

The Leading Tone is the official newsletter of the Regional Orchestra Players' Association

The Leading Tone

REGIONAL ORCHESTRA PLAYERS' ASSOCIATION

Jeopardy In San José

San José Symphony Flirts with the Grim Reaper

By David Schoenbrun, ROPA
Delegate and Vice-chair,
Negotiating Committee

Last August, I reported to the ROPA Conference on the San Jose Symphony's tenuous financial situation. In September, management informed the orchestra of our need to raise two million dollars by the end of December or face bankruptcy. Our season-opening gala with Yo-Yo Ma had been as hugely successful as our 9/22 free memorial concert was deeply moving. The musicians even collected and donated over \$5,000 to the Red Cross. Most of us were confident that we would weather this storm, as we had many times before.

Then suddenly things went from bad to worse. On October 15, unable to make payroll, the Board met in emergency session, reviewed our cash flow crisis, and considered the bleak

alternatives. In this meeting, CEO Dick Gourley informed Board and musicians that our Board chair had resigned nearly two weeks earlier. The Board met again three days later and voted to "suspend artistic activities" and pursue an out-of-court restructuring.

While this certainly did not come as welcome news to the musicians, the Board's decision represented the most desirable of the four options that were considered, the other three being: Chapter 7 bankruptcy -- everyone goes home, assets are sold, end of story; Chapter 11 bankruptcy -- immediate in-court restructuring, putting our CBA at risk and delaying a restart; or absorption of the Symphony by the San Jose Ballet, a permanent reduction to a very part-time chamber orchestra. Gourley blamed our

predicament on years of ineffective management, poor Board oversight and participation, the complications of a severe economic downturn in the Silicon Valley, and the *coup de gras*, saying that the 9/11 terrorist attack effectively squelched even the meager donations that had been trickling in.

The Board agreed that a Transition Team should be formed to construct a new business plan, secure new funding, and plan hopefully to restart the season in February. Finally, at Gourley's request, Board members en masse offered their

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San José

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resignation in a grand public gesture of responsibility-taking. All that remained was an interim Board chair who agreed to serve in a placeholder capacity until a new Board could be formed.

In the days that followed, the ax fell on the office staff, leaving a skeletal handful of finance personnel to cut the final paychecks and take an accounting of our assets and debts. Gourley suggested that he, the interim CFO, and four musicians, led by Negotiating Committee chair Kristen Linfante and chief number-cruncher Warren Bartold, begin to meet and quickly work out a new business plan that would be embraced by the new Board. Besides working on the business plan, the musicians vigorously worked to maintain orchestra members' health insurance, whose premiums were paid on a monthly basis. Payment of the orchestra's instrument insurance premium for the season was also quickly secured. A repertoire subcommittee was appointed by the Negotiating Committee to sketch-out programs for our "comeback" concerts.

As we worked, however, our audience languished. Loyal patrons, season ticket holders and donors were left up in the air with no public statements from the Symphony's interim

management as to its status or plans for honoring tickets already sold. Some patrons actually drove significant distances to concerts that they didn't know had been canceled. The local press and letters to the editor took the Symphony to task for its silence. Public relations became disastrous when it was revealed that in its final weeks, management had used the Symphony Youth Orchestra money, including membership dues and tour savings, to maintain its cash flow.

As Gourley attempted a too-little-too-late PR campaign and tried to assuage understandably furious Youth Orchestra parents, the Negotiating Committee, spearheaded by Cheryl Fippen, began to plan for a joint benefit concert aimed at recouping some of the Youth Orchestra losses, which was estimated between fifteen and one hundred thousand dollars. Orchestra members and even some of our regular subs donated their services for this concert which took place on February 9th, conducted by our Associate Conductor and Youth Orchestra music director Yair Samet and featuring our concertmaster Robin Mayforth playing Vivaldi's *The Seasons*. It raised an estimated \$20,000 and helped immeasurably to reconnect the Symphony with the community.

In the beginning of December, Jay Harris, former publisher of the San

Jose Mercury News, was recruited by former Board members to chair the "Transitional Executive Board." In addition to being an acknowledged community leader with national repute, Harris was chosen in no small part because of his leadership role in reviving the local chapter of The United Way, which had fallen many millions of dollars into debt several years ago.

