



# UNA VOCE

## **November 2002 Vol. 10 No. 1**

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The UNITY II Conference in Ottawa in August was the second time that the symphonic Player Conferences gathered to discuss orchestra matters. In 1998, in Las Vegas, the group included the Recording Musicians' Association (RMA) and the Theatre Musicians' Association (TMA) but this time the issues were significantly different so the three symphonic conferences OCSM/OMOSC, ICSOM (International Conference of Symphony and Opera Musicians) and ROPA (Regional Orchestra Players Association) convened along with AFM representatives.

Aside from the business of the conference, we celebrated the 40<sup>th</sup> anniversary of the founding of ICSOM – the first player conference of the AFM and the reason other conferences can exist. When the ICSOM people indicated that they would like to hold an anniversary party in Ottawa, we at OCSM did some reckoning and discovered that we managed to miss our own 25<sup>th</sup> anniversary. This year was actually our 27<sup>th</sup> annual conference but we called it our 25<sup>th</sup> so we could share the cake.

In recognition of our anniversary we invited some of the people involved in OCSM from the start and were honoured to welcome Sam Levine to the opening session of the Conference. We also received a note from founding Chairperson, Ruth Budd, who said: "Officially, OCSM had its first meeting in 1976. But it started, without the name, in my head at least two years earlier. Though we were members of ICSOM, I felt that there was so much, as Canadian Symphony Musicians, that we needed to discuss – matters that were relevant to our lives in Canada. Sam Levine and I were stand partners in the Bass section of the Toronto Symphony, and during any extended rest bars and other breaks, we talked about the idea. That summer, I went across the country on my way to Vancouver and met with musicians in orchestras in the major cities. They were all very enthusiastic and really wanted to talk. We needed to talk to each other without restraint or inhibition... Shortly after OCSM came into being, I was interviewed, and I remember saying that I thought that the

organization would probably not be needed down the road about five years. I was so wrong. More than 25 years later, it has grown to a five-day conference with an agenda that encompasses everything from contract negotiating techniques to music medicine!"

Sam was (and still is) active in the AFM and an advocate for greater rank-and-file representation in contract negotiations. He told a few stories about the early days and what the impetus was for forming OCSM. For instance, one orchestra advertised a Canadian audition, but the audition was held in Cleveland. The pre-OCSM Symphony Symposium realized that they had to somehow gain control of the auditions, and together with the Association of Canadian Orchestras (now Orchestras Canada) achieved that with the publication of auditions in Orchestra Openings (now OPUS).

In 2002 we are still talking about many of the things on the agenda in 1976 – the tax issue (see the SSD Newsletter); funding; the graying audience; the relevance of orchestras – survival. As Ruth Budd remarks: "I understand that much of what we struggled to achieve is being eroded. So the need for the Unity Conference is still strong. We do have a unified goal, to have the best possible orchestra in our city."

## **SOUNDINGS**

It has been an eventful few months since the last UNA VOCE. The maestro departed Montreal in a huff; the Executive Director of Winnipeg resigned; Kitchener-Waterloo did the dance with the Canada Customs and Revenue Agency, their Executive Director resigned in September and; this Fall turmoil becomes an annual affair in Calgary. And, the new Executive Director of Orchestras Canada, Elisabeth Whitlock, has resigned after just one year in the job.

There is no doubt that everyone is tired and reaching the end of their tether. Musicians demand a lot of our managements, boards, and union - and we should. Working in this environment is difficult and everyone feels that they are having to do too much just to maintain status quo. Musicians feel powerless; managers burn out. We've just begun a new season and for the second year in a row (maybe the fifth in a row) we're in crisis-control mode.

What can we do about it? Who can do something about it? We've been asking these questions for a long time and hope that we've come up with a possible way to mitigate the chronic problems that plague our orchestras.

Francine Schutzman wrote in the October *International Musician* "Delegates heard about the upcoming initiative cosponsored by the Canada Council and Orchestras Canada called SOUNDINGS. This will be an attempt to take the pulse of the orchestra community in Canada by visits to various orchestras ... Elisabeth Whitlock (Executive Director, Orchestras Canada) and Russell Kelley (Head of Music Section, Canada Council) addressed the delegates on this issue. The idea is to use SOUNDINGS as the basis for next year's Orchestras Canada Conference (June 2003), and to have that conference develop recommendations for tools to help the various constituents in the orchestra community improve."

