

Shared Services: How the Downtown Pittsburgh Cultural Organizations Benefit by Working Together to Lift All Boats

June 15, 2023

CHRISTOPHER HAHN: So I'm delighted to welcome you all, and to be here. I'm Christopher Hahn, general director of Pittsburgh Opera. Somewhat intimidated amongst all you orchestra folk, but basically we are all in this together, aren't we? So this session may seem mysterious in its title, but our job here is to elucidate for you what we felt, and why Melia, head of the PSO, felt it was a very important story to share.

So what we're going to do is I'm just going to try to set out some of the basics with our wonderful panel, and to talk about this shared services concept in the hopes that you will have many, many questions. And then once we've gone through the basics, we will throw it open for questions. So yeah, absolutely. So what we're going to do is we're going to go from down that end of the table, and introduce ourselves, and say what our affiliations are.

ALETA KING: Good morning, I'm Aleta King, I'm the vice president of marketing and communications for the Pittsburgh Symphony Orchestra. Great to see you all this morning.

JANET SARBAUGH: Hi everyone, I'm Janet Sarbaugh, the recently retired vice president of creativity at the Heinz Endowments here in Pittsburgh.

MARILYN COLEMAN: Good morning, I'm Marilyn Coleman, I am the lead who manages the shared services department of the Pittsburgh Cultural Trust, and have been doing so for about seven or eight years.

MELIA TOURANGEAU: Hi, Melia Tourangeau, president and CEO of the Pittsburgh Symphony, and I wasn't supposed to be on this panel but they recruited me, so — [LAUGHING]

RONA NESBITT: Good morning everyone, I'm Rona Nesbitt, executive vice president of the Pittsburgh Cultural Trust.

CHRISTOPHER: Great, so now that's out of the way. So I think you may have already gathered that Pittsburgh, we feel, is an extraordinarily lucky place in that it has a really, really deep level of cultural and artistic activity in an area that is relatively quite small geographically. And there are many reasons for this.

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It obviously was, Pittsburgh in its day, a great industrial hub, and there was an awful lot of money, and there were an awful lot of people who wanted to enjoy some of the finer things of life. And from that start in the 19th century, and all the way through the 20th, Pittsburgh has really — we have all felt as most of us have come to Pittsburgh from somewhere else, sort of been in a league of its own, and punched considerably above its weight, we feel.

And so it's sort of a hidden secret. And why is that? And why other than a lot of determined people many, many years ago bringing many institutions into being in this area. There also has developed a level of collegiality, which I, for one, having worked in San Francisco and LA, find and have found extraordinarily positive and really quite unusual. So it's a dirty hidden secret that we all love each other in public, but behind the scenes we would dearly ring each other's throats because we're all, in a way, kind of competitors, aren't we? Both for money and audiences.

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And although of course all of that is true except for the wishing to strangle each other behind the scenes, figuring out a cultural ecosystem which is supportive of each other, encouraging across the board, understanding of all of our very different and individual challenges, but still somehow working together when we can, and if we can, as diligently as possible. So I alluded briefly to the former wealth, because it's not so wealthy now, of this city.

Built on the wealth of a lot of major industrialists, and there was one esteemed gentleman, Jack Heinz, whose family business in pickles took off, and produced a lot of wonderful things that we still consume to this day. And this is my genteel segue to Janet Sarbaugh, the recently retired but still very, very much in charge person who represented for us the saving angel or — either that or the impetus to get something going in this community quite some time ago.

I came to Pittsburgh in 2020, at least in 2000, sorry. I can't even remember. [LAUGHING] In 2000. And this enterprise was just getting going. I came as artistic director, so I didn't have to sit at the 520 8th Avenue, Suite 2005, New York, NY 10018 1602 L Street, NW, Suite 611, Washington, DC 20036 americanorchestras.org

table and yell at my colleagues then. And — but I knew, and I heard that Janet Sarbaugh was this mythical being who managed to massage the egos of all of our grand CEOs and get them to the table, a. And then, b, to figure out a way forward. So with that, Janet, over to you for the origin story of shared services.

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JANET: Wow, thank you Christopher. I'm here to tell you that when you retire you do become a mythical being. [LAUGHING] But you don't have to become a mythical being in the arts in Pittsburgh because I still go to absolutely as much stuff as I used to, and it's thrilling the amount of cultural activity we have here. Welcome to Pittsburgh everybody, welcome to the city of bridges. I hope you're having a good time while you're in Pittsburgh.

As Christopher alluded, one of the characteristics, unique characteristics of Pittsburgh is that it has a particularly large philanthropic community. An array of foundations and corporations that have really helped to fuel the cultural community over time. And in particular, the partnership between the downtown cultural institutions and the foundation community that resulted in shared services is a wonderful story, and it's a story that we are justifiably proud of. As Christopher also said, shared services is over 20 years old now. Twenty — I'm looking to Marilyn.

MARILYN: Twenty three.

JANET: Twenty three. Marilyn and I were both 12 years old when it got started. So another thing we're proud of is that somehow the cultural community here managed to get together and form this collegial activity before it was in vogue to do so, and before the pandemic. And I think we have — we're really lucky to have shared services now post-pandemic as everybody tries to figure out new ways to make the cultural sector work in the uncertain environment that we're in now.

Because I was present at the creation, I get to tell the origin story, and I'm not going to go on and on about the origin story, but I do have eight quick points that I want to say is distinctive about the formation of shared services, and then my other colleagues on the panel are going to talk more about how it actually works.

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So first of all, it formed without a crisis. There was not a back against the wall notion that something had to be done. And therefore, the organizations and the foundations that made the plan for shared services were able to take time over about 18 months to study what to do and what not to do, to create scenarios and to throw out some of the ones that didn't create consensus among the participants.

The second, and maybe the most important one, was that the shared service program in Pittsburgh came about through the board leadership of cultural organizations, not the foundation community. Yes, the foundation community had been anxious to see some cooperation in the very consolidated space as you all experienced that is the downtown cultural district in Pittsburgh.

We had funded a lot of studies that ended up on the shelf, because nobody wanted to do them. But it was the board chairs of two of the participating organizations who came to my then boss and said, "We need to do something," which then created a coalition that made it work. And that was just bold on their part, because they were looking to not only do the long term health of their organizations, but to the sector as a whole.

Third, shared services's original goals went beyond simply cost saving, and that's often the reason why shared services programs get started. But the wisdom here was to put customer satisfaction and revenue enhancement alongside of cost savings. And those were weighted equally in the beginning. That made a big difference in helping us to understand how those things should be balanced, and to manage our expectations.

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Fourth, there was, as Christopher said, a bedrock belief in the importance of what we were doing, and that helped to smooth over and to survive some of the inevitable tensions that happened between and among the groups. Yes, the participants were — you know, one was a landlord, the others were tenants. There were lots of other inevitable tensions. But we rode them out.

