

THE *Chicago*  
PHILHARMONIC

2011-12 Annual Report





# **THE CHICAGO PHILHARMONIC SOCIETY**

**ANNUAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

**FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

**COMPLETED FORM 990  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**



# THE *Chicago* PHILHARMONIC

September 1, 2012

To the Friends, Patrons, and Other Stakeholders of the Chicago Philharmonic Society:

We are pleased to present this inaugural Annual Report for the Society's new fiscal year ending June 30, 2012. We changed our fiscal year to June 30 to conform more closely to the seasonal nature of our musical activities, and to better fit institutional grant making schedules.

In addition, as of July 1, we changed our organization's legal name from The Orchestral Society of Illinois to The Chicago Philharmonic Society. This change aligns our corporate name with the Chicago Philharmonic moniker under which our orchestras and other ensembles have performed since 2004. We hope the change will eliminate any confusion about who we are!

One might reasonably ask why the Society has prepared an Annual Report as very few larger scale, charitably supported musical arts organizations follow this practice. As the reader will later see, the Society is quite unique in many ways, thus, being different from others is part of our culture. As a publicly supported institution, we believe we must be transparent with our finances and accountable to audiences and contributors for both musical excellence and management effectiveness. Furthermore, reviewing operations and finances annually with audience members and donors as stakeholders -- and with our community of musicians and staff employees -- is a good discipline for any management. Thus this first edition.

In the following pages, we will report on the primary activities from our past fiscal year -- from October 1, 2011 to June 30, 2012. It was a very busy period in the life of the Society. We should not forget that this past season was the 22nd of our existence as an Illinois not-for-profit corporation, and the 27th year from the origination of the predecessor cooperative.

We hope you will enjoy reading about our most recent activities and we welcome any questions. Thank you for your interest!

Paul Judy

Chairman of the Board

Donna Milanovich

Executive Director

## Pick-Staiger Concert Series Very Successful

The Chicago Philharmonic Society began its 2011-12 subscription series on Sunday, October 2, 2011 at 7 p.m in Pick-Staiger Hall on the Northwestern University Evanston campus. The program opened on a sad note with Bach's Orchestral Suite No. 3 being played in memory of late principal violist Keith Conant. The Brazilian-born conductor Lucia Matos then joined forces with guitar virtuoso Fareed Haque for an evening of spirited Spanish and Pan American works. The program included two guitar concerti: Rodrigo's Concierto de Aranjuez and Villa-Lobos' Guitar Concerto. Villa-Lobos' Sinfonietta No. 1 and De Falla's The Three Cornered Hat rounded out the program. The Chicago Classical Review stated

“The Chicago Philharmonic, now in its 22nd season, was clearly in good form Sunday for its season opener . . . Matos provided attention to detail and coloration and Haque gave an “expansive performance.”

The second concert of the season took place Sunday evening, November 13, 2011, at Pick Staiger, featuring conductor Joel Smirnoff, former first violinist of the Juilliard String Quartet. The program consisted of Aaron Copland's Quiet City for English Horn, Trumpet and Strings; Tchaikovsky's Serenade for Strings in C Major; and Dmitri Shostakovich's Piano Concerto No. 1. Judith Lewis, English horn, and Charles Geyer, trumpet, performed the Copland. The Shostakovich was performed by pianist Meng-Chieh Liu. This concert garnered the Chicago Tribune's coveted “Pick of the Week” designation.

The concert held Sunday evening April 22, 2012, was entitled “Speck-tacular Beethoven.” The concert was conducted by Scott Speck, Music Director of Joffrey Ballet (among other ensembles), who led Beethoven's Symphony No. 7 and the Fidelio Overture. The concert also featured Chicago Philharmonic's own Principal Tuba, Rex Martin, as soloist in Vaughan-Williams' Tuba Concerto, and guest soloist Robert Hanford, concertmaster of the Lyric Opera Orchestra, who performed Camille St. Saëns' Introduction and Rondo Capriccioso. Chicago Sun-Times did an advance feature on this concert interviewing Speck and Hanford. The Chicago Classical Music review commented:

“... [this concert] was a really fantastic example of audience engagement” and “... Martin's performance of Ralph Vaughn-Williams's tuba piece was impressive ....[he] made a not-so-typical piece fill the entire concert hall in a way that felt new and easy to understand.”