The steering committee for SOUNDINGS is made up of Orchestras Canada, OCSM, AFM and the Canada Council. The travelling team is Debra Chandler, Facilitator and Jenny Ginder, Recorder. They will travel to each of the participating orchestras and hold separate group meetings with musicians and union representatives; board members; executive director and senior management; music directors; and if possible, audience representatives. According to the Orchestras Canada document, "The purpose of the meetings will be to foster candid and thoughtful discussion regarding all manner of issues related to the health of Canadian orchestras." (For the full text, ask your OCSM Delegate.)

The OCSM Delegates spent a lot of time discussing this initiative and were not unanimous in the desire to participate. The danger is "don't dare tell them what's wrong here" or worse, "it will be just another study to sit on the shelf". In the end we agreed that the project format can help us all prepare for the future and hope that the meetings result in an effort to implement 'best-practices' across the country.

In her remarks to the Conference, Ms. Whitlock reflected on her first year in the job. She said that our orchestra organizations must be cohesive units working towards a common goal and that first and foremost is the music. Within our organizations we must make it safe to disagree and that disagreement doesn't mean disrespect.

We had a taste of what the visitors can expect at one of the plenary sessions at the UNITY Conference. The participants in a panel discussion on troubled orchestras were from San Jose, (shutdown), Toronto and St Louis (deep cuts). Ron Bauers (see Bob Fraser's report) identified the three categories that orchestras fall into: 1) stable, solid, no big problems; 2) chronically poor economic or symphonic environment and; 3) something gets screwed up. It is the third category orchestra that needs immediate attention and our hope with SOUNDINGS was summarized by Mr Bauers, "How do you go from one category to another? We need to share information so that we can *prevent* the crises rather than deal with them."

(Note: Despite Elisabeth Whitlock's resignation, Orchestras Canada and the Canada Council are committed to the SOUNDINGS project. There are 13 orchestras on the list - the first is the Edmonton Symphony Nov. 4-5, then the Vancouver Symphony Nov. 6-7.)

## How to read your orchestra's financial statements without falling asleep

At the August 2002 Unity Conference, the OCSM delegates were treated to a very informative session given by Ron Bauers, entitled "O Canada, where art thy numbers?" (I thought my title was better!) Professor Bauers teaches at Nebraska Wesleyan College and the University of Nebraska at Omaha. He has an alphabet of letters after his name – everything from Master of Business Administration to Certified Internal Auditor. He served on the board of the Omaha Local of the AFM, and is an expert in symphony orchestra finances. Despite his American credentials, he is completely versed in Canadian GAAP (Generally Accepted Accounting Principles) as well as those of several other countries.

Prof. Bauers gave us a very good overview of the basic elements of accounting:

- cash accounting vs. accrual accounting
- the elements of a financial statement (what all the different terms mean)
- specific elements of not-for-profit accounting, like Fund Accounting (e.g. if your orchestra also manages an endowment fund)
- the importance of knowing the terms surrounding funds – whether they are restricted or not, e.g.
- the importance of your orchestra's relationship to other entities (businesses run on the side, control of buildings, etc.)

He then went on to discuss the components of a completed orchestra financial statement:

- auditor's report
- statement of financial position (commonly called a "balance sheet")
- statement of operations (commonly called a statement of revenues and expenditures, or an "income" statement)
- statement of changes in net assets
- cash-flow statements
- footnotes
- optional materials

An interesting point: whenever Prof. Bauers looks at a financial statement, he reads the auditor's notes *first*, followed by the footnotes and any material at the end of the document. Most of us would be tempted to skip all the verbiage and go straight for the numbers. However, if an auditor runs into serious items of concern when preparing financial statements, it will be reflected in the notes and supplementary materials.

In light of recent scandals in the financial world involving crooked accounting procedures, many of us understandably view the accounting profession with suspicion. However, in not-for-profit-organizations (NPO's), an auditor has no incentive to deceive the public by presenting false

statements. First of all, there is usually no money to abscond with in a NPO – no ill-gotten gain to be had – and second, if an orchestra went under because of faulty financial information, the auditor would go down with it. The reputation of an auditor depends totally on presenting reliable information conforming to strict standards. We also sometimes forget that our orchestras are required to file properly audited financial statements as a condition of being NPO's.