Fifth, the focus areas that were chosen by the group to work on as shared did not infringe upon the organizational identity of the participants, and that made a very big difference. You were able to keep your own artistic identity and brand within what was created. Sixth, because the range of organizations in terms of size and scope was so large, shared services provide really critical resources for all the participants, especially those who perhaps could not have afforded some of the resources on their own, especially more sophisticated market research, and then the inevitable ticketing initiatives, joint ticketing initiatives that grew out of it.

Eighth — seventh, I can't count, I'm retired. [LAUGHING] Seventh, it brought funders to the table. The evidence of cooperation among the groups allowed them to raise a whole lot more money for big investments in shared technology and infrastructure than they would ever have been able to do on their own. And then last, and you'll hear about this more from my colleagues here, it created an amazing networking system among the participating organizations, not only of the CEOs and the artistic directors, but as important or maybe more importantly, formal and informal networks among marketers, development folks, IT folks, so that they got to know each other, met frequently. And you know, I think that the benefit of that is really hard to measure, but really invaluable. So that's my eight things. And I will pass it back to Christopher to tell he who does he want to follow my meta analysis.

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CHRISTOPHER: I love watching Janet wriggle. So thank you, Janet. And that is really part of the origin story. But we're going to turn now to Marilyn Coleman, whose charge it has been to enact the nitty gritty sort of daily activity of this association, this conglomeration, and to spell out exactly how it happens. Because I'm sure you've got all sorts of questions. What does this actually mean? And she will tell you that the operation is housed under the cultural trust, which Rona represents at the end of the table, and so Marilyn works with the cultural trust, is housed within it, to create some of the — sort of the infrastructure, secretarial support, etcetera, etcetera. But basically how does it work?

MARILYN: Hi there, great. So yeah, I'll give you the nitty gritty, but actually I'll talk just kind of more — sort of on a more practical level on how we operate. So as Christopher said, shared services is a department of the Pittsburgh Cultural Trust, and an important part of its mission to create a vibrant and sustainable cultural district. But that's the other reason this all works, because that's sort of all our missions. We're all in it to build audiences, to make sure that this district survives, that we can all continue to thrive artistically within it.

We operate as a cooperative in a sense, so while we're legally part of the cultural trust and I report up through those ranks, we have a shared governance structure for kind of our projects that we do. We have a consensus driven model in that we don't do anything unless we all agree to do it. We have some other principles that we operate under, one of which is we may benefit differently from projects we decide to undertake, but we all need to benefit, and we all have to participate. It's not like an arts service organization where you can buy one out of this menu, and another out of this menu.

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If we decide to do something, it's because we will all benefit and we all agree to participate. And that's important. It helps keep us focused. It helps keep us focused on a reasonable and impactful number of services. And I think that's — you know, and we understand that we may benefit differently from different projects, but at the end of the day we agree to participate.

So on a practical level, one of the things that makes people roll their eyes, but I think is key to the success of shared services, is that every month, and I know this well because I sort of organize and facilitate these meetings, every month, 12 months of the year, the CEOs meet and they meet themselves, they don't send a proxy, the marketing directors or leads meet, finance directors meet.

We recently in the past few years started a human resource directors group that met, which was really critical during the pandemic as we were all trying to figure out our policies. And then there's a group of shared — group sales managers who also meet, and they promote group sales for everybody in the district. So they save money by one person goes to this travel show that promotes for everybody.

But we meet monthly, and we have agendas, and we do a lot of our business at those meetings. So there's — I hate what I call the parking lot conversation, that people sit in a room and agree to something, or talk about something, but that's not really where the action is, it's out in the parking lot after the meeting. We really try to have a philosophy that we make decisions and do things in the meetings.

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And so while it's difficult for us all to make time, we meet an hour and a half, you know, a month, and there's follow up work that happens in between time. But I work as a -- actually sort of a part time consultant running this, and we have right now two full time people. We used to have more than that, and we'll probably add more as the projects get relaunched after our hiatus with the pandemic. But we meet monthly, and that's important. It builds collegiality, it builds understanding, and it's great sharing of expertise.

And then people get together afterwards and say, "Hey, I'm doing this. Are you doing that?" So anyways, it's been great. Some current key projects. The really first big project that shared services understood, and it really follows what Janet said, it didn't impinge on anybody's creative mission or anything, was purchasing insurance together. We have a joint purchase of insurance. We don't have a group — shared services does not administer it, we don't run it, it's a fully insured insurance program. Everybody has their own little plans within a menu.

But we purchase, we market our business together. So we get really good rates. We only have 400 total contracts in this consortium, but because we work with a major broker who works with much larger groups, he can kind of say, “You know, gee, we’re going to have a contract for these 10,000 people. I have this little group over here we really need good rates for.” And I think we get benefit from that leverage.

So last year, for example, the joint insurance program saved over \$480,000 aggregate for everybody in the group. Another big operation we have, which was on hiatus throughout the pandemic, is program book advertising sales. We have a joint program book advertising sales operation where we have one sales person who sells program advertising for 100 programs a year. My staff, a small staff, also manages the invoicing and the disbursement of funds to the organizations, and we do all of the art trafficking so that we make sure the right advertisement gets to the right designer at the right organization.

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So that’s a labor intensive program, but it’s one that in its good years pre-pandemic brought anywhere from \$550,000-650,000 worth of revenue to the organizations. Obviously everybody — some people have more program books than others, so the revenue split was different. And that project — I should mention the insurance project is really — it’s \$4.5 million worth of financial activity, but basically shared services pays the monthly premium, and then everybody reimburses us for that.

So it’s a pass through. We don’t cover the cost, the organizations cover their own costs. In program book advertising, when we launched this project, people really didn’t have the room in their operating budgets to pay for that. So what we decided to do is shared services retains 30% of the gross sales, and we make sure we fund all of our costs out of that. And the 70% goes back to the organization. So it’s a self-funded project.

I think one of our most important projects that we’ve done for years is related to how we sell tickets to each other’s audiences. All of our organizations use Tessitura, and they use a system that’s operated by the Pittsburgh Cultural Trust. It’s not operated by shared services. And all of the tickets — all of their data, all of the organization’s data, is kept in separate — you know, it’s walled off from each other. Because people wanted to maintain confidentiality of various kinds of data.

But that was a real impediment, right? To building audiences across the district. So we work with — right now we are working with Management Science Associates who are actually here at the conference, and they create cross-sell models for us to market to each other’s organizations. They

create actually the actual direct mail files for people to use for their direct mail campaigns so that information can remain confidential.

And for shared services, we do several joint direct mail campaigns with everybody. We did one last year, which — a Prescott and Associates had done some research for us prior to the pandemic that said, “Gee, we need to start focusing on getting new people here, reactivating people is important, but we really need to do that.” So once the pandemic was over with Prescott and Associates’s help and MSA, we developed — we built — MSA built good market models for us and cross-sell models to get light users, and we did one giant joint direct mail campaign that went to 98,000 people, but generated over \$620,000 of revenue in one piece.