The final concert of the season was performed on Sunday evening, May 2, at Pick-Staiger, and was entitled “The Romantic Violin.” On the podium was Music Director, Larry Rachleff. Works performed were Dvorak's Symphony No. 8 and Tchaikovsky's Violin Concerto, with Philharmonic concertmaster David Perry, as soloist, in a memorable performance. Winnetka Talk reported:

“Sunday night the Chicago Philharmonic Orchestra's concertmaster David Perry played Tchaikovsky's Violin Concerto with such speed, dexterity and style that the well-deserved standing ovation at Pick-Staiger Concert Hall in Evanston went on for several minutes! . . . With the star power of Perry, Rachleff led his team of Chicago professionals, about half of whom play in the Lyric Opera Orchestra, in a standard-setting performance.”

To perform these four concerts, it is interesting to note that the Society drew on some 120 of its community of over 200 musicians.

Following each of the four subscription concerts, we hosted a question and answer session with several of the featured artists. This is part of our “Talkback” program. This program gives our audience the opportunity to connect directly with the performers, thus enriching their experience.

## Chicago Philharmonic Chamber Players

### Park Ridge Series

Sunday, September 11, 2011, at 3 p.m. at St. Luke's Lutheran Church, the Society presented a program entitled "9/11 - Spirit of Hope." The concert featured Haydn's Quartet Opus 74, No. 4 "Sunrise"; Samuel Barber's Dover Beach for Baritone and String Quartet; Quartet in A minor, Opus 51, No. 2 by Brahms, and lastly, Variations for String Quartet of Amazing Grace (in commemoration of 9/11), arranged by Chicago Philharmonic violist, Benton Wedge. Performers at this concert were Frank Babbitt, baritone; Karl Davies, violin and viola; John Macfarlane, violin; Karyn Macfarlane, violin; Margaret Daly, cello; and Benton Wedge, viola.

The "Freedom and Folk Songs" program was presented on Sunday afternoon, January 15, 2012 at St. Luke's, featuring Five Negro Melodies by Samuel Coleridge-Taylor; Serenade for String Trio, Opus 10 by Erno von Dohnanyi; and the Piano Quartet in E-flat Major, Opus 87 by Dvorak. Performers included John Goodwin, piano; Ann Palen, violin; Karl Davies, viola; and Margaret Daly, cello.

St. Luke's was again the host location on Sunday afternoon, March 18, of a program entitled "Blarney, Beethoven and Brahms." Works performed were the Frank Martin Trio on Popular Irish Melodies; Johannes Brahms Piano Quartet in A Major, Opus 26; Ludwig van Beethoven Irische Lieder for Violin, Cello, Flute and Piano: Garyone; Oh, Who, My Dear Dermot; and the Johann Nepomuk Hummel Trio for Flute, Cello and Piano in A Major, Opus 78. It was a musically diverse and well received program. Musicians were Jennifer Cappelli, violin; Karl Davies, viola; Margaret Daly, cello; Donna Milanovich, flute; and John Goodwin, piano.

### Hinsdale Series

Our Chamber Players Series at the Union Church of Hinsdale commenced on Sunday afternoon, October 23, 2011 with a program entitled "Siren Songs: Music of Sondheim, Brahms, Bizet and Haydn." This concert featured Love Songs by Stephen Sondheim; Two Songs for Voice, Viola and Piano, Op.91 by Johannes Brahms; and other works. Performers were Jessye Wright, mezzo-soprano; John Goodwin, piano; Karl Davies, violin and viola; and Margaret Daly, cello.

"Pride of Nations" was our next Hinsdale concert on Sunday afternoon, January 29, 2012, again at Union Church. The program included music inspired by the Czech Dumka, Russian Hebrew themes; Mexican Dance music, as exhibited in the Dvorak Piano Quintet for Strings and Piano; along with Marquez' Zarabandeo for Clarinet and Piano; and Prokofiev's Overture on Hebrew Themes. Performers were Mathias Tacke, violin; Karl Davies, violin; Matt Mantell, viola; Andrew Snow, cello; Wagner Campos, clarinet; and Beatriz Helguera, piano.