Upon learning of the ongoing meetings between CEO Gourley and the musicians, one of the Board's first orders of business was to chastise him for entering into "contract negotiations" without Board authorization, negating several weeks of concentrated efforts to collectively develop a business plan. We soon learned that many of the issues we thought needed urgently to be addressed, such as the business plan, hiring consultants and maintaining venue availability, would have to take a back seat. Instead, dealing with the Symphony's many creditors, auditing the books, and rebuilding its neglected image in the community would be Harris' first tasks.

The accumulated deficit, earlier thought to be in the neighborhood of \$2.5 million, was revised upward to \$3.5 million. It was found that money earmarked for the Symphony's "Capital Campaign" (an attempt to

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Electronic Media Forum

By Ann Drinan, ROPA President
and EMF Representative for
ROPA

The Electronic Media Forum is a group of musicians and managers from a variety of symphonies and opera companies who have met over the past three years to negotiate the Internet agreement and the AudioVisual agreement.



In the near future, your orchestra committee will receive a packet from the Electronic Media Forum (EMF), asking for your input. Please take the time to review this material thoroughly, attend any meetings called by your Orchestra Committee to discuss it, and give your opinion. Feedback to the EMF from rank-and-file musicians is critical.

The current mission of the EMF is to explore the possibility of developing a new recording labor agreement – not to amend the existing Phono agreement between the

AFM and the record companies. Because most record companies have ended their recording contracts with North American orchestras, some orchestras are looking for alternative ways to record and distribute their product. This situation will be explained in detail in the report that will be included in the EMF packet.

A preliminary EMF meeting was held in September, and the full group met in October in Manhattan. A fact-based report, summarizing the findings of these meetings and the research done by individual members of the EFM, will be distributed as part of the EMF packet sent to your orchestra.

The EMF is comprised of managers from Philadelphia, New York, Cleveland, Chicago, Cincinnati, San Francisco, Pittsburgh, Nashville, National Arts Centre, Ottawa, Omaha, New Mexico, the Metropolitan Opera, the Washington Opera, the Houston Grand Opera, and the Boston Lyric Opera, and of musicians from ICSOM, OCSM, ROPA, Chicago, Philadelphia, Pittsburgh, St. Louis, San Francisco, National, Nashville, and the Metropolitan Opera, plus Bill Moriarty from local 802 and Florence Nelson, Janice Galassi, Debbie Newmark, and Laura Brownell from

the AFM. The meetings were facilitated by Fred Zenone and Paul Boulian of SOI (Symphony Orchestra Institute) – their continued involvement with the EMF will be determined by the results of the survey.

At their conferences last summer, ROPA and OCSM passed resolutions stating the need for up-front payments for all recording work, and charging the EMF musician representatives and the union to protect the interests of their members. Furthermore, ICSOM passed a resolution stating the need for the EMF musician members to stop the process after the fact-finding stage and to get input from the rank-and-file. The EMF process is currently on hold as the musician representatives complete the fact-finding report and design a mechanism for soliciting input from orchestra musicians. The survey developed for ICSOM will also be sent to all ROPA and OCSM orchestras.

A draft fact-finding report was written by Robert Levine (ICSOM Chair) and Joe Kluger (President, Philadelphia Orchestra), and the managers then gave their input and edits. The musician representatives worked via email and finally met in Milwaukee in December to work on the

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Electronic Media

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report and begin to design the survey. We had a conference call in January, with another in early March to finalize everything. When your orchestra receives its packet from the musician members of the EMF, please read the report and accompanying materials carefully, and participate in the process of gathering input and sending it back to the EMF musicians. Your voice is important!

A special issue of ICSOM's newsletter, *Senza Sordino*, will cover the current EMF discussions in detail.

Musicians throughout North America have very strong and differing opinions on whether a new recording agreement is necessary and if so, what that agreement should look like. The EMF has not explored a new agreement with the managers; we have thus far gathered the facts about the state of symphonic and operatic recording, and are now finalizing a document that will present those facts to our colleagues fairly and clearly. I urge all of you to read the next issue of *Senza Sordino* (you can download it from www.icsom.org), which will explore many aspects of and opinions about the issues. Your ROPA representative will receive an email when the issue is available. If you don't have access to the Internet, ask a colleague who does to print a copy.