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So — and it brought in a lot of new people, and a lot of light users back into the district at a critical time. We collaborate on other marketing projects where we jointly promote things in conjunction with our local downtown CDC. We all drive our business to a shared e-commerce site, you know, for, say, Christmas in July, or Light Up Night, or whatever, and generate projects — revenue that way.

And that’s low cost, lots of labor involved. The cultural trust puts in time to — on the e-commerce website to get it set up. All of the ticketing managers of the organizations work hard on that. But it generates revenue mainly through a major cooperation. So we do other things, we have other — we jointly source other kinds of contracts, some marketing technology, we have a shared Experian license. We have a shared medium monitoring service.

A couple of years ago, we purchased a shared consulting services from a local company called Compass Business Solutions to provide HR expertise to our organizations. It’s not a big contract, but everybody gets a couple of hours a month for any kind of PR — any kind of HR questions they have. And then we do some district wide professional development training through them. So that’s in a nutshell sort of who we are.

I think the biggest intangible is what Janet referred to, and others will talk about, in the networking, the collegiality, the sharing of expertise, the sharing of problems and problem solving that happens. So very important. Thank you.

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CHRISTOPHER: Thank you, Marilyn. So all the crucial question could be, how do we pay for all of this?
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MARILYN: Sorry, yes, and I had that in my notes. So we pay for — they pay for all of it, or they pay for a lot of it. So the organizations pay dues, annual dues, based on budget size. Some pay \$25,000 a year, some pay \$10,000 a year. But then the critical piece, and the major piece of funding is everyone agrees to allocate a dollar fee on every ticket sold in the district, which goes to us. So it's not funded out of operating budgets, per se, it's funded out of, if you will, a passed on ticket fee.

We probably in good years generate a million dollars worth between the dues and the ticket fees of revenue that covers our projects. When we have years that aren't so successful because ticket sales are down a little bit or whatever, we have a practice of, in our good years, saving money in a reserve fund to make sure that we can cover our projects and our contracts when things aren't so good. So yes, thank you. So that's how we do it. Thank you. Everyone has skin in the game.

CHRISTOPHER: Right. And before we sort of move on, I just wanted to touch on this collegiality thing. Because we all experienced obviously in the last few years this heart stopping moment when everything shut down. And many of us, and very — many small organizations I think felt extraordinarily isolated because we were.

But also like where to turn to. And so this built-in network of this little band of people who were used to meeting monthly suddenly start — I can't remember, I think it was like every two days for a while, because it was a built-in natural platform, first to wail and weep and to cry on each other's shoulders, and then to like exchange simple information like what's happening here, here, and here.

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And then to start slowly figuring out a path forward. And that, I found, really the most invaluable thing. And it gave me an ability for my staff to be able to be passing on information in an otherwise information vacuum. And you know, we all live in organizations where there are way too many meetings, and I remember before the pandemic when we would say, "Oh, we've got another one of these meetings? Every month? It's coming up again?"

Time flies by. And it was so ironic and so meaningful, I think, that we started to say we've got to have more meetings, more meetings, more meetings. And it got us — I think it got all of us emotionally through a very, very tough time. So we talked about the cultural trust, which is — Rona is going to describe what it is. It's basically the big landlord organization.

It will take quite a while just to describe what the cultural trust is. And Rona has been with that organization for quite some time, will tell us about just your tenure there, and then your view of shared services as it is — as it was founded, and then grew under the umbrella of the cultural trust.

RONA: Thank you Christopher, and again, good morning. I'm Rona Nesbit, executive vice president of the cultural trust. And I have been with the trust for 25 years. We are barely 40 years old, so it's been a real blessed journey to be part of this organization. And just because a little history that was shared earlier. And Janet Sarbaugh sharing, and Christopher about the Heinz Endowments, and Jack Heinz's vision.

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So the cultural trust is a 501(c)(3). We're all separate organizations. We were founded as an economic development organization. Primarily, Mr. Heinz and his merry band of dreamers envisioned urban renewal through the arts. And the revenue stream that could be generated through urban renewal through the arts, aka, value of real estate, would provide the fourth leg of the stool, right? To underwrite the arts. Ticket sales, fundraising, endowment, and real estate.

And the first project that the trust did was to renovate the Benedum Center. Prior to 1985, all of the groups performed at Heinz Hall. And bursting at the seams, plus to really revitalize this 14 square block area that is the cultural district. Our friends at Heinz Hall and the symphony, you've been traipsing through the cultural district. Again, the idea being to develop this whole sense of place.

And by restoring the Benedum Center as another beautiful, historic venue in the district, really to help attract more audiences, and increase the value of the real estate. So the trust also bought out a lot of massage parlors, adult bookstores, to really create a platform for commercial development. And so we are a landlord as Janet referred to. And a little bit more history. Christopher, I know you came in 2000.

I was lucky enough to be at the table with Gideon Teplitz. Some of you may remember Gideon. And some others, and Janet. It was, go Heinz Endowments. Yeah, it was — it took some time. And again, the Heinz Endowments not only being so supportive but also very supportive financially. And the coalition of other foundations, providing seed capital really to get shared services going, meaning the seed capital for some studies, for the initial staff hiring, and then we became self-sufficient as Marilyn pointed out.

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The trust, because we were founded as an economic development for the cultural district, was sort of the natural place for shared services to be a department. But it's a separate funding stream, it's a separate set of books. But why create more infrastructure having someone in shared services to do the finances, to do the HR, which is kind of counter to what we were trying to accomplish in shared services.

So the trust provides a lot of those administrative services to shared services. One of the other things that Marilyn mentioned that is an extremely successful program in shared services is the joint database. And she mentioned Tessitura. Tessitura is run by the cultural trust, but it would not have happened if not for the collaborative model and practices that were established through shared services.

And what I mean by that is back in the early 2000's when Tickets.com — we were using Tickets.com, the symphony was, the Public Theater was. It was very clear that they were not going to be putting much R&D into the arts piece because they had gotten the Major League Baseball contract. And Janet said, "Wait, before all of you come to us and say, 'hey, we need a new ticketing system,' if you figure out a way to do it together, not only will we fund all the capital, but we'll fund a couple of years of startup costs."

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And so through these monthly meetings of the executive directors, monthly meetings of the finance directors, monthly meetings of the marketing directors, a task force was developed, and a needs assessment was done for each organization. And then that task force, which included the CIO of the trust, the CIO of the symphony, and a couple of other folks, really went out into the marketplace to determine what packages were out there. And they jointly decided Tessitura.

Shared services is a co-op. Unanimous decisions. Tessitura is a mission critical system, is probably pretty hard to run as a co-op, and unanimous decisions with a mission critical system. And so it's headquartered at the cultural trust. But each organization has their own installation, each organization can utilize it however they want. What we provide at the trust in our Tessitura operation is we have a dedicated training center.

