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**ATL SYMPHONY
MUSICIANS**

Press Statement

CEO Romanstein's Claims Disproved by ASO's Own Numbers

Atlanta, GA, September 5, 2012: ASO CEO Stanley Romanstein mischaracterizes the musicians' September 4 press release as "erroneously seek[ing] to drive a wedge between the Atlanta Symphony Orchestra (ASO) Board and the Woodruff Arts Center (WAC) Governing Board," which he further asserts "have been united" in their demands of the musicians. Romanstein's misstatement actually illustrates why it was important for the musicians honestly to explain what has transpired in negotiations with the ASO since August 24. The e-mail messages appended to this statement speak for themselves in addressing Mr. Romanstein's attempt to reinterpret that reality. Not only did ASO top management express their appreciation for the musicians' agreement with their proposal of \$4 million in concessions over two years, but they promptly and openly celebrated reaching an agreement with their administrative staff.

His condescending accusation that "ASOPA representatives continue to oversimplify the complexity of the ASO's annual budget and deficit to suit their argument" reflects more – and poorly -- on accuser Romanstein than on the musicians. In an article in the August 9, 2012 edition of the AJC, ASO management made these same tired claims: "Compensation for the musicians totals \$12.5 million against the \$45 million budget," and "Musician salaries have gone up by 23% since 2006, a period in which staff salaries declined 1.7%, according to management."

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Unfortunately for the truth, the \$12.5 million figure for **musician compensation** deceptively quoted by ASO management is the figure for *budgeted* musician compensation for FY 2012, not *actual* compensation. In fact, the total musician compensation line item in the ASO's budget comes in consistently *under* budget, year after year. According to July 24, 2012 ASO Finance Committee documents, the actual FY 2012 amount for total musician compensation was actually \$11.7 million, almost \$800,000 under budget for the year just completed. [Sources: ASO Finance Committee documents and/or official data supplied to ASOPA by ASO management in the course of negotiations.]

The raw, uninterpreted numbers don't lie. According to ASO management's own numbers reported to ASOPA during the current negotiation, **the increase in Total Musician Compensation between 2006 and 2012 was actually only 16%**, barely above the inflation rate of approximately 14% during that period. And that includes quickly rising health insurance premiums.

Actual Total Musician Compensation in FY 2006 = \$10,133,510
Actual Total Musician Compensation in FY 2012 = \$11,778,444
(Total Musician Compensation Budget Line for FY 2012 = \$12,555,900)

The raw numbers on actual ASO **administrative staff compensation** also paint a very different picture from the ASO's claim of a 1.7% decrease in staff salaries. Depending on a number of variables, **almost any number from 0% to 70% can be teased out of the staff compensation numbers reported to ASOPA** by ASO management.

These variables include:

- Allocations of management salaries to the Symphony Center project up until it was dropped;
- Whether or not salaries relating to Verizon Wireless Amphitheatre are included;
- Various ways of allocating staff headcount numbers;
- The fact that as many as 5 employees who were previously included in ASO payroll figures are now on the WAC payroll instead, resulting in lower ASO staff compensation numbers.

Here is a representative calculation of ASO Staff Compensation from 2006-2012, derived from ASO management's own numbers, and leaving out Symphony Center and Verizon Amphitheatre compensation:

Actual Staff Compensation in FY 2006 was \$4,013,628 (*not including over \$950,000 allocated to management of the abandoned Symphony Center project, including large amounts allocated to former CEO Allison Vulgamore, CFO Donald F. Fox and others*).

Actual Staff Compensation in FY 2012 was \$6,000,155 (*not including over \$860,000 for management of Verizon Wireless Amphitheatre*).

Again, the raw numbers don't lie. **Total ASO Staff Compensation increased by 49.5% from 2006 to 2012.**

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The ASO's deceptive description contrasting its offer and musician vs. administrator compensation misleads in many ways. It totally ignores the fact that all ASO musicians are among the very top musicians in the nation on their instruments, which they must provide at their own expense. Yet under the WAC's demands the ASO will fall from 14th to 17th among America's premier 18 American orchestras – a ranking that could not be stretched to characterize itself as overpaid, as Romanstein implies.

Going on to assert that “the musicians allowed their contract to expire on August 25, despite an offer,” that they “are now inactive employees, and therefore ineligible for benefits” couches deliberate bullying in administrator talk. The truth is that there was a clear agreement to continue to negotiate on August 25th, the communication to substantiate which is provided below.

Finally, Romanstein further falsely claims that the ASO “presented the Musicians' Union with [its] last, best, and final offer — they have yet to respond.” It was to Romanstein that the musicians made a full proposal at the conclusion of the negotiations meeting on August 25, which included the sought after and delivered \$4 million in concessions over two years that Romanstein had requested. The complete proposal document can be made available for fact-checking.

----Original Message-----

From: Stanley Romanstein [<mailto:Stanley.Romanstein@woodruffcenter.org>]
Sent: Saturday, August 25, 2012 3:13 PM
To: Daniel Laufer
Subject: Media

Danny,

Let's try this as a starting point:

While the current contract between the Atlanta Symphony Orchestra and the Atlanta Federation of Musicians has expired, both parties are continuing to work towards a solution. Negotiations are ongoing. We will gladly make comments to the media once we have reached an agreement.

