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At the Core: **Contract Negotiations at the Hartford Symphony Orchestra**



INSTITUTE FOR
MUSIC LEADERSHIP



EASTMAN
SCHOOL OF MUSIC
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How can a symphony orchestra in a medium-size market survive in an environment that has put pressure on its existence? This case profiles the Hartford Symphony Orchestra (HSO), which serves residents in the state of Connecticut and southern Massachusetts and represents one of the largest orchestras in New England. Several unique elements of its organizational structure are revealed, before focusing on a set of contract negotiations that hinge on its “core” of 33 members. As a consultant, you will review the steps taken to create sustainability for the organization, but will be tasked with deciding how to handle a contractual crossroads for the core players, who, on one hand, make the most valuable artistic mark on the HSO, and yet have drained financial resources unnecessarily for the organization. As a result of the substantially changed market landscape for the arts in Greater Hartford, should these valuable and committed players accept a large cut in compensation or should the HSO suspend its operations altogether? Are there alternatives to settling the contract dispute?



HARTFORD
SYMPHONY
ORCHESTRA

This case study was prepared by Michael Alan Anderson, Associate Professor of Musicology, Eastman School of Music. Eastman case studies are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements or sources of primary data nor are they to serve as illustrations of effective or ineffective leadership or decision making.

Background

In 1934, Francis Goodwin II applied for funding from the newly-instituted Federal Emergency Relief Administration, which promised assistance to the unemployed—in this case, struggling musicians. Goodwin's application was granted, and the "Civic Symphony Orchestra of Hartford" would become a fixture in Connecticut. More funding was secured through the targeted Federal Music Project of the 1935 Works Progress Administration, part of the new domestic programs established in President Franklin Roosevelt's New Deal. The orchestra was renamed the "Hartford Symphony Orchestra" the following year and began to tour widely across New England. Its home base settled at The Bushnell Center for the Performing Arts, where it still performs today.

The HSO has a history of attracting big names to its concert stage, which in turn has vaulted its prestige. The orchestra performed under the baton of Fritz Mahler for nearly a decade and has welcomed such talented musicians as Artur Rubenstein, Ella Fitzgerald, and Yo-Yo Ma. In 1954, the HSO gave the American premiere of Carl Orff's *Carmina burana*, now one of the mainstays of the choral-orchestral repertoire.

The 1980s represented a golden age of sorts for instrumentalists in and around Greater Hartford. Members of the orchestra have never been full-time employees of the HSO; rather, at this time, most instrumentalists had other contract commitments with the Hartford Ballet, and the Connecticut Opera, in addition to their time with the orchestra. The wages of these workers were thus not an encumbrance on any one organization, with the ballet and opera companies occupying at least eight weeks of the year with performances. In the early 1990s however, the Hartford Ballet and its school of ballet were not making financial ends meet and shifted from a live orchestra to taped music for its performances. It was forced to

close its doors in 1999 after 25 years. Connecticut Opera did not fare much better. The recession of 2008 paralyzed the 67-year-old organization, and it shut down its operations in 2009. The pressure was on the HSO to stay afloat as a quality arts provider in Hartford. The orchestra's management knew that its players had already suffered substantial losses of income.

The Core, a Lockout, and Musicians "On Board"

Most orchestras have a roster of core players who contract for a large number of "services" throughout the year. A rehearsal, a performance, or, in some cases, an educational or community presentation will count as a "service." The size of the core orchestra suffices for only some of the repertoire it plays. For works requiring larger forces, such as most symphonies of the nineteenth century, instrumental reinforcements supplement the core. On the advice of a study committee comprising board members and musicians, the HSO established a core orchestra of 21 players in 1986 by merging the symphony, the Connecticut Opera, the Hartford Ballet, and the Hartford Chamber Orchestra into one organization called Core, Inc. In fact, many regional orchestras were following this path at that time in hopes of becoming full time. The 21 players featured a string complement (violins, violas, cellos, basses) and single winds. Musicians who were members of the Hartford Chamber Orchestra (a separate organization) were given preference for joining the core, as their chamber orchestra repertoire was to become part of Core, Inc. This group was drawn from a subset of 55 players who were under a "basic" contract to play symphonies, opera, pops, and children's concerts.¹ Core Inc. dissolved by 1991.

