



UNA VOCE

May 2003 Vol. 10 No. 3

- Board Governance – the hot topic
- Check your AFM-EPW statement
- Conference Season 2003
- SSD Newsletter – Colorado Springs

The Winnipeg Symphony Orchestra Board of Directors resigned en masse early in March after members 'discovered' they could be held financially responsible for the organization's growing debt (\$1.8m). The board had recently learned that their liability coverage was being reduced from \$2 million to \$1 million because of the orchestra's high risk of bankruptcy. OCSM President Rob McCosh poses a number of questions regarding our volunteer boards.

I'M JUST A SINGER IN A ROCK'N'ROLL BAND

I'm dating myself, but remember that song from the Moody Blues? Well, there are a number of orchestras singing the blues these days as boards and managements tell the musicians that they are unable to honour the financial terms of their collective agreements. And one of the most oft repeated phrases when the board members are taken to task for not fulfilling their roles and responsibilities?... "we're just volunteers."

How true is this statement? At a fundamental level, they *are* volunteers - they are unpaid for the time they spend on the board. But let's take a closer look. Are they just selling raffle tickets down at the mall for the Symphony Society? If that is the case, it is not the best use of their time. That would be something more appropriate to a "Friends of the Orchestra" volunteer. Members of the board hold thousands and sometimes millions of dollars of public funds in trust for the Society. They have a fiduciary responsibility for overseeing those funds as well as all money generated through subscriptions, ticket sales and donations. They are bound by the bylaws of that society as well as the Societies Act in each province. More than that, the board is the governing body for the entire organization, and sets policy which management is then hired to enact on a day-to-day basis. Most important is that the policy has to be aligned with the artistic vision of the organization, which the Board must take ownership of and promote. That artistic vision must be relevant to the

community and will even dictate whom they hire for staff, and whom they recruit as board members.

Commitment to a not-for-profit board is not simply altruistic – board members stand to gain at the individual level. Many corporations have volunteer incentive programs for their employees because it is good PR for the company. Furthermore, volunteer time in the community is an important addition to the resume of anyone looking to move up the corporate ladder, particularly as our social programs are being eroded.

Governance is THE topical term of the day as very public anti-trust cases have come to the fore of very large companies. So much so that the New York Stock Exchange has issued stricter governance guidelines for publicly traded companies, which the Toronto Stock Exchange is also adapting in a less strict sense. How applicable are these guidelines for a not-for-profit performing arts organization? Very. The magazine *Canadian Business* had a very interesting article last August in which four criteria were chosen and weighted to rate Canadian corporations on how well they are governed. Accountability was weighted the strongest; independence and share performance were weighted equally; disclosure (board performance) was weighted the lowest. How well would your board do judged against these four criteria?

1) Accountability in a corporation directly relates to stock. The most important indicator of commitment is how much "stock" a board member personally holds. What would this mean for an orchestra? Well, how often does each of your board members attend a concert? As an example, Home Depot directors must take a "walking tour" of 20 stores. Must the board member hold a major subscription? What does he stand to lose personally if concerts are cancelled? Is there a minimum financial commitment in terms of fundraising? Does he ever visit backstage, host a reception for the musicians, staff, major donors, long-time subscribers? Do the various board committees have charters, which dictate their behavior, lines of communication and authority?

Recently, the Calgary Philharmonic came up with a "shared risk" contract in which 20% of the profits will be shared amongst the musicians and staff, provided a certain surplus is reached. One of the problems with this model is - where is the board's shared risk? Do they each have to come up with 20% more in fundraising or spend 20% more on tickets if budget targets are not met? No. Why not? As part of its condition to release an advance of \$250,000, the Alberta

Foundation for the Arts insisted that the musicians accept the 20% risk component, which the musicians had initially overwhelmingly rejected in December in favour of a 15% risk component. Will the AFA kick in 20% more grant if targets aren't met? I dream.

2) Independence refers to the directors being unrelated, not just in a familial sense to one another or to someone in management, but also in other significant ways. One test of independence is the Chief Executive Officer compensation. An illuminating symptom of poor governance is excessive CEO pay while shareholder value - read musicians' salaries and artistic activity in the community - drops.

