. Open Discussion and Adjourn:** Ms. Richards opened the floor to discussion and questions. There being no topics put forward, the annual meeting was adjourned. Ms. Richards explained that a brief Board meeting led by Vice Chair Ray Dardano would follow after a short break.

Minutes Recorded by:  
Julie McBeth

Minutes Approved by:

A handwritten signature in black ink, appearing to read 'Patricia A. Richards', written over a horizontal line.

Patricia A. Richards, Chair