The HSO management provided the core roster with a large amount of contracted services, which included anything from major concerts to school

¹Beyond the "basic" 55 were 23 string players at the rank of "Service," who were hired to play large orchestral works. Another eight players had a "Right of First Refusal" contract; they were offered work if their instrument was needed (other wind instruments, harp, and keyboard, for example).

performances. As of 2015, core players earned \$128 per service. In the 1980s, members of the core could expect around 300 services per year, enough to keep them very busy and earning income on a year-round basis, even with the pay that many reaped from the ballet and opera companies. The work was so steady for the core, in fact, that the management of the HSO decided that this select roster of players could be paid less on a per service basis than the “basic” and “service” players, because their work represented guaranteed income for a substantial part of the year. Despite the steadiness of the core schedule, player fatigue and chronic conditions were reported in the later 1980s due to the aggressive number of services. The nature of services also became quite uneven. The orchestra’s management, seeking to deliver the number of promised services per year with less “takers” year to year, began signing up some parts of the core to play “background music” for events around the Greater Hartford area. Many players objected to gigs like these, which they felt were not elevating the stature of the symphony in the community. The pay inequity and the high number of services became a heated subject. At the close of the contract that formed the core, orchestra management tried to disband it in 1989, claiming it was a failure. The players went on strike for eleven weeks over this issue.

It was clear at the turn of the 1990s that market conditions in Hartford could not support the 300 services that the orchestra’s management had guaranteed to members of the core. Musicians cobbled together a living from the guaranteed number of services, but the administration saw an expensive and unsustainable arrangement in the current structure of these offerings. A lockout by HSO management for the entire 1991-92 season and part of the succeeding one forced these issues surrounding core members to be settled. The negotiation for a new contract was at loggerheads for months prompting various mediators to help rescue the attempts at hammering out a fair agreement, one being the chairman and CEO of Aetna Inc., Ron Compton.

In exchange for a substantial decrease in the number of paid services for core members (almost 30%), the mediators helped the sides secure equal pay for the core members relative to the “basic” players. No longer would the core players be compensated at a less generous rate than other members. Management also agreed to limit the number of contracted services per week, though not limiting the total number of services for a given year. A further proscription was made against scheduling services as background music (wedding parties, bar/bat mitvahs, etc.).

Accompanying these revisions in pay equity was a seismic change in oversight of the Hartford Symphony Orchestra that ostensibly would bring management and players closer together for the greater good of the organization. In a bold move, Ron Compton proposed that ten HSO players serve and retain full voting privileges on the board of directors, a group of about 60 at the time. It was unprecedented territory for members of an orchestra: board members are generally business and community leaders who do not draw a paycheck from the organization, and they usually have independent means to contribute to the financial health of it. The addition of ten players to the board meant these players would have a stake in the direction of the symphony. Musicians were finally at the table in deliberations on major issues concerning the orchestra. The players’ union would not be blindsided by board proceedings, because all memos were read by elected players on the board, and these musicians could voice swift opposition to policies that did not benefit the welfare of the musicians. Board members in turn could witness first-hand the plight of the instrumentalists and put human faces on the abstract decisions that affected the lives of the musicians. Could this novel arrangement inspire other small, regional orchestras to break down barriers between administration and musicians?

This extraordinary opportunity for the players at the board level presented its own challenges. The player representatives had fiduciary responsibilities

to the organization that most professional musical artists would scarcely encounter. They now had “skin in the game” and were hardly bystanders in their new role. Players were expected to make up one-third of the board’s executive committee, the most powerful decision-making committee of the board, and participation from musicians on the board was likewise required on board subcommittees. The subcommittees often dealt with areas of the HSO with which players were not familiar nor had much input toward improving: finance, governance, human resources, marketing, investment, audit, and, perhaps most importantly, development. Musicians on the board not only needed to attend fundraisers; in theory, they also should have actively raised funds for the enterprise. The local union representatives for the HSO players—the American Federation of Musicians Local 400—had a dim view of this new arrangement with the board of directors. Despite seats at the table, some players thought that their fellow board members had compromised too much with management. Union voices were concerned about the “line crossed” between management and musicians, and national advocacy organizations, such as the Regional Orchestra Players’ Association, looked unfavorably on the appointment of players to its board.

Building from the Core

The pushback from those uncomfortable with the idea of musicians on the board of directors was quieted somewhat by generally peaceful relations between management of the orchestra and its players in the years following the change in the composition of board membership. From 1993 until the economic recession of 2008, the HSO boasted a series of successful contract renewals and not a single grievance filed by its musicians. More than half of that prosperous time was under the leadership of executive director Charlie Owens, who guided the orchestra through a period of significant fiscal and artistic growth during his term from 1999 to 2007.