If you need help, if someone's having an issue, they're not on hold forever, they can just walk across the street, quite frankly. And so it's been a terrific, again, collaborative effort. And one of the other great things about it is that given all the business needs that we all have, and new ones coming down the road, we've actually added an interface, about 15 other types of software packages, into

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Tessitura. Revenue management, abandoned cart, Google analytics. Every organization might not need this Cadillac, but every organization can use it if they want.

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And I will say this too, that the level of sharing on the part of our box office managers, our marketing folks, they share their work product with each other, they share their practices. So again, it sounds a little cliché. It's not koombayah every day. We're all — we all readily admit that. But it is that level of collaboration and cooperation, and sharing the joint goals of maintaining this wonderful arts ecosystem that we have in Pittsburgh that we're blessed to have.

CHRISTOPHER: Thank you, Rona. Absolutely. So I realize that we've been talking about the organizations as part of this, and we haven't really spelled out who they all are. [LAUGHING] So we could do like a Q&A, like did you pick it up. So the cultural trust, the Pittsburgh Symphony Orchestra, the Pittsburgh Opera, the Pittsburgh Ballet Theater, the Civic Light Opera, which is performing right now actually at the Benedum Center, which is our summer musical theater organization.

The Pittsburgh Public Theater, which you may have passed down the street. And then a more recent addition to that group is the August Wilson African American Cultural Center, whose building is further down at the other end of Liberty. So those are the — I got them all right? I didn't miss anyone?

SPEAKER: You got them all, yes. And I will — and the symphony and the August Wilson Center, we own our own buildings, and the other facilities are owned by the cultural trust. So it is a different relationship. And I will say, Jack Heinz had that original vision with Heinz Hall and saving Heinz Hall. Just a little — they were going to bulldoze. How many of you were at Heinz Hall last night? Yeah, in late 1960's, they were going to bulldoze Heinz Hall and make it into a parking garage.

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And the Heinz — Jack Heinz and the Benedum family spent \$7 million, right Janet? For Heinz Hall? Ten, okay. Ten million dollars back in the late '60s to not only save it, but they spared no expense to make it the beautiful jewel that it is today. So — and then that I think inspired the cultural trust to come to life.

JANET: Absolutely. And the idea of, you know, back in the day downtown just was not a great place. The area where we are. And people would literally park their cars, run to Heinz Hall, enjoy the world class symphony, run back and hope their car was still there. And — but again, the vision of Jack Heinz, [520 8th Avenue, Suite 2005, New York, NY 10018](https://www.americanorchestras.org) [1602 L Street, NW, Suite 611, Washington, DC 20036](https://www.americanorchestras.org)
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and coming to fruition in the way it has is really — we're very fortunate in Pittsburgh to have — and I think it's been a model for many other cities.

[OFF-MIC QUESTION]

CHRISTOPHER: The organizations? Yes, so the cultural trust, which Rona represents, the Pittsburgh Symphony Orchestra, the Pittsburgh Opera, Pittsburgh Ballet Theater, the Civic Light Opera, and the August Wilson African American Cultural Center. And the Public Theater. Pittsburgh Public Theater. All these acronyms. And then just to complicate things a little bit more, of those organizations, three of them, the Pittsburgh Opera, the Pittsburgh Ballet Theater, and the Civic Light Opera, are termed resident companies of the cultural trust, because in part of the whole setting up, renovation of the Benedum Center, Jack Heinz wanted to create a permanent home for organizations that had been floating around slightly homeless. And Rona, just before we pass on, I'm under the impression that the Tessitura group here is one of the largest in the country, is that true?

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RONA: Actually, thanks to all of your leadership and your organizations, it's the largest in the world. And we're very —

CHRISTOPHER: Oh, that little old thing. Global dominance, there you go.

RONA: That's right, global dominance. Oh, just to give you order of magnitude, about \$150 million worth of activity goes through our Tessitura system every year. And I think all of you know at your organizations, we have colleagues around the country that reach out, and also wonder, how do you do this in Pittsburgh, this Tessitura consortium? So maybe Aleta can talk a little bit about — she was also around from the beginning.

CHRISTOPHER: Oh, right. Well, first of all, I'd love to do that, but can we first just Melia, ask you a little bit about your impressions, because you came now five years ago?

MELIA: Eight.

CHRISTOPHER: Eight years, oh my god. Eight years. It was really eight.

MELIA: Pandemic three.

CHRISTOPHER: Oh yeah, that's right. And experienced this very different model, even though you yourself have been part of other interesting models. But could you contrast and compare, and just tell us your impressions?

MELIA: Yes, so I was with the Utah Symphony and Opera in Salt Lake City for seven years before coming to Pittsburgh. We also had Tessitura. It was a consortium but it was owned by the county. And obviously we were a merged organization with the symphony and the opera. But what was really — the shared services was — it somewhat blew me away actually. Just to give you, on magnitude of savings just on the insurance side of things, in Salt Lake we were trying to manage, and I'm sure many of you have managed over the years 10, 15, 20 percent increases in insurance expense.

And in Pittsburgh, there were years, literally years, where there was zero increase in insurance, or negative. [LAUGHING] Refunds coming back to us for the insurance policy, because of the pooled resources together with shared services. And just this last year I think we had maybe a four percent increase, and Marilyn and our insurance broker was apologizing for that. And I'm like, are you kidding me? This is insane. [LAUGHING] It's been a huge — that in and of itself has made shared services valuable to us.

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And especially on the orchestra side, I mean, when you've got the ballet dancers and — who are, you know, much younger typically, and you have orchestra musicians that are more tenured, shall we say. And so for our older employment pool, that insurance benefit has been priceless. The other piece of it is the marketing side of the equation that I'd love for Aleta to talk a little bit about.

But I see Kate in the room, and it's been incredible to have this huge database of subscribers and single ticket buyers and consumers. And for us to be able to create market research studies through Prescott and Associates and others, and these shared models for cross-selling. So maybe Aleta could talk a little bit about that.

CHRISTOPHER: Yeah, absolutely. And so just to underline the values of this — of sharing, that the — say the cultural trust will present a little show called *Hamilton*, and unlike, sadly, many of our sales, the sales will go through the roof. I mean, sold out houses for, what, six weeks, five weeks, four weeks, whatever it was. And so the — obviously that's a great sort of boost to the dollar a ticket pool.

But it's also a massive influx of names and new people and new — all of which are then part of this accessible group that we can all share. So yeah, Aleta, so now as part of — well, first of all, you've probably seen a really interesting growth over the years, where we were all in our silos, and struggling, and now we're all together and still struggling, but still we struggle together. But — so could you just like sketch out how that has worked, and give us a few examples of how, because of access to this shared marketing services you've been able to triumph.