The final concert of the Hinsdale series was performed on Sunday afternoon, March 11, and presented "Trio Mania." Works performed were Claude Debussy's Sonate en Trio for Flute, Viola and Harp; Charles Martin Loeffler's Two Rhapsodies for Oboe, Viola and Piano; and Mozart's Rondo, arranged for Flute and Harp. Performers were Donna Milanovich, flute; Timothy Sawyer, oboe; Benton Wedge, viola; Stephen Hartman, harp; and Jelena Dirks, piano.



## Contracted Orchestra Services

The major development in this area of the Society's activities during the year was the initiation of a new relationship as the official orchestra of the Joffrey Ballet. We received official notice in May that we had been selected for this work, following discussions and proposals with Ashley Wheater, Artistic Director; Laurie Garwood, General Manager; and Scott Speck, Music Director of the Joffrey. These projected four ballet programs are scheduled to start in October, 2012.



Other contracted orchestra services during the fiscal year included performing the Salute to Vienna, a gala event at Symphony Center on the afternoon of January 2, 2011. The Society provided operating and payroll services to Lyric Opera Orchestra in support of the Lyric Opera's Rising Stars program on April 13, 2012, and a concert ten days later commemorating the first anniversary of Pope John Paul II's beatification.

Our long standing relationship with Ravinia as the Ravinia Festival Orchestra continued with three performances in June and early July. A concert with Earth, Wind and Fire, which was followed by a concert with singer/songwriter Sarah McLachlan, and lastly, a concert with singer/songwriter Natalie Merchant. The Merchant concert garnered the following quote in Rock Chicago Magazine:

“The gentle sounds of [Natalie's] beautifully written songs, along with the great orchestra, led by conductor David Wroe, seemed to have such a calming effect, almost hypnotic, as the audience sat quietly and just listened.”

## Outreach Programs

### Families to the Philharmonic

Live music experiences can play a crucial role in inspiring a child to develop an abiding love for the art form of classical music. The Chicago Philharmonic offers program where family participation is an important part of helping to nurture and explore a young person's awareness of classical music. It enables the entire family to participate in the concert experience together. We reached over 250 students and their families and invited guests from the following schools and organizations: New Trier High School, Lincoln Park High School, Merit School of Music, Music Institute of Chicago, Gwendolyn Brooks Middle School, Evanston Township High School, Protégé & Classical Orchestra, CYSO, People's Music School, Stevenson High School, Senn High School, Chicago Math and Science Charter School, Old Orchard Junior High School, Chute Middle School, Nichols Middle School, Haven Middle School, Hayt Elementary, Boone Elementary, Stone Elementary, McCracken Middle School, ChiArts, New Music School, Sherwood at Columbia and Schaumburg High School.

### Side by Side

The Chicago Philharmonic created Side by Side, a mentoring program geared toward exceptional high school students. The program provides an opportunity for outstanding students to perform with orchestra mentors in rehearsal sessions and followed by a professional performance of a major classical work. Past participants have been drawn from throughout the Chicago metropolitan area and have included students from New Trier High School, Protégé Philharmonic, and Chicago Youth Symphony Orchestra, as well as other sources.

## NEXT!

The Chicago Philharmonic started a new initiative to help showcase the talents of music students and young professionals. The program NEXT! was established so that fresh young talents of merit of any age perform in the foyer before the concert and have the opportunity to be heard by Chicago Philharmonic patrons, musicians and conductors. This season the CPO welcomed a Japanese shakuhachi flute player, a woodwind quartet from UIC and an inner city teen marimba ensemble from Holy Cross and the Merit Music School.