Artistically, the HSO was hitting its stride as well at the turn of the 21st century. Concert activity, community programs, and educational initiatives were all growing, contributing to the “glory days” for management and musicians alike. The HSO began an outdoor summer concert series, the Talcott Mountain Music Festival, in partnership with the town of Simsbury, Connecticut, aimed at affluent residents, many of whom were already symphony subscribers. An endowment campaign entitled *Fanfare for the Future* had generated \$6.5 million. And finally, a comprehensive education program known as “Musical Pathways” grew substantially in the first decade of the century, serving more than 65,000 children and adults annually, including students from 165 schools around the state.

Increased attention to school programs and the financial success of the HSO at the turn of the twenty-first century triggered an opportunity to expand the number of musicians in the core of the HSO. The core is a nucleus of members

that participated in the daytime educational activities in addition to the full concert offerings of the season, which included a chamber music series. The Hartford Foundation for Public Giving provided a valuable annual grant to support the initiative “Symphony in the Schools,” allowing members of the core to perform around 35 times per year in the public schools. The strategy of the program in the schools was designed to show a build-up of group music-making over time known as “sequencing.” In the fall, students would see a string quartet, a jazz trio, or a small group of brass players perform and discuss their music. Then a chamber orchestra consisting of core members would

Orchestra consultant Tom Morris, hired by the HSO in 2007 to assess the fiscal health of the organization, suggested a major endowment campaign as part of his recommendations. He proposed that the HSO embark on a campaign to raise between \$10 and \$15 million, which would alleviate some of the pressures on the annual budget.

appear in the spring to play a classical symphony. As a final stage of the “sequence,” students in the public schools were invited to The Bushnell Center for the Performing Arts (“The Bushnell”) to see the “basic” orchestra at what was called a “Discovery” educational concert.

As “Symphony in the Schools” and a chamber music series expanded, Charlie Owens identified a key problem that had limited the artistic possibilities of the chamber orchestra. Namely, the core members had very little repertoire to play as an ensemble. The 21-person orchestra (sometimes whittled down to 17 or

18 with absences) did not quite fit the size of the ensemble needed to play even a “classic” Haydn symphony—between 25 and 35 players. Owens proposed an increase in the core to 33 members, which was adopted in 2000. The height of the HSO core reached six first violins, five second violins, four violas, three cellos, and one double bass in the strings, with double winds, double trumpet and horn, one trombone and one percussion. The rise in

Thanks to a 52% rise in annual attendance, a 23% increase in performance revenues, a doubling of both single-ticket revenues and contributed revenue (including a 76% increase in individual giving), the orchestra’s annual budget grew more than 60% to \$6.2 million by 2006. Musicians’ wages grew substantially as well during Owens’ tenure, a 35% increase.

core membership was a sound artistic decision but a risky financial one. The relatively firm financial footing on which the orchestra stood seemed to warrant the change that players had desired for years. There were hopes that this positive shift for core members could evolve into a full-time orchestra, which could expand performances outside the Greater Hartford area. A few members were concerned about the sustainability of the new arrangement.

“Symphony in the Schools” lasted a little more than

a decade. Through the peculiarities of scheduling, students were not seeing the progression of musicians that the program had specified. By their contract, the orchestra members had reserved mornings to play as part of this program, but changes in the country’s educational structure (“Common Core”) pushed arts-type events and presentations to the afternoon of the school day. The final piece of the progression – a trip to see a full symphony – often had uneven numbers of students being bussed to the performing arts center, some of whom did not encounter the smaller artistic configurations along the way. The Hartford Foundation for Public Giving withdrew its support, stating it was no longer in line with their mission. Other small foundations were ready to support school initiatives, but the logistics of scheduling these appearances became untenable in the local school systems. Educational programs and appearances are now broadly categorized as “Outreach” by the administration.

Consolidating Operations with The Bushnell

Both not-for-profit and for-profit companies were tested in the recession of 2008, and the Hartford Symphony Orchestra was no exception. Subscriptions were down, administrative costs were rising, and the cost of the larger core membership weighed heavily on the organization. Even with an annual budget down 26% from 2008 to \$4.8 million, annual deficits were running over \$1 million per year. It was a decidedly poor market in which to launch a much-needed capital campaign. Meanwhile, the unrestricted part of the orchestra’s endowment was being drawn down precipitously, and the organization witnessed drops in contributed income (grants, foundation funding, private donations), which accounted for half of the HSO revenue.

