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NMSO Provides Information on Negotiations with Musicians' Union

(ALBUQUERQUE, N.M., Oct. 22, 2009) – As negotiations continue between the New Mexico Symphony Orchestra (NMSO) and its musicians' union, the NMSO is committed to providing the community with updates and clarity on important facts surrounding the negotiations.

On Oct. 9, NMSO management presented its last, best and final offer to NMSO musicians' union representatives. On Oct. 13, orchestra members rejected the offer by vote, and requested a return to the negotiating table to continue contract discussions. NMSO management agreed, and the next negotiation meetings are scheduled for Oct. 26-27.

The concessions being requested of the musicians are the latest in a series of steps intended to balance the NMSO's budget. "In retrospect, the bold move to give the musicians a 25 percent raise over two years, as part of the 2005 contract agreement, was unsustainable," said Coleman Travelstead, chair of the NMSO Board of Trustees. "Fixed expenses resulting from that significant wage increase could not be supported through contributions and ticket sales. Then we were severely impacted by the recession, which forced the Board to face our budget shortfall head-on. That's why we must require a balanced budget for the 2009/2010 season."

"The first step we took toward reining in the 2008/2009 budget was to cut \$200,000 in production and administrative expenses last November," explained Eric Meyer, NMSO president and CEO. "In January we announced the elimination of one set of Classics performances for 2009/2010. Then, on April 1, we implemented staff layoffs, pay cuts for all non-musician employees and the elimination of employee pension funding.

"Altogether we have pared nearly \$600,000 from our total operating budget. What we haven't touched yet is the \$2.3 million line item that is the master agreement with our musicians. In order to balance the budget we need to trim an additional \$690,000. With staffing levels already skeletal and cuts made wherever possible, the only place left to realize savings is the master agreement."

Included in the last, best and final offer rejected by the orchestra members were wage reductions, as well as provisions that were designed to save the organization money with little to no financial impact on the musicians. These provisions were added to the offer in order to decrease the wage reductions being requested of the orchestra members. Key provisions of the last, best and final offer are:

- **A reduction in wages of between 18 and 23 percent.** This reduction is derived from a combination of the rate per service that musicians are paid and the minimum number of services they are guaranteed by the contract. A service is a 2.5-hour block of time.
 - These reductions would save the organization \$374,000. By comparison, the wage cuts and pension elimination that affected all administrative and production staff (including our conductors and President/CEO) starting last April, coupled with layoffs and leaving positions unfilled, will produce savings of \$350,000 through Aug. 31, 2010.

- **Eliminate the cash payout of our health insurance premium subsidy for those musicians who choose not to sign up for our group health policy.** The NMSO provides each musician a \$2,750 annual subsidy toward the premiums of our health coverage. Fifty-three of the 76 musicians in the orchestra opted out of receiving our health care coverage, yet the old master agreement guaranteed that they still received 100 percent of any unused subsidy in cash.
 - Health insurance would still be available to all musicians under the last, best and final offer. Without the cash payout of the benefit, we anticipate that participation in the group plan would rise. Even with increased participation, we anticipate a \$96,000 savings through eliminating the cash payout.

- **Suspend pension contributions.** The last offer included the suspension of pension contributions by the NMSO for the length of the contract and contained a provision for a second benefit concert whose proceeds would go to the musicians' pension fund.
 - Elimination of the pension contribution would save the organization approximately \$50,000.

- **Leave five vacant orchestra positions temporarily unfilled.** There are currently five vacant chairs in the orchestra. The expired master agreement requires that these positions be filled. However, leaving these temporarily unfilled would not significantly impact artistic integrity.
 - Leaving these positions vacant for the season would save the organization \$90,000 (\$5,000 of this figure is audition costs).

- **Substitute new programming for Berlioz's *Damnation of Faust*, scheduled for April 2010.** As of this writing, the program for these concerts, scheduled for April 16-18, 2010, has been

changed to Mozart's *Coronation Mass*, Brahms' *Schicksalslied*, and Borodin's Overture, March and Polovetsian Dances from *Prince Igor*.

- This program change will save the organization \$30,000 in guest artist fees.
- **Distribute paychecks over 12 months instead of nine months.** The orchestra is on hiatus every year from June 1 through Aug. 31. However, musicians may elect to receive their paychecks spread over the course of the full calendar year. As of Aug. 31, 2009, 32 members of the orchestra elected to be on the 12-month plan.
 - Including all 76 musicians on the 12-month plan would ease cash flow. Whether on a 12 or nine-month distribution, their pay would be the same over the course of the fiscal year.
- **The offer included the option to renegotiate wages at the beginning of the second year of the contract.** This was to leave open the possibility of a wage increase after another nine months of economic improvement. Current economic conditions dictate the necessity for a gradual increase in wages following initial cuts. We simply cannot afford to build into the contract a return to the wages of the 2008/2009 fiscal year.
- **There have been no regressive proposals.** All proposals that NMSO management has put on the table since August have been consistent in the amount of savings they would provide to the organization. In fact, the further we go into the new fiscal year with vacant staff positions unfilled, the more we save. This has actually allowed us to decrease the savings we need from the master agreement in the last, best and final offer and to make an offer that the NMSO believed was more financially attractive to the musicians.

“This is not about what the musicians deserve – we all believe they deserve to be paid more – but about what is affordable and what will enable the NMSO to resume operations in our current economic environment and position us to preserve this New Mexico cultural treasure for future generations,” said Meyer.

For answers to questions about the ongoing negotiations with the musicians' union, please see the Frequently Asked Questions at NMSO.org. This FAQ may be accessed from a link on the homepage.

About the NMSO

The New Mexico Symphony Orchestra is the official orchestra of the State of New Mexico, serving over 130,000 people each year through its Classics, Pops and Symphony Under the Stars series, as well as many free NMSO Family Concerts. The NMSO is the largest non-governmental provider of music education in New Mexico and has also been recognized by the Mellon Foundation for its innovative community engagement efforts. The NMSO is under the baton of Music Director Guillermo Figueroa and Resident Conductor and Chorus Director Roger Melone. For more information about the NMSO, visit nmso.org.

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