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ISO presents formal offer to Musicians' Union

Proposal emphasizes sustainable model and considerable concessions

INDIANAPOLIS – In the latest rounds of negotiations, the Indianapolis Symphony Orchestra has offered a workable solution that preserves the artistic quality of ISO's performances while supporting operations in an economically sustainable manner for generations to come.

After three weeks of discussions on concepts to move forward, the ISO management has formalized that offer and presented it to the musicians' union, which has until Saturday, Oct. 6 at 6 p.m. to accept the agreement. If accepted by then, the ISO will pay the musicians the full annual salary under the contract (no reductions due to cancelled concerts) and reinstate their health care benefits back to Sept. 3.

The proposal outlines a minimum base annual salary for musicians of \$53,000 in year one, with increases to \$70,000 by year five (see chart below); a 38- to 42-week schedule; and an orchestra size of 74. The orchestra currently has 72 musicians.

The August 30 offer was predicated on substantial fundraising and revenue goals that the ISO was committed to stretch to achieve. This offer is well beyond that stretch. The ISO is willing to make this offer contingent on achieving a contract by Saturday to avoid further concert cancellations and the decline of community support if this dispute continues. The offer is contingent on additional funding.

The following charts compare just how far the ISO management and board have moved in its concessions since Aug. 30:

Proposed musician compensation

	Current Offer	8/30/12 Offer
Year 1	\$ 53,000	\$ 46,170
Year 2	\$ 57,000	\$ 46,550
Year 3	\$ 60,000	\$ 46,550
Year 4	\$ 64,000	\$ 47,120
Year 5	\$ 70,000	\$ 47,500

While the \$70,000 in year five is still 10 percent below their current salary and a sacrifice that the musicians would be making, the minimum weekly scale (based on a 42-week season) would be \$1,667 compared to the current \$1,500.

Other proposal components

Current Offer	8/30/12 Offer
38-42 weeks of performances	38 weeks
Orchestra size of 74 with no musician terminations	Orchestra size of 69 with involuntary terminations
Defined benefit plan continued for current musicians; new hires receive a 403(b) contribution of 5 percent of their salary annually	Freeze pension plan (no additional service accruals), and replace it with a 3% 403(b) match for all employees
Paid time off is 6 weeks (2 weeks of vacation, 10 days of sick leave and 10 days of other paid time off).	Paid time off is 6 weeks (2 weeks of vacation, 10 days of sick leave and 10 days of other paid time off).

The season proposed is just shy of the current 45.5 weeks that are performed, and maintains all music series: classical, pops, family concerts, Yuletide Celebration, Happy Hour and Symphony on the Prairie.

The new contract would be valid for five years, with a one-time termination option effective at the end of year three. Either party can exercise the option with one year’s notice (at the end of year two), allowing 12 months for discussions and negotiations on how to move forward. This allows the ISO Board and the management to make a stretch offer while not exposing the organization to excessive risk if the ISO is unable meet the new, ambitious fundraising goals.

The ISO’s annual contributed income is typically \$6.5 million. In order to keep the ISO Foundation draw at a financially responsible level, this offer requires the ISO management, board and musicians to work together to raise 50 to 100 percent more financially every year than has occurred in the past. Specifically, the ISO would need to raise \$9.8 million in year one, \$9.7 million in year two, \$11 million in year three, \$11.7 million in year four, and \$12.6 million in year five. If the ISO is able to raise \$5 million in additional funds before March 31, 2013, the termination option will be removed from the agreement.

The ISO board, management, musicians, staff, patrons, donors, supporters – all of us are working toward the same goal – preserving our world-class orchestra. Everyone involved is making unprecedented concessions to get the agreement signed.

The musicians’ contract expired on Sept. 2, 2012. Unless a new contract is signed, the ISO will be forced to cancel additional performances. The ISO will provide updates on its website, www.indianapolissymphony.org, as well as via local news media outlets. Ticketholders can contact the ISO Box Office by calling 317-639-4300. [ISO](mailto:subscriber@indianapolissymphony.org) subscribers may email the ISO at subscriber@indianapolissymphony.org.

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