[OFF-MIC CONVERSATION]

[0:40:33.8]

ALETA: [UNINTEL] this began, and it was — it's interesting to see, came from this model of being very siloed, and a good bit of animosity actually at the time of some of the top leaders. So there was some of that animosity. Look, I'm like — I'm underplaying them, right? No —

SPEAKER: Tell it like it is. [LAUGHING]

ALETA: [LAUGHING] Yeah. So it was — you know, and it was sort of contagious. So we were very much in these silos, and doing everything on our own. And you know, I'm actually surprised, Rona, that you didn't say — this line always sticks with me, by the way. A rising tide lifts all boats. And Rona says that all the time when she — especially when she refers to this.

And it is really true, because that is what it really more than anything means to all of us on the marketing teams. We collaborated, we collaborate, marketing, ticketing, group sales, but you know, we collaborated as one here, one there. Coming together as a group every month, some of these things that we do in shared service none of us would ever be able to afford on our own. You know, so we can share the cost, or we have this budget.

We talk about MSA that we use, which was formerly Elliott Marketing, and we created these shared databases so we all sort of play nice with the database so we're not, you know — [LAUGHING] and we have, you know, these cross-sell models, so that instead of going to another marketing director and say, "Can I have your list for whatever," you get to have people that are most likely to purchase your products, right?

[0:42:16.0]

So you're not spending needless money on that. But it also — you can see that these might be names that you would have never seen at your organization for many years, and it sort of speeds up that process. I know even some of the seems most unlikely people that would come to this symphony from a different product can take like three years to get to us. But it's three versus maybe 10 or seven, you know? [LAUGHING]

So I think — and when we talk about MSA and Elliot Marketing, you know, we have — that \$1.25 district fee per ticket gives us the money to — you know, we get a yearly demographic study. We get to do projects with Kate, we are list — and some of the models created are provided to us. We have a certain allotment of how much we can — is allotted to us to spend for our organization, which is money that we wouldn't have otherwise. Or that — which allows us to go spend more on, you know, innovative ways of marketing or trying to get — build a new audience for the district.

And really that building of new audiences, and I know Kate could tell you this, is us building it together is a much more successful model than each trying to individually build those new audiences on their own. So you know, I would say we went from these siloed animosity, you know, organizations, where you found your partner here or there that would work with you, to really working together every single month, being — and it gets better and better all the time, it really does.

[0:43:58.7]

And it's still transitioning. I would say it's so collaborative now, and it's really a joy. And we collaborate even outside of these meetings, but making sure that we make the time for those meetings every month, and just being able to do more, and that we could have never done before is really amazing. And when we were coming off of Tickets.com, there was no way individually any of us could have afforded to go to Tessitura and have this much staff to — for the upkeep that it takes. So it's really been sort of a blessing for all of us that work in the district, and for organizations.

SPEAKER: I just ask Christopher if I could throw something — hearing Aleta talk. One of the things that happened during the pandemic, which you probably all know about, and coming out of the pandemic lots of turnover, we've had lots of new people coming on to people's staffs, new marketing people here, new finance directors there. These monthly meetings that we have, we have people who are really seasoned and expert like Aleta who can help — you know, even through a phone call or a conversation at a meeting, help them understand something and really get them jumpstarted as a new staff member.

So I think that also — when I say sharing of expertise, it's not like we all present PowerPoints to each other. It's really just, hey, you're new, or no, this is a great way to do it. I can show you, give me a call.

And it's really — I think it's been — as I've watched shared services pre, during, and post-pandemic, just watching how people are pulling each other along and helping each other has been really inspirational. It's been terrific.

SPEAKER: I'll pipe in too that during the pandemic, Christopher mentioned that we would get together as the CEOs, you know, three times a week. Every other day we were for a while. And to this day, we still have a standing meeting once a week, and it's half an hour on, what, Wednesdays? Wednesday mornings. And when Kendra Ingram came on board as the new CEO of the cultural trust, her first question was, "Do we really need these? I mean, this is a lot."

[0:46:03.9]

And she's the one who comes with agenda items every week now. So it's really — it's been a real resource for all of us to, like I said, just to — just to be able to touch base, how's it going, where are you having troubles, where are the — you know, we — and we talk about things that aren't even about shared services. You know, the security, and homelessness issue downtown, for instance. And how are we all, you know, messaging around that, and what are some things we could be doing together to help address it.

You know, those concerns with the city or with the Pittsburgh Downtown Partnership. Some other — we're actually having some conversations, is there additional shared services that we could be exploring through cybersecurity and IT and that type of thing. So it's a continual — I think at this point, with the — after the pandemic, we all know that we've got to be able to find more ways to collaborate and save money, and we're in a very good position to be able to have those conversations now.

SPEAKER: I would add too that we are all really transparent with each other. So it's not that you go in there, and you don't tell the truth, you know? [LAUGHING] Or that you over inflate how it's going. Oh, it's all great over here, it's — you know, we are very transparent with each other, so that we can help each other and celebrate each other both. So I think that's been incredibly helpful.

CHRISTOPHER: And also, as part of a — I think a very smart structural thing was put in place right at the beginning undoubtedly by you, Janet, was the desire to have an annual oversight committee appearance, because we know that our esteemed presidents and chairs of boards come and go sometimes. And sometimes they're a little hazy about what this thing is that we do.

[0:47:57.7]

And so by a regular annual meeting, where all of — we only organize it when there is representation from every head of every board, and every CEO, to look at various things and do an overview of the year. But also, all importantly, because Marilyn slaves at this for days and days and days, produce an ROI document, which reminds everybody if there are any new people in the room who could be skeptical about this koombayah thing, how much money has been saved jointly. So Marilyn, how did you come up with that, and what is it?

MARILYN: Well, we look at cost avoidance. How much money we have not had to spend. I mean, when we talk about a contract with Management Science Associates, a very sophisticated firm, we couldn't all afford that, but together we can afford a major contract with them to work. So there's cost avoidance. So we always look at the cost avoidance and cost savings as one piece of it, which generally averages around a million dollars a year together, sometimes much more than that, depending on what year it is.

But also then we look at the enhancements. You know, how much revenue have we generated together. So we sort of have what we call the sort of basic ROI of this is what we've all saved by working together, and then we have the add-on of what we've also made. So in most years, it's \$700,000, \$800,000 of additional revenue that we generate by working together.

CHRISTOPHER: And it was true that the reserves that we built up pre-pandemic really got us through a very sticky time.

MARILYN: Right, of course we had no district fee, no ticket fee, right? For a number, number of months. But we have saved up, and some — you know, we were kind of lucky that, I hate to say it, you know, *Hamilton* appeared in 2019 in Pittsburgh. But our district fee and our reserve fund was quite healthy, and we lived on it. I mean, shared services had to furlough a couple of staff members because the projects weren't operating. But we were able to maintain a basic level of staff. We were able to maintain our projects. More importantly, we were able to continue to convene everybody, keep our critical health insurance, HR services, that kind of thing working.

[0:50:14.3]

And still, the marketing directors met through that whole time. You know, are you going to suspend your subscription, are we going to try to sell subscriptions, because at the time we didn't know when we would reopen. But yeah, we really continued to work together all through that time.