To stem the tide, the board of directors aimed to secure a partnership with The Bushnell Center for the Performing Arts, its longtime concert venue with its

own management, which could take on some of the administration of its tenant—the HSO—while allowing the orchestra to stay on steady ground financially. The idea had been discussed at the board level of the HSO for at least a decade, but was spurred by a handful of influential and vociferous “angel donors,” patrons of the symphony who had kept the orchestra solvent with large contributions. Given their multiple rescues of the HSO’s financial shortfalls, the angel donors had the ear of the HSO administration. In March 2014, the HSO’s board of directors and that of The Bushnell each voted to form a strategic alliance with a two-year management services contract, while remaining independent, 501(c)(3) non-for-profit organizations.

The value to the symphony was clear from this alliance, beginning with something as simple as office space. The HSO staff would relocate to The Bushnell’s offices, although the lease on the HSO’s space would have to be shouldered for a brief time. Economies of scale awaited, however. The HSO was able to draw on the strength of The Bushnell’s existing infrastructure built to handle ticketing, marketing, education opportunities, and box office functions. The Bushnell further had resources and personnel dedicated to fundraising, something desperately sought by the HSO board and administration. In addition to avoiding the duplication of a number of services, the HSO expected to save about \$100,000 annually from this agreement, paying The Bushnell a management fee of \$325,000 per year.

The trial relationship between The Bushnell Center for the Performing Arts and the HSO had mixed success in its first year. Except for one part-time box office worker and another employee in operations, HSO staff members all left the organization. The services of ticketing and marketing lifted a burden from the HSO, but the fundraising operation of The Bushnell, for instance, has not yielded the kinds of giving that the orchestra had anticipated. It is important to note that some of the identity of the orchestra was lost in this alliance. The Bushnell was not only promoting

its longtime tenant, but the symphony had to share the spotlight with other acts that the performing arts center advertised. Touring Broadway productions and single-night stops for major pop artists quickly sold out and understandably commanded the attention of The Bushnell administration.

Leadership of the HSO took a necessary turn in the new partnership. The CEO of The Bushnell, David Fay, would add the title of interim CEO for the HSO. At the same time, the CEO of the HSO, Carrie Hammond, who was not involved in board-level discussion of the alliance, was forced to step down from her role, which became duplicative with Fay’s new assignment. HSO Board Chairman James Remis expressed the promise of the partnership: “Through our shared vision of the value of classical music to our community and an appropriate structure to operate more efficiently, we hope to create a successful new cultural model for Greater Hartford and perhaps the nation.” Fay himself showed eagerness to assume a key role in the symphony’s operations: “It is a substantial undertaking, but the mutual benefits are obvious. Combining the knowledge and experience of the very talented HSO staff with the tactical support of the entire Bushnell staff through this management arrangement is a win-win for both organizations – and for the Greater Hartford community.” It remained to be seen how the combined operations would bear fruit for both non-profits. The agreement, at least, could be revisited in two years.

Contract Negotiations and the Strategic Plan

With new management in place and stabilized for the near term, the question of a longer term contract for orchestra members could be addressed. Contracts in recent years had been extended on a short-term basis, but the board and the symphony’s management sought to correct some major imbalances that centered on the number of “services” that were guaranteed to core members of the orchestra. As mentioned, core players were guaranteed almost 300 services per

year a generation ago, which kept them busy on an annual basis. The number of guaranteed services the orchestra could pay was revised downward in the last decade toward 200, finally landing at 191 services in 2014. But the orchestra's management had considerable difficulty supplying the services they were required to pay by contract. In 2014, the HSO secured only 130 opportunities for core members. The market for orchestra "services" throughout the year could not support even the steepest cuts management had made. Or were there opportunities missed by HSO administration? Whatever the cause, the orchestra players were lawfully collecting payment for services never rendered. By one calculation, some \$450,000 was paid to core orchestra members for services that management was unable to organize.

The initial contract negotiations of January 2015 targeted the unevenness inherent in this financial arrangement for the HSO's core. Both management and players understood the problem and issued opening salvos in the negotiation that focused on yet another reduction in the total number of services guaranteed to the core members. Predictably, the two sides were far apart at the outset. The players conceded a decrease in the number of paid services to 180 per year, but emphasized that this concession was to be temporary and brought back to 191 a year later (**Appendix 1**). The orchestra's management, however, was concerned about paying core members for services that were never secured because of the intolerant market. Rejecting the players' offer, their counterproposal guaranteed pay for 110 services, a 15% reduction from the previous year's *actual* number of services that could be scheduled for the members to play in schools and elsewhere. This massive decrease, when compared to the 191 services guaranteed in the previous year, was unacceptable to the players' union. HSO violinist Michael Pollard, a member of the union's negotiating team, captured the sentiment of his constituents: "A symphony orchestra is about number one, the music; number two, the musicians, who are the music makers, we're the product; and number three, everything else. We believe that this management

and this board, are concerned with everything else, above numbers one and two. One does not grow the Hartford Symphony by cutting the Hartford Symphony."