The delegates also had opportunity to look at some Canadian orchestral financial statements with Prof. Bauers. He pointed out a number of elements that he discussed in the lecture, such as “going concerns” (when an auditor has concerns that an organization may not be able to continue operations).

In these times, it is important to have a basic knowledge of accounting when serving on either your orchestra committee or your negotiating committee. It is useful to know the financial history of your orchestra going back several years, as well as comparing it to other orchestras that are close to your budget level. It is especially important to monitor your orchestra's fiscal health when managements change (as they do all too frequently in this country). Prof. Bauers said that a lot of orchestral managers wouldn't be hired if someone bothered to look at the financial statements of the organization they previously worked for.

It would be nice to go into great detail on this subject (“Accounting for Dummies”) but my advice would be for every musician to learn these basic accounting principles from any source available: books, friends in the accounting business (everyone has at least one friend who is an accountant, right?), or ask your Local for help (Locals have to keep accounting records, too – they may have people on the board who could give a seminar to your orchestra committee).

Just add “accountant” to the list of other skills a musician needs in the modern symphonic world – along with negotiator, diplomat, educator, lobbyist, psychologist, legal expert, political activist, parliamentarian, human resources manager, public relations expert, media spokesperson...

*Robert Fraser, Victoria Symphony OCSM delegate*

## OCSM RESOLUTIONS OTTAWA, AUGUST 2002

### Resolution No. 1 – Appointment of Auditors

**Resolved,** That OCSM/OMOSC appoint the firm of Grant Thornton, Winnipeg, as Auditor for the 2002-2003 year of operations.

*Carried*

This is status quo.

### Resolution No. 2 - OCSM/OMOSC Bylaws

New Article 15

Section 1: OCSM/OMOSC shall maintain an OCSM Relief Fund at a minimum balance of \$1000 to assist

OCSM/OMOSC Orchestras and individual members that are in need as a result of strike, lockout, bankruptcy, or dissolution.

Section 2: The Executive Officers of OCSM/OMOSC shall serve as the Trustees of the OCSM Relief Fund. The Trustees shall set guidelines for the disbursement of funds, in accordance with which the Trustees shall approve disbursement on a case-by-case basis by majority vote.

*Carried*

Many thanks to the AFM for providing matching funds for the startup of our OCSM Relief Fund (ORF) which evolved from the Hamilton Philharmonic Special Fund. The \$4000 from the AFM matches the total directed to the fund from OCSM dues collected in the 2000-01 season. In 2001-02 we disbursed \$8000 to our orchestras in strike/lockout situations. The current per-capita to the ORF is \$3.00.

### Resolution No. 3 – Government Communications Committee

Whereas, Discussions at our annual OCSM/OMOSC Conference often generate questions and concerns that need to be directed to government departments and AFM officials; and

Whereas, Representatives of government departments and the AFM are often invited guests at scheduled Conference sessions; therefore, be it

**Resolved,** That for the 2003 OCSM/OMOSC Conference, the members of the Government Communications Committee (GCC) undertake to collect and collate the questions generated during these sessions, and, in consultation with the OCSM/OMOSC executive, generate a brief "OCSM/OMOSC Areas of Concern" document; and be it further

**Resolved,** That the GCC will distribute the "Areas of Concern" document to the OCSM/OMOSC Delegates and the invited guests as far in advance of the scheduled meeting(s) as possible.

*Carried*

We have seven standing committees at OCSM: Bylaws; Editorial; Electronic Media; Conference; Finance; Nominations and; Government Communications. This resolution will help in setting the agenda for future OCSM Conferences, as well as guiding activities through the year.

### Resolution No. 4 - EMF (Electronic Media Forum)

Whereas, The EMF panel advised the Unity II conference that it wished to obtain full input on the EMF survey from the orchestral musicians, including minority opinions; and

Whereas, It is in the interest of all parties that this information be compiled in the most efficient way possible; and

Whereas, The most efficient way to do this is through the Orchestra Committee of each orchestra; therefore, be it

**Resolved,** That the 2002 OCSM/OMOSC Conference direct its Media Committee to distribute the survey to the Orchestra Committee of each OCSM/OMOSC orchestra with instructions that the Committee 1) give each musician in the orchestra the opportunity to fill out the survey, and 2) tabulate the results and forward that tabulation to the appropriate party.

