

FORT WAYNE PHILHARMONIC

Andrew Constantine, Music Director

March 9, 2021

Dear valued members of the Northeast Indiana community,

I am writing to you today to acknowledge the challenging time that we have all been through in this past year. A year ago, as the world began shutting down and coming to grips with the realities of the worldwide pandemic, the Philharmonic, too, faced an uncertain future. When would the orchestra play again? When can audiences safely return? What new and existing challenges would prevent the organization from fulfilling its mission?

You have likely seen the Philharmonic mentioned in the news and on social media, in which some of the rhetoric has not been easy to hear. Today, let me restate the Board's deep commitment to ensuring the future of this organization. As volunteer community stewards of the orchestra, Board members are committed to serving residents of Northeast Indiana and safeguarding the organization's artistic integrity and long-term financial health. We must face down tough challenges to safeguard the future, recognizing that the Philharmonic must make changes now in order to align expenditures with a balanced budget.

During the last year, the Philharmonic has remained committed to negotiating a fair contract with its musicians. One of the hardest conversations that needed to happen at the negotiating table was about the number of full-time musicians the organization is capable of employing. The Philharmonic was never locked in at 15 musicians, but the Union also would not discuss any number less than 44 musicians. I can share that the musicians have indicated they may return to negotiations for an agreement that has some financial concessions. It has been the Philharmonic's goal throughout to adjust to the impact that COVID created. We are pleased with the breakthrough that might allow us together to find solutions to reduce the budget and maintain current positions.

As members of the Philharmonic Board of Directors we are deeply committed to:

- Serving the communities of Northeast Indiana and safeguarding the organization's artistic integrity and long-term financial health.
- Acknowledging the organization's significant challenge involving a loss of revenue of at least \$1.5 million for the 2020-21 fiscal year, and significant, endemic annual shortfalls over the past several decades. In 2015 the Board marshalled over \$3 million in one-time resources to pay off outstanding debts that had been allowed to accumulate for several years. Since 2015, the Philharmonic has been heroically fundraising to plug annual

deficit gaps. The Philharmonic must make necessary adjustments to ensure a sustainable future.

- Ensuring a financially sustainable future by adjusting the business structure in order to align expenditures with a balanced budget.
- Pledging to our funders and ensuring that their gifts are responsibly managed and invested in the success of the organization.
- Working toward reducing the annual budget by at least \$2 million to solve annual budget gaps caused by operational expenses and sunseting foundation grants.
- Implementing necessary changes to allow the Philharmonic to continue serving our region with a full-time professional core of musicians, while creating the flexibility needed to deliver innovative, high quality music performances for all ages.

I believe in the promise of the Fort Wayne Philharmonic, and am humbled by the opportunity to lead it through arguably the toughest period in its 77-year history. There is nothing the Board and I want more than to see live performances by the talented Philharmonic back on stage and our musicians back at work and canvassing the region so their music can be heard throughout our communities again.

We remain optimistic that a new contract agreement can be reached soon and that the Philharmonic will continue its mission of bringing great music to residents in northeast Indiana.

Thank you for your continued support.

Chuck Surack

A handwritten signature in black ink that reads "Chuck Surack". The signature is written in a cursive, flowing style.

Chairman, Board of Directors