Seeing the two sides in wide disagreement in the area of guaranteed services, HSO management refocused the negotiation on other levers and variables that impacted the orchestra's core instrumentalists. With more flexibility in scheduling, management aimed to garner a higher number of guaranteed services for these core players. It floated the idea of allowing services on afternoons. (Members were previously bound to morning gigs on weekdays.) Sundays were also proposed as possible days to schedule services. Unfortunately, afternoons for most instrumentalists were spent teaching private lessons or in studios at area schools. Forcing members to choose between two streams of income occurring at the same time was further untenable to the core members, and this motion for scheduling flexibility was likewise shot down in the negotiation.

The musician absence policy for core gigs was also an area probed in the contract negotiation. For years, players had enjoyed a liberal policy which had no limit on absences from services in a given year, provided absences were cleared several weeks in advance. This was advantageous for players wishing to accept more lucrative opportunities or travel with ensembles. Some players abused this policy, whether leaving at the last minute to substitute for a more high-profile gig or removing themselves ("carding out") for the entire year because they lived out of state, while maintaining benefits. HSO management intended to explore this lever in the contract by setting some boundaries around attendance, while still keeping the policy generous. The proposal was to have members make two-thirds of all services, or be subject to dismissal. With the help of a representative from the American Federation of Musicians, this proposal was modified to 50% of all services over a two year period, leaving a member the opportunity to tour for a year with another ensemble.

June 2015 was a moment of some truth for the orchestra. A federal mediator arrived in Hartford to assist with the contract negotiations, which had reached new heights of brinksmanship. Meanwhile, the board and management of the HSO approved a five-year strategic plan for the organization. The executive management agreement with The Bushnell was already in place (if only for a year), and this document articulated the direction of the HSO in the medium term. The strategic plan (excerpts in **Appendix 2**) boiled down to three emphases: a patron-centric focus, revenue enhancement, and a growth-focused culture. Some of the initiatives – such as strengthening ties with the community, developing a capital campaign, and maintaining programming quality – were hardly objectionable to the musicians. Other goals, such as a proposed Institute for Digital Performance Art to leverage technology in the symphony’s artistic work, seemed more alienating to the players. Management also proposed that future spending follow the principle of zero-balance budgeting; nothing could be taken on that did not pay for itself. Following the 2008 recession, the orchestra experienced consecutive years of running substantial deficits, only to be bailed out with large contributions from angel donors. A plan to balance the budget would take the pressure off the angel donors. But the initiative also implied that elimination of deficits could spell substantial cuts to the organization. At this same board meeting, the suggested cuts to the number of guaranteed services for the core members were approved, despite the “no” vote from the ten musicians on the board of trustees.

All contracted HSO musicians were invited to participate in the strategic planning process with a consultant in a focus-group type of arrangement. The forum allowed members to express (anonymously) dissatisfaction with components of the proposed strategic plan. The ten player-board members—a more robust line of defense for protecting the interest of the players—voiced immediate concerns about the severe reduction in the number of services, in addition

to the concerns they held about the direction of the organization as expressed in the 2015 strategic plan. They believed that the primary strength of the HSO lay in its programming and music-making, less so in community connections and integration of technology. The player representatives further contended that no American orchestra of its size was closing budget shortfalls by emphasizing some of the areas raised in the strategic plan. The board approved the strategic plan, but the musicians saw writing on the wall about the severity of cuts to the orchestra. Contract negotiations still awaited.

Going Public

In the ongoing contract dispute, representatives for both the orchestra’s management and the players’ union did agree on one thing. No matter where the two sides stood in the hammering out of an agreement, neither side would divulge the nature and status of the contract negotiations to the press or to the public more generally. However, after the strategic plan was approved by the board at the June meeting (with all ten players uniformly in dissent), the players broke this covenant. They saw parts of the plan as an affront, a justification to propose changes in contracts that would be unfavorable to the players in the name of cutting costs and reallocating resources. The day after the strategic plan was ratified, the players took the news public that the orchestra was at a financial crossroads and that major cuts were destined to pass that would severely impact the lives of the musicians, the artistic backbone of the operation. A “Save the Symphony” campaign had begun outside

“I’m aware of several donors who have been deeply hurt by the union’s pointed language, and it’s not clear that these folks will still be donors when and if the dust settles. Alienating known supporters is not considered the ideal way to plant the seeds of an endowment campaign.”