## Benefit

Joining with the Midwest Palliative & Hospice CareCenter, the Society hosted a joint benefit entitled The Power of Music, on Sunday afternoon, March 18. The event was held in the Atrium of the Midwest CareCenter in Glenview. After introductions, there was a discussion and demonstration of Midwest CareCenter's innovative music therapy and music-thanatology programs. Henry Fogel, past president of the Chicago Symphony Orchestra Association, then spoke about Franz Schubert, his music, and his untimely death at age 32. This was followed by two beautifully sung Schubert songs: "To Music" and "Death and the Maiden," and a performance of Schubert's Quartet in D minor (D. 810), also known as "Death and the Maiden." The Chicago Philharmonic Chamber Players for this event were Hugh Russell, baritone; Craig Terry, piano; Ann Palen, violin; Irene Radetzky, violin; Benton Wedge, viola; Matthew Agnew, cello. Cocktails with hors d'oeuvres and a silent auction followed.

## Community of Musicians Exceeds Two Hundred

When the Society (as the Orchestral Society of Illinois) was first organized, it consisted solely of players from the orchestra of the Lyric Opera. According to those who were in this originating group, it was not long before other top talent freelancers were needed and invited to join the Lyric core for symphonic performances, first under the name "Orchestra of Illinois" (1979), then "Symphony II" (1991), and most recently "The Chicago Philharmonic Orchestra" (2004).

It is estimated that the community probably numbered 100-150 in 1980, and perhaps grew into the range of 140-200 by the 1990s, and into the range of 175-225 by the 2000-2010 period. Since 2010, the annual range has been from 175-240, and as of this date some 240 musicians will receive W2s as of the 2012 calendar year end.

Work is underway in the Musician Personnel task group (and subsequently the Musician Personnel Policies and Procedures Committee) to define who will be a Performing Member of the Chicago Philharmonic Society, as well as how new young musicians and others taking up residence in the Chicago area might enter the Performing Member community (among similar questions and issues).





### Organizational Development Program Pursued

For some years, the Board of Directors of the Society has discussed how to better plan for the organization's future and meet the challenges faced in common with most other classical music organizations. In particular, the Board was quite conscious of the financial difficulties encountered in 2009. A concentrated effort was made in 2010 to recover financial equilibrium. A significant Board meeting took place in December, 2010, followed shortly by further meetings in early 2011 to address organizational and funding questions. During this period, the Board successfully met a special fund-raising challenge by an anonymous contributor who established the condition that a longer range planning process would need to be initiated.

After some deliberations and discussions with a Special Advisor, the Board engaged Nancy Osgood, an organizational consultant with offices in Cleveland who consults with a number of local musical arts organizations including the Cleveland Orchestra. This project had the goal of developing a shared mission statement and strategic development of the organization including a supporting financial and personnel plan.

A further goal -- and in some ways even more primary -- was to bring together in the course of the planning meetings a core group of musicians from the larger community to explore and determine if there was the will, energy, and commitment on their part to participate in leadership and governance roles at the Board and Board committee levels, and also be available for voluntary tasks -- if the Society was indeed to become a musician-centric organization.

Successively better attended meetings facilitated by Osgood were held during the recent fiscal year -- in November, 2011, and in January and May, 2012. Funding for the 2012 meetings, and for an additional meeting scheduled for later this fall, was provided by the Art Works Fund for Organizational Development, for which support the Society is very grateful.

The outcome of the most recent meeting, in addition to establishing a fundamental commitment by the attending musicians to be active in governance, was the establishment of two musician task groups: one to begin defining the Society's needs regarding artistic planning and policy, and the other addressing musician personnel issues. It is contemplated that Board committees will in due course follow up in these areas.

A further outcome of the well-attended May meeting was to support the expansion of the Board of Directors by eight persons -- four musicians and four community representatives -- and to set up an advisory group of musicians numbering 25-35 to be a representative group of the larger community and a source of future musician participants in governance activities.

As of this writing, major follow up steps have been taken. An announcement will soon be made regarding the enlarged Board membership, as planned: the creation of the Artistic Planning and Policies Committee and the Musician Personnel Policies and Procedures Committees; the appointment of musician chairpersons and other musician members of each Committee; and the establishment of a Musicians Advisory Council with an initial membership of up to thirty.