Thanks, Danny.

Stanley

Stanley E. Romanstein, Ph.D.
President
Atlanta Symphony Orchestra
1280 Peachtree Street NE
Suite 4074
Atlanta, GA 30309
404/733-4906

Sent from my iPad, which sometimes auto fills in ways that create strange syntax. *-more-*

-----Original Message-----

From: Virginia A. Hepner [<mailto:Virginia.Hepner@woodruffcenter.org>]

Sent: Saturday, August 25, 2012 4:54 PM

To: lauferaso@aol.com; Stanley Romanstein

Subject: Media blackout agreement

Danny and Stanley, I support your agreement on a media blackout as you continue negotiations. Thanks to you both for your leadership to find a solution.

Virginia

Virginia Hepner
President & CEO
Woodruff Arts Center
404-550-3131

From: Stanley Romanstein [<mailto:Stanley.Romanstein@woodruffcenter.org>]

Sent: Friday, August 24, 2012 4:35 PM

To: Daniel Laufer

Subject: Fwd: draft EC memo

Stanley E. Romanstein, Ph.D.
President
Atlanta Symphony Orchestra
1280 Peachtree Street NE
Suite 4074
Atlanta, GA 30309
404/733-4906

Sent from my iPad, which sometimes auto fills in ways that create strange syntax.

Begin forwarded message:

From: "Abrahamson, Jim" <Jim.Abrahamson@interstatehotels.com>

Date: August 24, 2012 15:57:29 EDT

To: Stanley Romanstein <Stanley.Romanstein@woodruffcenter.org>

Subject: RE: draft EC memo

Good idea, pls forward to him, thanks

Jim Abrahamson
Chief Executive Officer

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Web: www.interstatehotels.com



Our Experience. Your Success.®
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From: Stanley Romanstein [<mailto:Stanley.Romanstein@woodruffcenter.org>]
Sent: Friday, August 24, 2012 3:56 PM
To: Abrahamson, Jim
Cc: Karole F. Lloyd; Johnson, Ben; Abrahamson, Jim
Subject: Re: draft EC memo

I would suggest, just to be safe, that we ask Tom Kilpatrick to review this prior to our sending it. I want to be sure that we do not inadvertently cross any legal trip wires.

Stanley E. Romanstein, Ph.D.
President
Atlanta Symphony Orchestra
1280 Peachtree Street NE
Suite 4074
Atlanta, GA 30309
404/733-4906

Sent from my iPad, which sometimes auto fills in ways that create strange syntax.

On Aug 24, 2012, at 15:50, "Abrahamson, Jim" <Jim.Abrahamson@interstatehotels.com> wrote:

Stanley, Ben and Karole,
Here is a draft note to the ASO EC.....Pls provide any comments or suggestions....thanks, Jim

To the ASO Executive Committee:

Thank you for joining our call this morning and voicing your support for Stanley and the ASO management bargaining team. I do not think anyone expected a little over two weeks ago at our Board meeting that we would be down to a \$600K gap on August 24th. However, while the gap has been substantially reduced, after numerous calls and meetings today, the WAC Governing Board has made the final decision that the "best and final offer" due to the musicians Saturday morning can be no less than the \$2.6M in concessions presented in our last offer. As you know, the WAC signs the union agreement so they do have the last word in these matters. They are fully prepared for a work stoppage.

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With regard to the points raised on our call earlier today.....I have spoken with Doug and Stanley has been in communication with Virginia. Here is a summary of their comments and decision:

1. While the support of the ASO Executive Cmte would be preferred, the final decision lies with the WAC Governing Board. Due to representations made to investors and key donors as well as the rating agencies, we must achieve and balanced budget and we require that half of the \$5M gap comes from the contract with the musicians.
2. The alternative solution was crafted this morning by the ASO was reviewed by Howard Finesand and Virginia Hepner. After their meeting, they reviewed with Doug H and Larry G and that option was rejected as the union concession was still less than the \$2.6M that they are requiring.
3. With regard to negative PR, they feel that the ASO and the WAC are sufficiently prepared and ready to deal with this matter. They consider the risk of not achieving a balanced budget is far greater than any negative PR. This applies to considering the implication to fundraising, ticket sales and the negative impact to other divisions of the WAC.
4. Therefore WAC Governing Board has decided that there is no need for an extension to further internally discuss options or PR implications, the senior team at the WAC Governing Board has reviewed the matter and has made a final decision.

The ASO will deliver its final offer tomorrow morning, we expect it to be rejected and there will be a work stoppage at midnight tomorrow. While we are disappointed that we could not find a path to a negotiated solution, we are still at the point that we thought we would be two weeks ago and the team is making plans to deal with the impact of the work stoppage. Therefore we will redirect our energies in that direction, continue to update and execute on our PR plan and determine next steps on negotiations.

Please advise if you have any questions or comments.

Jim Abrahamson

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