Steve Metcalf,
“Metcalf on Music”
blog on WNPR.org

the confines of the negotiation room.

There was inherent risk in going public with news about the contract negotiations, but it was a calculated move by the players to seek public support for an institution that enriched the public life of the Greater Hartford market. The campaign reached the public quickly both in the press and through online mechanisms. Steve Metcalf, former music critic for *Hartford Courant*, penned a series of articles for his WNPR weekly blog describing the state of the negotiation and urging the sides to seek a compromise that would keep the doors of the HSO open. Representatives for the players appeared on the local National Public Radio program “Where We Live” and also launched a Facebook group page to garner public support. Players appealed to patrons and to the press to understand that the livelihoods of the working musicians of the HSO were at stake in the negotiation. Members even staged a major rally at the state capitol building. One certain drawback, however, was damage caused to the relationship between the management and the musicians. Clinging to the agreement to not take the private boardroom conversations public, board members were tempted to present their side in a more flattering light than it had been cast by the musicians in the press. Board personnel were likewise contacted for interviews by the local NPR affiliate, but they declined.

The results of the musicians “going public” were hard to measure. While public awareness of the musicians’ plight rose, there was a negative effect on fundraising for the HSO, further driving down private donations it relied upon to sustain operations year to year. The loss of angel donors was an inevitable dagger. Those who had bailed out the organization repeatedly now began to whisper that they would be sitting on the sidelines until the two sides forged a stable contract. One major donor, who had singlehandedly pulled the organization back from recent annual deficits, announced that he could no longer help. Patrons were another constituency affected: should they be

buying subscriptions for the season ahead, given the financial uncertainty of the organization?

In September 2015, the two sides sat down for further contract negotiations and the musicians rejected an offer that management had insisted was the best one they could make, again with severe reductions in the number of guaranteed services to meet low market demand, which would save the HSO \$400,000 annually. Players believed the cuts could be made elsewhere. The rhetoric continued online and in the press. The danger of the bankruptcy now loomed large, although the union was not convinced that the money would run out. Musicians on the board were in a particularly unusual position, seeing up close the financial reality of the situation but also concerned for their personal welfare. In an unprecedented move, management added a paid service to the musicians’ schedule, one which required all players under contract to attend a meeting that would illuminate the bleak financial state of the organization for members of the orchestra. Union representatives for the American Federation of Musicians requested that members not attend this meeting. Some still did. Players slowly began to believe the prospect of the HSO closing its doors.

At a meeting in December 2015, the board voted to go public on their own to state that the HSO faced bankruptcy if a contract did not materialize quickly. The director of artistic operations and administration for the HSO, Stephen Collins, informed the union representatives that, due to budget shortfalls and a steady burning of a dwindling endowment, “the current season is in jeopardy and we are simply unable to commit to producing the 2016-17 HSO season at this time.” He reiterated the grave reality to the *Hartford Courant*. On January 7, 2016, musicians unanimously rejected the latest proposal of wage cuts from their management, and proposed \$750,000 in wage cuts over four years, about half of what their employer was asking. This was likewise unacceptable to management, who made a final offer that amounted

to a 38% cut in pay for the 33 core musicians through a reduction of services, but also cuts to the “basic” and “service” players. Union representatives continued to object to the focus on slashing wages for the musicians who propped up the symphony’s artistic product. Representative Michael Pollard emphasized in the press, “We’re willing to be part of the solution, but we’re not willing to be the solution.”

You are a consultant for the American Federation of Musicians Local 400. You face two undesirable choices. One on hand, you can accept large pay cuts proposed by management of the HSO, whose severe curtailing of

the number of guaranteed services reflects new market conditions in the Greater Hartford area. On the other hand, you can refuse the proposed cuts knowing that this decision could mean the suspension or dissolution of the orchestra. There is also a chance it could mean further negotiations. Even with these reductions to musicians’ compensation, you know the symphony’s systemic financial problems would not be solved. What do you advise the players, who meet to discuss the final offer on the table? What are other levers one could explore with management of the HSO to lessen the impact of these reductions to the players? What creative solutions can be brought to the negotiation?

APPENDIX 1

EXCERPT FROM A PROPOSED CONTRACT between the American Federation of Musicians Local 400, Hartford, Connecticut and The Hartford Symphony Orchestra, Inc.