*Carried*

The controversy over electronic media is raging mainly in the U.S. where orchestras have differing ideas about how to deal with recording issues. Some would like to see more decisions made at the local level while others would prefer everything be set on a national level (which is the current situation).

**Resolution No. 5 – Local Representatives**

Whereas, The number of AFM Local Officers attending the annual OCSM/OMOSC Conference has diminished over the years; and

Whereas, There are many mutual benefits to their participation; and

Whereas, Our Locals operate on limited revenue, much of that revenue generated from symphonic dues; therefore, be it

**Resolved**, That OCSM/OMOSC call upon the AFM Canadian Office to investigate ways to make monies available to Locals that wish to send a representative to the annual OCSM/OMOSC Conference.

*Carried*

The OCSM Conference is always in August; the AFM Canadian Conference is always in June. So far, it has been impossible to dovetail the two.

**Resolution No. 6 – Contractors on Local Boards**

Whereas, The AFM is an international union with bylaws to address past, present and future problems; and

Whereas, Article 5, Section 7(d) of the AFM bylaws states, "No Local Officer shall serve in the position of a Personnel Manager for an employer of musicians in the Local's jurisdiction. Beginning with a Local's next election on or after August 1, 2001, no Local Officer, except in Canada, shall serve in the position of a contractor of musicians in the musical theater field;" and

Whereas, The potential for problems to arise in Canada necessitates the removal of this Canadian exemption; therefore, be it

**Resolved**, That the OCSM/OMOSC Conference submit a resolution to the 2003 AFM Convention that removes the words "except in Canada" from the aforementioned AFM bylaw; and be it further

**Resolved**, That OCSM/OMOSC urge the other Player Conferences and other interested parties to sign on to this bylaw resolution.

*Carried*

**Resolution No. 7 – Legal Counsel at Convention**

Whereas, There are profound, fundamental differences between the laws of Canada and those of the United States; and

Whereas, Many items dealt with at the AFM Convention involve matters that must be treated differently in the two countries; and

Whereas, The AFM brings multiple United States lawyers to the Convention but no Canadian lawyers; and

Whereas, The presence of a Canadian lawyer could avert serious errors and could provide a means for making proposed changes workable for both countries; and

Whereas, Prior study of proposed Recommendations and Resolutions by a Canadian lawyer does not alone address the situation of amendments offered in committee or from the floor; therefore, be it

**Resolved**, That OCSM/OMOSC call upon the AFM to bring Canadian counsel to the AFM Convention to be available to the committees as needed and to observe the Convention proceedings, commenting to the delegates when appropriate on issues that would affect the two countries differently.

*Carried*

Resolutions 6 and 7 are hangovers from the 2001 AFM Convention. Article 5 Section 7(d) of the AFM Bylaws is directed at the larger Locals where there is activity in the musical theatre field. It is not intended to target smaller Locals where a contractor may also be on the Local's Board. Resolution 7 is a reiteration of last year's Resolution 6.

**Resolution No. 8 – Per-Capita Rebates**

Whereas, The current procedure for processing per-capita-equivalent rebates to AFM members who hold membership in more than two Locals requires each eligible member to make an individual application for such rebate; and

Whereas, The AFM's computer system should be able to identify members eligible for these rebates; and

Whereas, Paying these rebates directly from the information the AFM has without requiring individual applications would save extensive paperwork while serving as a great membership-relations tool for the Federation; and

Whereas, Such a policy would be without cost to the Federation; therefore, be it

**Resolved**, That OCSM/OMOSC call upon the IEB to endorse a policy of sending per-capita-equivalent rebates directly to all members eligible to receive them without requiring those members to file individual applications for them.

*Carried*

This is a 'driving-for-dollars' situation that affects some OCSM musicians but is much more serious in the U.S. with ROPA orchestras where musicians hold personal-service contracts with as many as five small orchestras and must join each orchestra's Local. The change would allow for the Federation portion to be refunded automatically to musicians who belong to more than 2 Locals (pending software capability).

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