CHRISTOPHER: It's funny, Melia, I remember that first meeting that you were at, and you actually asked for the insurance number, if there was a mistake, because it was — she was like, "This cannot 520 8th Avenue, Suite 2005, New York, NY 10018 1602 L Street, NW, Suite 611, Washington, DC 20036 americanorchestras.org

be right.” [LAUGHING] So there are these nice moments. So it may seem of course that this is all just hunky dory and fantastic, and it can’t be as good as we’re making it out to be.

So I’m going to ask — put Janet on the spot and say, over the years, have there been times when you thought, I wish we’d either pushed harder for another sort of leg of the stool, or did we go too far, or I was really worried for a period that this wasn’t going to work? Were there any downsides to all of this?

JANET: Well, yes of course there were downsides and there were disappointments. I think it’s a tribute to the spirit of collegiality among these organizations that this has worked so well over the years. I would say that the foundation community parked a pot of money at the community foundation here to help spur on shared services’s ideas. I think as Rona had pointed out, Tessitura is, per se, not a part of shared services, but it was an outgrowth of the shared service — the success of shared services.

[0:52:02.3]

So the foundation community parked the largest pot of money at the community foundation to spearhead other things. That money was primarily used for Tessitura. And we had hoped among the four or five foundation investors that some other ideas would come, and there was some funding leftover. We didn’t use it, because some of the ideas that were presented the foundations didn’t feel were strong enough ideas.

One of the ideas that we had hoped would come from the partners was some kind of collaboration and sharing around arts education activities. I think like a lot of other communities we struggled with the ups and downs of arts education in our public school system even though we’ve got a wonderful superintendent now who’s a music — was a music teacher at one point. We’d hoped that the district could — I mean, that the shared services groups could come together and pull some of that together, and that did not happen.

And then there were a couple of other ideas. And so the foundations actually ended up earmarking that money for other things. And that was a lot opportunity I think for shared services. So that’s just one example of the fact that, you know, I think that there’s unexplored territory still to be found.

CHRISTOPHER: Yes, and indeed, as Melia alluded, there are always creeping new challenges which I think we are all open to looking at, and seeing whether this model will help fulfill a need. But it is very, very challenging to unpick because, say, it’s an IT collaborative thing. Well, you know what it’s like,
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you've all got your own IT things, you've got contracts, and it's working, and your staff are happy or grumble, but they accept and they know how it all works.

[0:54:07.5]

And so to try to break something up individually and then, you know, bring it together as a group is always a massive challenge. And — but I do think that given the sort of — the tenure of time that has passed, and our group ability to talk directly to each other, that we're at such a better place to possibly, you know, incorporate a new idea, go back to arts education, and loop it back in again. Because I think we've realized through, you know, a sort of — a lot of activity, we've realized that this is a better way of doing it.

And the reason that Melia promoted the idea of having this panel for your conference, we did a very similar one last — a few weeks ago for the Opera America Conference, is because I think many of us have worked in different markets where there is no such conglomeration. And we all know why in those different markets, politically — oh, they would never talk to each other, oh my goodness. And there's always one big, you know, granddaddy organization, and the others are tiny, and so there's inequity.

There's always a reason why these things can't work, and I think we've sort of, you know, [UNINTEL] us to Heinz Endowments for, you know, banging heads together early on. And I think one of the questions that was asked first off the bat the Opera America Conference was, you know, if we were to go back into our communities and try to pull something like this together, where do you start?

[0:55:54.9]

And I think we all said you've got to find a dedicated funder. Easier said than done, but you've got to find someone who is willing to sort of put up upfront some resources as a platform upon which to build. Because otherwise you then have no chance of eating away at all of the little jealousies and competitions that there might be. Janet?

JANET: Yeah, and I'll add one thing to that too, is one of the things that we had that was absolutely critical was not only did we have the foundation that was interested in it, and then a foundation coalition, we had an important community leader who championed this early on. Jim Rohr who later became the CEO of PNC Bank, who was a huge supporter historically of the cultural district, and saw the worth of this.

He cheered the entire shared services effort, and he was a person very difficult to say, well, we can't do it. I mean, in fact, he had to said to me a couple of times over the process that if he were creating some consolidation within PNC Bank, it wouldn't have taken 18 months, right? But you know, there also it might have been done by fiat. This was not done by fiat, this was worked out tortuously among co-equal players. So anyway, maybe it's time to take questions because I see some hands.

CHRISTOPHER: Sorry, Marilyn, you were going to say?

MARILYN: I was just going to say the other thing I think that really — we picked low hanging fruit. We all needed insurance, for example. So we started, we worked incrementally and started with the important things we could all agree on.

CHRISTOPHER: Yes, and just also getting back to this idea of consensus. We've said that like many times, and it's not glib. It really is consensus. And I know in my — when I started joining the group, there were many times when consensus was not reached. And — but fortunately, through the discussion, we then understood, okay fine, so there's got to be this give and take. So was there a question out there somewhere? Yes, sir.

[0:58:06.6]

[OFF-MIC QUESTION]

CHRISTOPHER: Yes, good question. I don't know if you could hear it. Who decided who those original partners were, and what happens if somebody new comes along to join it, and I don't know who the best person to answer would be.

MARILYN: We started with the organizations that actually controlled buildings. So we started with the cultural trust, and the Pittsburgh Symphony, and the Public Theater, because even though it was a tenet of the cultural trust, it was by and large a major tenet of the O'Reilly Theater. And then it expanded out of that.

SPEAKER: And in terms of — oh sorry, Marilyn. And in terms of — as others expanded, you know, it's in the cultural district. And so thee district fee charged on any ticket sold in the cultural district. So even rentals or co-presentations, we all collect district fee on that. And by the way, to be able to buy our health insurance together, every state's a little bit different.

But we are an association as recognized by the state of Pennsylvania. And that comes with requirements that you're not just getting together to buy your health insurance. And so we individually I think help out other organizations as we can with our scope and scale. And so they might not be part of shared services, but they look to us to help support smaller organizations.

CHRISTOPHER: And if I could just ask a question. I believe there was some legalities that had to be sorted out early on to allow this to take place so that the autonomy of each organization was somehow upheld. But it was possible through the sort of legal allowance to have an association.

[1:00:13.1]

SPEAKER: Right, that's exactly right. There are the specifics in terms of what our state recognizes or requires of an association is the definition. Yes.

SPEAKER: And I think the cultural trust board also [UNINTEL].

SPEAKER: Yes, and right, the cultural trust board. Because we're also jointly and separately liable for each other. So we want to be —

CHRISTOPHER: Don't you love being liable? Being responsible for us. It's worth it. So yes, question down here.