Experts on the subject recommend that prior to joining a board, the candidate list all the other boards on which she or he serves as well as any areas of potential conflict of interest. These include financial, historical, blood and marriage ties to anyone in management. Furthermore, and this is where it gets interesting, there should be no related directors sitting on audit, compensation or nominating committees. These committees should be comprised of entirely different people - not from management or from the board itself.

Boards should not recruit people who sit together on other boards - it can create an incestuous point of view. The NYSE recommends a 5-year cooling off period before a person with a previous financial or material interest in a company (which would also include former employees) should be considered as a director. It also sees meetings without management as essential for board members to air issues without the possible chilling effect of management's presence. This is especially important if you have musician board representatives.

3) How does share performance translate to an orchestra? One obvious area is single tickets and subscriptions as well as revenue targets for fundraising and special events. Has the board set quantifiable performance targets for its senior management team on both revenue and expense sides of the equation? Who does the staff's annual performance review - a Human Resources committee or just the chair of the board? Are those results shared with the whole board? What kind of turnover is there among the staff? Who does the exit interviews and, again, are the results shared with the board? Similar to the board, does the staff perform an annual self-review? Board members could bring "experience packs" of best practices from other boards they sit on which could improve the board's performance. How old is the strategic plan? Who did it and how fleshed out is it? Is it kept front and centre to inform their decision-making?

4) Disclosure comes down to information gathering and sharing. There should be clear explanations of compensation and governance policies and/or bylaws; biographies of directors, including a list of other boards they sit on and; breakdown of the fees paid to auditors. Do the musicians keep track of board attendance; frequency of meetings; who sets the agenda? What qualifications do your board members bring to the table? Have you built a "whole brain?" Is there a board

manual and annual performance review not just of the board, but of each board member and of each other? Is the review done by an outside independent party? Is there an orientation for board members as well as ongoing education and training? Some boards require that a board member finish their orientation before they have a right to vote, others suggest inviting potential board members to a meeting - are they a good fit for one another? It could be a new *Survivor* series.

I really have only scratched the surface of a huge topic. Indeed, scores of books have been written on the subject of governance and there are websites devoted to the issue. One author who has done both is John Carver. He is well worth searching out at your local library and/or on-line. In "Strategy for Board Leadership" he emphasizes that boards must invest in human capital: "finding the right people is more important than filling empty seats - membership is an honour - [look for those] who will bear the privilege and burden of trusteeship." After all, "who is the artist - we have got to agree."

Rob McCosh, OCSM President

* * * * *

Each year at the OCSM Conference we receive a report on the health of the AFM Employers' Pension Welfare Fund (AFM-EPW). One question that came up last year concerned the importance of keeping track of pension contributions, not only from your orchestra, but especially on freelance income (if pensionable). The following appeared in the Fall 2002 issue of "Your Pension Benefits Newsletter" and is worth reprinting here.

Don't Let This Happen To You

Recently, we have had a number of members raising questions about contributions (or lack thereof) for employment in the 1960's and 1970's.

The Fund office sends an annual statement to all members for whom they have received contributions in the immediate previous year.

THE TIME TO ASK QUESTIONS IS WHEN YOU RECEIVE YOUR STATEMENT.

Waiting to ask these important questions makes it more difficult and sometimes impossible to investigate. If it is necessary for the Fund to collect pension contributions on your behalf it is much easier to do on a timely basis. Many employers (who are responsible to make these payments) go out of business. Many musicians do not have, nor do they keep, the kind of records we may need to pursue a non-payment of contributions.

Ultimately, the non-payment of a contribution may determine your eligibility for a benefit and will definitely have a direct effect on the amount of your benefit.

*(Contact the Fund Office at <afmepw.can@on.aibn.com>
1-888-462-6666)*

Stretching Can Prevent Long-Term Musicians' Pain

by Frank Hughes

As musicians, we often have to play the same musical passages over and over, but many times we don't realize how tight our muscles are until they are sore. This soreness can be easily staved off with a simple activity: stretching! The trouble is, we don't think about stretching until there already is a build up of metabolic waste in our muscles. Metabolic waste is primarily lactic acid and can be reduced by rest, hydrating, massage and stretching.

You'll know that you've built up too much lactic acid – and are ready for a stretch – when you experience a dull and tired ache. It's the sort of ache that you can easily ignore, because usually with a little rest it will feel better in the morning. Sometimes this works. However, unless you start stretching, the metabolic waste may eventually accumulate to a point where it is debilitating. At that point, the simple remedy of a good night's sleep won't work any more.