The next step in the organizational development program will be taken later this fall by the Board of Directors and management in the creation of a strategic operating and financial plan in fulfillment of a shared statement of mission, resting solidly on a projected growth of staff and sustainable funding.





### Finances and Funding Satisfactory

As noted in the CPA-reviewed financial statements for the fiscal year ended June 30, revenues for the nine-month fiscal year period were 47% higher than revenues for the prior twelve-month fiscal year. A small surplus of just under \$10,000 was realized.

Our financial condition as of year-end improved modestly over the prior fiscal year-end. Continued effort during the current fiscal year will be necessary to boost the Society's capital to a more adequate level.

In May, we were advised that our proposal to become the exclusive orchestra of the Joffrey Ballet was accepted. Our first performances took place in October and it is anticipated that the revenue from this new contracted services relationship will exceed \$800,000 for the current fiscal year.

Due in part to significant conflicts with the dates and times of concerts of other major musical arts organizations, our concert admissions income for the fiscal year declined significantly as compared with the prior year's level. Intensive review of our marketing planning and execution is underway as we look forward to the coming concert season.

Contribution revenue for the shortened fiscal year was up about 20% over the prior full year and included initial funding from foundations well known for their support of the arts.

Fees received in connection with orchestral services were up substantially, from \$175,000 to over \$505,000. As noted above, this area of our overall activities is expected to grow considerably during the current fiscal year.

## Board of Directors and Officers

On October 1, 2011, the Board of Directors was composed of nine persons -- three (3) musicians playing in Society ensembles and six (6) community representatives. As our organizational development program proceeded, it was recognized that the Board would need to be reshaped, enlarged, and have a significantly larger number of musician members. In January, the resignation of Florence Nelson was accepted with regret. Shortly thereafter, both Peggy Barton Sawyer and Al Grossman advised the Board of their desire to retire. Their resignations were accepted with regret and both were elected Director Emeriti. In January, Paul Judy was elected to the Board as Chairman, at which time Messrs. Berkenstock and Bublik were elected Vice-Chairmen. In addition, Paul Judy was elected Treasurer, and Donna Milanovich was elected Secretary in addition to her duties as Executive Director.

The Board met eight times during the fiscal year. In January, the membership on the Board of three additional musicians – Rex Martin, Carmen Kassinger, and Neil Kimel – was confirmed, bringing the count to ten members -- six musicians and four community representatives. New By-laws were enacted by the Board with the consent of the corporation Members who currently are Messrs. Berkenstock, Davis, Bublik, Judy and Milanovich. Among other matters, the Board adopted policies relating to Conflicts of Interest and Whistleblowers.

Just prior to the preparation of this Report, four additional musicians – Ann Palen, Betsy Cline, Ben Wedge, and Joel Cohen – were added to the Board, bringing its membership to fourteen (14) including ten (10) musicians.

## Management and Staff

Donna Milanovich, our Executive Director, was elected Chief Operating Officer in January and works closely with Paul Judy, Chief Executive Officer. Donna has been Executive Director since 2010 and an employee of the Society since first performing as a flutist with the orchestra in 1996.

The balance of the Society's staff includes Molly Kremer, Operations & Office Manager; Terrell Pierce, Personnel Coordinator and Operations Assistant; Adrienne Giorgolo, Development and Sales Assistant; Susan Stokdyk, Music Librarian; and Steve Yopez, Stage Manager. In addition special thanks to Keith Kremer, Shelly Kimel and Louse Burton for their voluntary staff work and to all the volunteers who helped with concert operations.

## Professional Services

Various marketing tasks and public relations services are provided to the Society by Pat Kremer and Carolyn Jacobs of Big Splash Public Relations. Accounting review services are provided by BrookWeiner, and legal counsel by Seyfarth & Shaw.

## Summary

Our fiscal year ending June 30, 2012 was a highly active period in the life of the Society -- marked especially by the rejuvenation of the Society's organization and governance as artist-centered. We enter the new fiscal year with much promise, enthusiasm, and organizational momentum. For all those who provided regular and special support during the past year, we extend our very warmest thanks – we hope we will merit you continuing support in the years ahead.