Section 4. Services

4.1 Definition of a Season

- a. The Symphony will give notice of the date of the beginning of the season by May 1 of each year.
- b. Each season during the term of this Agreement shall consist of a winter season of 38 consecutive paid weeks, one of which will be vacation as defined by Section 5.8 "Vacation Pay" and a summer season of five consecutive paid weeks. The Symphony will make its best efforts to avoid scheduling Basic Orchestra services in the first and last weeks of each winter season in this contract. These best efforts to avoid scheduling Basic services in the first and last weeks of the season will sunset with the expiration of this agreement unless requested by either party and agreed to through the contract renewal process.

4.2 Service Guarantee

BASIC

The Symphony shall be entitled to 108 services of the Basic Musicians and 51 services of the Service Musicians in the 2016-17 season. Furthermore, the Symphony shall be entitled to use 9 of the 111 Basic guaranteed services during the 5-week summers season as defined above in 4.1(b). One of the guaranteed services will be used for the Enfield fee concert (assuming the concert occurs) and musicians will be compensated for the 50% Sunday premium (see 4.3(g)) in cash. To ensure that all Service Players are offered the minimum guarantee, rotation of the Service Players at various services may be practiced at the discretion of the Music Director.

The number of Basic services will return to 111 services (from 108) on June 14, 2017.

CORE

The Symphony shall be entitled to 180 services of the Core Musicians in the 2016-17 season, inclusive of Basic Services. Furthermore, the Symphony shall be entitled to use 11 of the 180 guaranteed services during the 4-week summer season as defined above in 4.1(b).

The number of Core services will return to 191 services (from 180) on June 14, 2017.

4.3 Definition of a Work Week

- a. A work week will begin on Monday and end on Sunday, except that the first week of the season may begin on a day other than a Monday and in such case the last week of the season will end on the corresponding prior day of the week (e.g., if the Basic season, for reason of Jewish holidays, begins in September on a Thursday to allow sufficient rehearsal time for a concert, the Basic season would end the following May on a Wednesday).
- b. **BASIC**
No more than seven services may be scheduled per week without the consent of the Orchestra Committee; except that without such consent 7-½ services may be scheduled in weeks containing Family or Discovery Concerts. The number of holds in the schedule and scheduled services of any combination thereof may not exceed the allowable totals per week.

CORE

Members of the Core Orchestra shall not be required to perform more than eight services per week with the provision that nine services per week may occur no more than four times per season if the week preceding or following is seven or fewer services and provided that weeks of nine services are not consecutive.

APPENDIX I continued

- c. No services may be scheduled before 9:00 a.m. No service shall begin before noon on the Friday from Thanksgiving. For the term of this contract, afternoon dress rehearsals for Talcott Mountain Music Festival services shall be permitted, except for the first dress rehearsal.
- d. **BASIC**
No weekday services (except Discovery Concerts and Outreach performances) may be scheduled before 6:30 p.m. or weekday travel before 6:00 p.m. with the understanding that requests for exceptions (such as for touring and rehearsals to accommodate guest artists) will be brought by management to the Orchestra Committee.
- CORE**
Outreach and other Core daytime services must end before 1:00 p.m.
- e. All rehearsals must end by 10:00 p.m., except when overtime has been called, pursuant to Section 5.6. All concerts must end by 10:35 p.m. with one exception per year until 11:00 p.m.
- f. Nothing is to be scheduled on the following holidays: the two days of Rosh Hashanah, Yom Kippur, the first and second nights of Passover, Christmas, Good Friday, Holy Saturday, Easter, New Year's Day (after 2:00 A.M.), and Thanksgiving.
- g. Sunday will be a day off during the Basic and Core seasons with the provision that Sunday services may be utilized up to ten (10) times each season provided that the preceding Saturday or the following Monday or Tuesday is free.

APPENDIX 2

Select Slides from the Hartford Symphony Orchestra 2015 Strategic Plan

Strategic Planning Framework Board of Directors Review

June 17, 2015



Be Transformed

Expected Outcomes of the Process

1. A 5-year Strategic Framework which includes a clear vision, mission and values shared by Board and Staff
2. A viable business model and blueprint for action
3. Revised 10-year Stabilization Process
4. Information to evolve the brand to successfully market the HSO to audiences and funders
5. A commitment to change - - and a recognition that all orchestra constituents must work together in mutually supportive fashion to achieve our envisioned future.