San José

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raise money several years earlier for a new hall) was used as collateral for bank loans, and then seized by the bank when the loans defaulted. The Symphony's annual grant by the city of San Jose was found to have been requested by Gourley in September, not for earmarked uses, but again to bolster sagging contributions. This infuriated our mayor, not much of a patron of the arts to begin with and already disenchanted with the Symphony's business practices. Even Jay Harris wondered if he had taken on more than he could chew when the Board was reminded that the orchestra continued to be a creditor, by virtue of contract guarantees for the season, to the tune of over \$2.5 million, bringing the total deficit to over \$5 million, maybe \$6 million – nobody knew for sure.

Gourley tendered his resignation just before the holidays. Harris then met with both the orchestra leadership and the full orchestra to answer questions as to how he intended to proceed and include the musicians in the process. He told us frankly that we should expect to make significant sacrifices if we hoped to survive and that he intended to include musicians in all phases of the transition.

CONFERENCE INFORMATION

The 2002 ROPA Conference will be held in Ottawa, Ontario, August 14th – 18th. Negotiating orchestras will meet August 13th.

ROPA will be joined in Ottawa by her sister AFM Player Conferences, ICSOM and OCSM, for a "Unity II Conference."

A flurry of negotiations ensued which produced a side letter to our CBA, forgiving any debt owed to musicians by way of contractual guarantees, but also providing for ongoing medical coverage and payment for services already performed, estimated to be around \$25,000. We saw this as a win-win deal, as we were under no illusions about ever seeing that money, and the Board was now able to approach both creditors and potential donors with new evidence of cooperative effort at work within the Symphony.

A creditors meeting was held at the beginning of February and went as smoothly as could be hoped. They agreed (with one exception) to donate all money owed back to the Symphony and urge creditors not in attendance to do likewise. Harris continues to work on creditors, slowly but surely wearing them down. The office is staffed partially by existing employees who will work part-time through the transition, and partially by volunteers from our Symphony Auxiliary. The local press seems to be warming up to us again, having already exacted its pound of flesh and pleased at the Symphony's public airing of its dirty laundry.

A community Advisory Committee, chaired by Nancy Glaze of the Packard Foundation, has begun to

meet to gather advice from both industry consultants/experts and community concerns as to what shape the "new" San Jose Symphony should take. It will then incorporate that information into a report that will in turn help shape a new business plan. Two musicians, Galen Lemmon and Chinh Le, sit on this vital committee. Orchestra member Janet Sims continues to serve as our representative to the Executive Board.



As of this writing, four or five benefit concerts are planned for the balance of the season. The mayor has just announced that the city will sponsor the first of these, to be held on February 23rd. Sponsorship for the remaining concerts seems to be a guarded certainty.

Jay Harris hopes to have a new permanent Board of Directors and chair in place by the end of March, at which time he intends to take his leave, along with the rest of the Transition Board. The new Board will be responsible for hiring a new executive director, with

the help of industry consultants retained for that purpose. They will also engage the orchestra in contract negotiations, this being the last year of a two-year agreement.

So, the musicians of the San Jose Symphony sit and continue to ponder two tracks of questions, the first having to do with the future of the Symphony: What will the season look like next year? The year after? What is the status of the Music Director? And the second of a more personal nature: How else can I make a living around here? Can I afford to stay and take the chance? Still fainter is that voice hoping that another Irwin Jacobs, San Diego's recent \$120 million donor, will emerge from Silicon Valley's wealth repositories to similarly fund our orchestra for decades to come. Not so far-fetched...

A special thanks to the San Francisco Symphony and Opera Orchestras for their generous donations to our emergency relief fund. Also, to Wally Malone, President of Local 153, for his unwavering support of our musicians during this difficult time.

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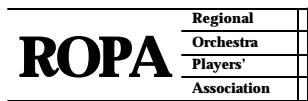
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INFORMATION CENTER

- This newsletter is online at <http://www.ropaweb.org/lt/200203/> (* see note)
- To subscribe to the ROPA Internet Mailing List, email tdf@insight.rr.com. The list is open to musicians in ROPA member orchestras, and AFM Local officers for those orchestras.
- The 2002 ROPA Conference will be held in Ottawa, Canada, August 14th — 19th, 2002. We will be joined by ICSOM and OCSM for a Unity II Conference.

* There may be a delay in getting the newsletters posted onto the web site.

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 Savannah Symphony Orchestra
 Shreveport Symphony Orchestra
 Spokane Symphony Orchestra
 Toledo Symphony Orchestra
 Tulsa Philharmonic
 West Virginia Symphony
 Wichita Symphony Orchestra



A conference of the American Federation of Musicians, AFL-CIO

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