[OFF-MIC QUESTION]

SPEAKER: Well, I'll take a first shot at that. You noticed when we talked about the standing meetings, development's not one of them, right? But they're meeting organically. And so I think everyone — I think that's not an area. And clearly anything artistic, you know? This whole concept is really how can we save and not homogenous anything around the arts. The other important thing I think is sometimes people hear shared services and think head reduction. That is not the case here. So I think that's really important as well.

CHRISTOPHER: Yes, I think that's a very important one, because I think years ago there was a desire, which maybe Janet could speak to briefly, to — well, you know, we're so sick and tired of all of you coming to us, and we've got to give all this money to you and you and you and you. Couldn't you all just have the same director of finance and, you know, save a lot of lovely money. But that is not — was not the intent, was it?

[1:02:00.6]

JANET: That was actually studied at one point, and the consensus was the savings weren't sufficient to counterbalance the cultural trauma with a small C within the organizations to try to create that. And so that idea was dropped.

CHRISTOPHER: Thank god. Yes, ma'am?

[OFF-MIC QUESTION]

CHRISTOPHER: Yeah, good question. Did you all hear that? How important is locality to being able to pull this together?

SPEAKER: I used to run an arts service organization, and I worked closely with the Pennsylvania Council of the Arts, and I've worked with local arts councils, so I think it's a matter of what model works best for what the needs are. We had — shared services was about really, in a big sense, promoting and sustaining the cultural district, which is a 14 square block area in downtown. And in order to be part of this you had to be performing in the cultural district, and you also had to be able to pay your dues, and you had to be able to contribute the dollar per ticket sold in the district.

That said, everybody contributes a different amount because they have different amounts of performances. But you know, I think just as an arts professional who has run a number of different kinds of models like this, I think that it's really important to pick the right model for that. We had enough commonality of purpose and need, and we've decided what projects we're going to do by focusing on that common purpose and need.

When I ran an arts service organization that dealt with hundreds of organizations, they didn't have commonality of purpose. Some of them only had sort of one full time person, and they got together to create a dance with part timers. So we — in that organization we found other things that they needed, but the model wasn't the same. Everybody wasn't going to need, you know, to sell tickets the same way, and everybody wasn't going to need — so we really had to — I think there are plenty of ways that people can work together, but whether this specific cooperative model is the best one, you have to find that commonality of purpose, and reason d'être, I think. Yeah.

[1:04:27.1]

CHRISTOPHER: Yeah, and also following up on an earlier question about new partners. So the most recent addition to the group is the August Wilson African American Cultural Center, which did indeed physically fall within the boundaries of the cultural district, I believe.

SPEAKER: Correct.

CHRISTOPHER: Correct? So that was part of that. But it had a — you know, it was a new organization. A magnificent building. It had some real sort of challenges getting up and running, almost had a near death experience. And then managed to reinstitute itself, particularly with the strong help of foundations. But it's true that like they came in with a sort of — an understanding that they wouldn't necessarily participate in everything like health insurance. Yeah.

SPEAKER: There is one other local model that's interesting that's not geographically based, but I think in part inspired by the shared services model, and by some of the national work that nonprofit finance fund and others have done around adequate capitalization for an organization. So there are five mid-sized organizations in town who banded together to hire a shared CFO, and they seeded it with foundation money, then chipped in to pay that person collectively.

And that really benefitted those five or six organizations, again, for the reasons that they got the kind of financial officer power that they could not have afforded on their own. So there are models like that. They're more fragile, because the mid-sized organizations are a little bit more fragile just by nature. But they lasered in one thing that would help them, and I think that was a really good experiment and continues to be.

[1:06:17.5]

CHRISTOPHER: Yes sir.

[OFF-MIC QUESTION]

CHRISTOPHER: That's a good question. The question, where — maybe we could start, Aleta, would you have — like from the marketing perspective, because either poor marketing directors get told by their CEOs, oh, this is what we are doing, and then they've got to figure it out with their colleagues. So you would be a good place to start.

ALETA: Well, I wouldn't say it never happens. I would say there are some things at times that, you know, can kind of cannibalize at a certain point. But the difference now is that we can have an open conversation about it, and we will maybe know about it earlier. And we can start putting plans in place and help each other out with that. So the cannibalization is not as severe as it might have been, or — and honestly, I would say it doesn't happen as much — I really didn't see a lot of it with *Hamilton* in town, which was surprising, because you know, we had had a couple of instances in the past.

[1:08:07.6]

But I think with this shared, you know, cross-pollination and sort of bringing us all up to that level, you know, we've created these audiences that really support — the Pittsburgh audience supports so much cultural activity, it is pretty amazing. But I would say that even though that can happen, you do talk about it. You talk about programs, you try to not cannibalize each other as much as you can. And — but you do — you know, there is the opportunity to talk about it, to maybe make some changes, and to get ahead of it as well.

CHRISTOPHER: Yeah, and we do program on top of each other. I mean, there are multiple venues downtown. So there will be an opera performing one on the same night as the symphony, the same night as the Public, the same night as — the ballet might be at the, you know, August Wilson Center. So I don't know quite why we do that, because we need to in order to fill our various obligations. But Pittsburgh is fortunate in being able to largely support that kind of vibrant overlay of performances. And I don't know, Melia, do you have anything you would like to — ?

MELIA: Well no, I was just going to say, because of all of that cross-pollination, it just brings more people downtown. And so you know, we have the luxury of being able to talk about, how are we going to manage the traffic issues when there's a Pirates game, and you know, we have those conversations, because the symphony and the opera and the Public Theater are — we're all going at the same time. And it just creates this incredible buzz. I mean, that's one of the reasons when I first came to Pittsburgh, I was blown away by the amount of activity downtown.

[1:09:48.8]

Activation of downtown, the cultural trust, and this vision of economic development through the arts, it has — it totally revitalized downtown. And it's an incredible model on a bigger standpoint beyond shared services of how to — you know, that's half the battle in our field, is how do you get people downtown. Right now we're starting to deal with that on a whole nother level, and the mayor is — our stand is we're the reason why people are coming downtown these days. [LAUGHING] And it's a

bigger — but we're able to talk about it, and campaign essentially for it together because of the relationships we have.

CHRISTOPHER: One of the things we're not good at is clearing our events calendar with each other. [LAUGHING] So I do think we've got to get those development directors a monthly meeting, because that is just ludicrous. So yeah, I think we figured it out. But it is — it does result in an enormous amount of activity. We don't have the luxury of having, okay, you take this night, we'll take that night. Marilyn has something to add.

MARILYN: One thing. One of the things that we get our marketing services people to do for us, which I really think helps us not feel so bad about the cannibalization, we actually get reports from them that say this product of this product line, this percentage of people in this product line came from this organization's other product line. So we actually — we're really data driven, and we can really look and see when that happens.

And shared services didn't pay for this, but after *Hamilton* was here the first time, the trust paid for a study where they really looked at, when there's a Broadway blockbuster that comes into town, how is the audience then filtered in through the other organizations over time, and really been able to track that. Through *The Lion King*, and the various things that have come through.