Don't wait so long that your tight muscles turn into carpal tunnel syndrome. If that happens, you will have very limited choices, like don't play at all, don't play and have surgery, or don't play and have cortisone shots. These are not the choices you want to have. Instead, learn the basics of what you can do to relieve your muscular discomfort in a natural way, like stretching.

The common belief is that you should stretch before you play, but stretching is mostly needed after a long session of music playing, because that is when metabolic waste is at its highest concentration in your body. Also, it is more important to develop a routine of stretching even if you only do one stretch a day, rather than to do a whole variety of stretches on one day and not develop a habit.

Here is the most therapeutic, relaxing stretch that I know. I learned how effective this stretch was when I suggested it to a classical guitarist who had the beginning stages of carpal tunnel. He had pain on the outside of his elbow and all around his wrist. At first, I did massage work to loosen the muscles in his hands, arms, chest and shoulders, which worked well to bring his pain to a manageable level. Then I suggested he do the following stretch. This stretch can be done as many times a day as you like, but at least once a day.

Lie on your back and draw your knees to your chest. Breathe in and as you exhale, drop the knees to your left side. Lengthen your right arm to the side and rotate your head to look at your right hand. Now, here's the tricky part. For ultimate results, your breath needs to be coordinated with the movement. As you breathe in, slightly arch your back. As you exhale, try to press the right shoulder blade to the ground. With each breath you are changing the angle of the arm, inching it up towards the shoulder. Allow your intuition to

decide as you exhale whether you press the back, side or palm of your hand towards the floor. Exploring different angles will stretch different muscle fibers.

After approximately 20 breaths, your arm is no longer stretched out to your side, but is now stretching above your head. Once you have your arm above your head, now inch your arm back with each breath back to the side. You should take a minimum of two minutes to do this sequence, unless you are feeling discomfort. Next, do the other side and come back for as long as it is comfortable. If you are feeling no discomfort, repeat as desired on the side that feels like it needs it most. Don't forget to slightly arch your back with each inhalation and try to press the shoulder blade of the arm being stretched into the floor.

Frank Hughes is a massage therapist and musician. He can be reached at <FrankHughesMassage@hotmail.com> or (816) 529-2469.

This article first appeared in *Allegro*, the newspaper of Local 802 (New York City), and is reprinted with permission.

* * * * *

OCSM/OMOSC DELEGATES 2002-2003

Calgary Philharmonic – Susan Light
COC Orchestra – Colleen Cook
Edmonton Symphony – Donald Plumb
Hamilton Philharmonic – Elspeth Thomson
Kitchener-Waterloo Symphony – Sophie Drouin
NAC Orchestra – David Goldblatt
National Ballet Orchestra – Shelley Brown
Orchestra London – Karen Kjeldson
Orch. Métropolitain – Cathy Martin
Orch. s. de Montréal – Vivian Lee
Orch. s. de Québec – Simon Boivin
Regina Symphony – Gary Borton
Saskatoon Symphony – Don Schmidt
Symphony Nova Scotia – Christopher Palmer
Thunder Bay Symphony – Jeff Gibson
Toronto Symphony – Susan Lipchak
Vancouver Symphony – Karen Foster
Victoria Symphony – Bob Fraser
Windsor Symphony – Greg Sheldon
Winnipeg Symphony – Arlene Dahl

EXECUTIVE

President – Rob McCosh (Calgary)
1st Vice President – Brian Larson (Vancouver)
2nd Vice President – Steve Mosher (National Ballet)
Secretary – Francine Schutzman (NACO)
Treasurer – Elaine Thompson (Canadian Opera Company)

Contact UNA VOCE:

Steve Mosher, Editor
149 Woodington Ave. Toronto, ON M4C 3K7
<smosher@interlog.com>

Conference Season 2003

It's going to be a long but productive summer for the members of the OCSM/OMOSC Executive as we head for the 2003 Conference in Regina. At the moment (April 22) negotiations are underway in Toronto between the AFM and CBC for a new television and radio agreement. This follows 2 one-year extensions to the agreement, which expired in 2001. Aside from the CBC negotiations there are at least five major conferences this year that have a great impact on the lives of Canadian musicians – from Toronto to Las Vegas, to Memphis, Tennessee and Vail, Colorado.