Be Transformed

APPENDIX 2 continued

Robust Process

- ✓ Strategic Planning Committee meetings
- ✓ Work Groups on Programming and Marketing
- ✓ Board Committee Input (Governance, Education)
- ✓ Market Research Studies
- ✓ Community Service Needs Assessment
- ✓ Best Practice Study and National Expertise
- ✓ Musician Focus Groups
- ✓ Director Roundtables



Be Transformed

5 Principal Challenges

Relevance Organizational Alignment
Reach Revenue
Reputation (Top Priority Challenge)

Hallmarks of Future Brand

Excellence
Market-Driven
Innovation
Engagement
Talent Development



Be Transformed

APPENDIX 2 continued

Core Strategic Imperatives

- Patron-centric focus
- Revenue enhancement
- Growth-focused culture



Be Transformed

Challenge : Relevance

Leading Thoughts on the HSO's Future On-stage Programming & Audience Development

- *Bring orchestral music into the lives of everyone in our communities*

BIG IDEA

Maintaining/Enhancing Current and New Programming is Essential

Lead with the Strength of the HSO



Already Completed

- Exciting 2015 – 2016 programming
- Season long positive press and public reactions

Key Next Steps

- Deliver successful 2016 – 2017 performances
- Consider opportunities for additional programming



Be Transformed

APPENDIX 2 continued

Challenge: Reach

Leading Thoughts on the HSO's Future On-stage Programming & Audience Development

• *Deepening HSO's understanding of the needs of our audiences and our communities by listening to our audiences the way we want our audiences to listen to us*

BIG IDEA

A Patron-Centric Operating Model

Deep understanding of needs of patrons will enable us to provide lifetime value

Already Completed

- Third-party market and market research reports

Key Next Steps

- Leveraging Bushnell Marketing committee to work with HSO to develop patron-centric integrated market approach

Challenge : Reach

Leading Thoughts on HSO's Programming and Outreach in the Community

• *Creating community partnerships based on authentic engagements*

BIG IDEA

Placing HSO at the Service of the Community The Comprehensive HSO Family Music Academy

Music for Families, Schools, Young Adults, Life-Long Learners and Healing

Already Completed

- Report/plan from third party

Key Next Steps

- Receive/review another third-party evaluation
- Develop go-forward plan

Challenge : Revenue

Leading Thoughts on HSO Finances and Support

•*Ensuring long-term sustainability*

BIG IDEA

Laying the Groundwork for a Secure Future *A Comprehensive Capital Development Plan*



Already Completed

- Hired new Director of Development
- Reassessed previous feasibility study
- Extensive outreach to prospective donors
- Attained new commitments of \$3.5 million

Key Next Steps

- Launch capital campaign upon completion of strategic plan and conclusion of CBA negotiations
- Develop a formal Planned Giving program



Be Transformed

Challenge : Revenue

Leading Thoughts on HSO Finances and Support

•*Ensuring long-term sustainability*

BIG IDEA

Adopting a New Business Model *Zero-based Budgeting for Growth*



Already Completed

- First draft of 10-year financial plan
- Modest ticket price increases for 2015 – 2016 season
- Identification of potential new revenue streams

Key Next Steps

- Determine go-forward funding metrics
- Resolve structural deficit problem
- Launch investment fund



Be Transformed

APPENDIX 2 continued

Challenge: Organizational Alignment

Leading Thoughts on HR Requirements and Culture

- *Creating a new organizational culture*

BIG IDEA

Creating a Culture of Shared Responsibility and Shared Opportunity *A New Paradigm for Constituent Relations and Accountability*

Already Accomplished

- Defined go-to culture
- Alignment around go-forward Governance priorities
- Transparency with regards to strategic planning process

Key Next Steps

- Create change management task force
- Implement Board accountability process

Challenges : Relevance, Reach, Revenue, Organizational Alignment

Leading Thoughts on state of the art collaboration between the HSO and the Bushnell

- *Leveraging the alliance to create a new way to address historical challenges*

BIG IDEA

Extend Reach by Fully Leveraging Technology *The Institute for Digital Performance Art*

Already Completed

- Business plan
- Application to the State of Connecticut for financial support
- In-depth discussions with potential donors
- Identification of multiple content, technology, production, etc. partners
- Identification of headquarters for the Institute

Key Next Steps

- Obtain decision from State regarding financial support
- Prioritize the execution of the business plan
- Create ownership structure
- Identify key staff members of the Institute

APPENDIX 2 continued

Challenge: Reputation

Leading Thoughts on Institutional Positioning: HSO Brand of the Future

•*Rebrand the HSO based on successfully meeting the other four challenges*

BIG IDEA

Unleash the Full Power of HSO's Musical Vibrancy
Expand the Brand

Already Completed

-All of the above

Key Next Steps

-All of the above
-Create new brand architecture
-Create new visual identity



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