So we have developed these systems and resources where we can look at stuff like that, and we can get rid of misperceptions and deal with the truth. And sometimes there's competition, but now we really understand it better I think.

[1:11:58.0]

CHRISTOPHER: Great, thank you. Sorry, there was a — I think there's a question way back there. Yes, ma'am?

[OFF-MIC QUESTION]

CHRISTOPHER: Yeah, it's a little difficult, sorry.

[OFF-MIC QUESTION]

CHRISTOPHER: Aleta?

ALETA: Yeah. So we have explored it in the past, we've done it in the past.

[OFF-MIC CONVERSATION]

ALETA: Oh, the question was, with the decline in subscription and, you know, the talk about the subscription model, and do we change it, and with the future of subscription model, do we ever discuss a shared subscription model that goes across the different genres. So the answer is yes and no. We've done it in the past, we've had arts passes, various different things that have sort of come and gone.

It's not a current conversation, but I would say we would always be open to exploring, and there are currently just a couple of things brewing that, you know, speak to that type of activity. But yeah, it's — I think we would all be very open to it. We've done some things in the past, but it's not currently on the table.

[1:14:04.0]

SPEAKER: I think that there's always been the challenge of technology and technology has advanced so much that it's something that needs to be explored again.

CHRISTOPHER: Yeah?

[OFF-MIC QUESTION]

CHRISTOPHER: Yeah, did you hear that? Can you comment on the role of city and county government in our — I guess this collaboration. And I'm sure Melia would — oh, Rona would love to do that. I was going to say what collaboration, but the — [LAUGHING]

SPEAKER: We had the mayor there yesterday.

RONA: Yes, and I will just say, you know, the cultural trust owns 21 properties in the cultural district, including the theaters and — the trust owns them, meaning that they're not government funded,

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they're not government owned. Sure, we'd love the government funding, but they leave us alone as long as we are doing and accomplishing our mission.

SPEAKER: And you're paying property tax.

RONA: Well, that's the other thing I was going to get to. [LAUGHING] That you know, Pittsburgh is one of the few cities, if not the only city, I think, that assess amusement tax on at least one of its nonprofits. The trust pays amusement tax on our Broadway series and some other performances. And well, actually you guys do on some probably Heinz Hall Presents, to the tune of a million and a half dollars a year. On top of that, the cultural trust pays three quarters of a million dollars in real estate taxes.

We generate two million dollars in parking tax. Pittsburgh I think the largest parking tax in the country. So we are much more I think an economic generator than we're getting in return. However, having said that, they are supportive. Again, I think the best example is they kind of leave us alone. Melia, I don't know if you have another view.

[1:16:03.2]

MELIA: Well, I was just going to mention, and it's beyond just the cultural district, that we are also really fortunate to have a sales tax that goes to the performing arts. It's called the RAD Tax, the Regional Asset District, and it's an allocated county tax. And we are not only — there's many beneficiaries of the arts. The zoo gets a big allocation, the Carnegie Museums, the libraries. Yeah, there's — and it also funds the stadiums and the county parks.

But you know, the symphony and the trust I think are the largest — there are organizations that are allocated a certain amount of money through that tax, and then there are those of us that apply for it every year, and I think the trust and the symphony receive the biggest allocation on an annual basis in it. And that is not something — it's actually legislated through the commonwealth, it's not legislated through the county. But it's run through the county.

SPEAKER: And just as an aside, or selling point, not that you probably have to be sold, this particular RAD, shared services has received incremental and additional funding, rewarding good behavior, and in fact they've established, I think it's called the Connections Grand Program, which really is trying to encourage other of their assets to start to formulate some sort of, if you will, shared services or collaborative efforts. So it's another affirmation that this works.

CHRISTOPHER: Is there a question? Yes, ma'am.

[OFF-MIC QUESTION]

[1:18:16.1]

SPEAKER: Well, I — as far as the government, SVOG, PPPs, we all apply separately. In terms of the property, and I'll also let my friend, Melia, talk about theirs, but we don't — we're all responsible for our property. But having said that, we facilitate — for example, Heinz Hall is going to be doing some major renovations this summer, and we were able to help them acquire — get some dates at our O'Reilly Theater, where the Pittsburgh Public Theater performs. So there's that kind of cooperation. But unfortunately, these beautiful facilities — [LAUGHING] everyone wants to own their own facility. But it comes with a price tag.

SPEAKER: Right, Heinz Hall is — was built as a movie theater in 1926. We own Heinz Hall, the Pittsburgh Symphony owns Heinz Hall. The August Wilson African American Cultural Center owns their building. But the cultural trust is the landlord of the other facilities in the cultural district. And yeah, it's expensive.

And it's been — but it has been — it's wonderful to have the good relationships of that. In the month of July we — the terracotta is falling off of Heinz Hall so we have to replace that, and we have to put boilers in. So — new boilers in, which is really sexy to find funding for, let me tell you. And so — but we are — it's great to have the partnership with the cultural trust to be able to go over to the O'Reilly for our summer programming in July.

CHRISTOPHER: And indeed, the Regional Asset District has a traunch of funding which is for capital improvements as well. So we get operating funding, but we also get capital improvements, because the opera, for instance, we are now — administrative building, which we perform in a very small theater, but the same thing. HVAC continues to fail, and bricks need to be, you know, pointed and all that stuff. So we're very fortunate in having this other pot of money that we can all apply to at different levels. Marilyn, yes.

[1:20:20.1]

MARILYN: Yeah, I was just going to say when you asked about SVOG and PPP loans and everything. We didn't apply together, but the finance directors — I mean, we had some really sexy conversations about, do you understand what the government wants us to do here? But we really shared expertise

on how to deal with those applications, how to deal with the reporting, how to deal with the audit requirements. So having everybody figure this out together was really important during that time. So we didn't apply together, but we shared expertise.

SPEAKER: We also came together on shared messaging and policies around COVID, and that was really important for — that we were consistent in our buildings and in our offerings around vaccination policies and masking and that kind of thing. And it was great to be able to be one in that so that not any one organization would be targeted by, you know, naysayers.

CHRISTOPHER: Naysayers. We don't have any of those in our community because this is clearly Shangri-La, and we welcome you to Shangri-La. So I think we're probably have wrapped up on many of the questions. And I know that the panelists would be happy to stay back if you have any individual questions. But if there isn't anything else that you wanted to throw on to the pyre of this exciting discussion, I think we should just say, you know, we do genuinely preach this as a good example.

And if you have any questions about how to pull it together in your own community, Marilyn has offered to be a resource. We've actually experienced, you know, visiting groups of dignitaries from other parts of the world who have said, "We've heard about this. How does this work? Is it really true?" And so we really are quite keen on spreading the word that it is possible. Thank you to Heinz Endowments and the other foundations, once again. Thank you to all of you being in our fair city. And thank you to the panelists. Thank you so much.

[APPLAUSE]

END OF TRANSCRIPT