As most OCSM members know, we withdrew from the Orchestras Canada (OC) board in August 2000, but this year participated in SOUNDINGS, the cross-country tour sponsored by OC and the Canada Council. The tour was the first phase of the project and the second phase is a series of panel discussions at the OC Conference <www.oc.ca> in Toronto from June 5-8. We hope that those discussions will guide us to the important third phase – the implementation of best-practices for our orchestras. Expect this to be a big topic for the OCSM Conference in August.

The next round is the AFM Canadian Conference followed immediately by the bi-annual AFM Convention in Las Vegas between June 21 and 25. This is where your elected delegates, both at your Local and at OCSM, come together to shape the future of the AFM. Much of the work is done before the Convention in the form of Resolutions and proposed bylaw changes, and the OCSM Executive has already threshed it out with the other conference boards to come up with language that is acceptable to all. (Please refer to the November 2002 UNA VOCE for some of the resolutions discussed at last year's UNITY II Conference, available at <www.ocsm-omosc.ca>)

All three symphonic conferences were in Ottawa for UNITY II in 2002, but this year OCSM is sandwiched between the two U.S. conferences (ROPA in Memphis and ICSOM in Vail). Those meetings take place over a three-week period in August and, as always, each conference will send a representative from its executive to attend the other conferences.

Throughout the year the OCSM Executive is active in many areas. Secretary Francine Schutzman is the OCSM liaison for Electronic Media and this year spent countless hours in meetings and conference calls with the AFM Electronic Media Forum. As secretary, Francine keeps our official records, not the least of which is the minutes of our conferences, board conference calls and semi-annual meetings.

Treasurer Elaine Thompson ensures that OCSM stays within its means and 1st Vice President Brian Larson continues to write letters to elected representatives and to lobby on our behalf while keeping his nose to the grindstone as the newest member of the Executive. Second VP Steve Mosher is responsible for publications and updates. We produce three issues of UNA VOCE each year, settlement bulletins, a

delegate handbook and this year we will update our 1998 Bylaws.

One of the directives from last year's conference was to ensure that we provide French translations of OCSM material whenever possible. Of course, UNA VOCE and the bylaws have always been published in both languages. This year we have a French version of the Delegate Handbook, which contains an outline of delegate duties, plus valuable information regarding ongoing responsibilities. At last year's conference we also committed to a French site at our website. OCSM webmaster Ken MacDonald made that happen last Fall and he continues to improve the site throughout the year.

As we approach conference season, Rob McCosh is wrapping up his 4½-year tenure as OCSM President (6 years on the Executive). Rob spent this year representing us on the Players' Conference Council (our voice in AFM matters), and as a member of the steering committee for SOUNDINGS, among many other duties – all of this while mired in the Calgary Philharmonic shutdown. We will miss Rob's leadership and bulldog tenacity – qualities that have kept OCSM's issues front and centre at the AFM, Orchestras Canada and the Player Conferences. Also stepping down this year is Steve Mosher so there will be 2 positions up for election in Regina.

We have planned a compelling agenda for the Regina Conference August 13 - 17. The Negotiating Orchestras Workshop (NOW) precedes the main conference on August 12 and, at the moment, fourteen of the twenty OCSM orchestras are either in negotiations for new agreements or about to begin. In addition to the always-enlightening delegate reports we have a seminar on Governance; a ½-day media seminar on strategies for presenting ourselves and our organizations to the public; and a talk on the frightening but necessary subject of Receivership vs. Bankruptcy. Add discussion on SOUNDINGS, chats with invited guests, elections – this conference is a 4½-day endurance test for your delegates. Try to join us for a look into the future.

Steve Mosher, OCSM 2nd Vice President

2003 OCSM/OMOSC CONFERENCE HOTEL SASKATCHEWAN REGINA, SASKATCHEWAN August 13 – 17, 2003

Pre-Conference Session - Negotiating Orchestras Workshop (NOW) - 2:00 p.m. Tuesday August 12

Convene – 9:30 a.m. Wednesday August 13
Adjourn – 1:00 p.m. Sunday August 17

Note to Delegates: Please make your travel arrangements as soon as possible and plan to arrive on August 12.