

Statement from the Chief Executive Officer, Beverly Lambert

Friday, August 24, 2012

Our efforts to negotiate a new contract with the American Federation of Musicians, Local 325, have reached an impasse. This statement is an explanation of why we have come to this point and what it means for our organization and for our San Diego supporters and fans.

Despite this impasse, I want to assure our fans and supporters that we will present our 2012-2013 season as planned.

We have always had a positive relationship with our musicians and we have made it clear that we respect them and want to support them. In fact, we have offered them a pay increase of 15% over the next three years (5% a year), an increase that is extremely rare in today's fiscally depressed arts world. They have turned that proposal down.



The impasse is due to the union's refusal to provide Orchestra Nova with the flexibility to hire musicians who understand our vision and can perform with the enthusiasm, passion and theatricality that supports our vision, something which we believe is essential for our future success.

Our current contract (and past contracts) with the union states that we must contract with the same musicians each year and that they may opt out of performing with us, which musicians often do when a better opportunity comes along. Our position is that while we want to hire members of the AFM Local 325, we need the flexibility to select the musicians for each concert series who understand our vision and can meet our artistic requirements.

This past season was a year of investment for us – an investment in creating demand for the *Nova Experience*. We were successful, as exemplified by the fact that we sold out every single one of the Nova Classics series in our two regular venues. As a result of that success and the fact that we are already 80% sold out with subscriptions in those two venues for next season (which begins in October), we have added a third 1500-seat venue, the California Center for the Arts Escondido. We are also planning for additional TV broadcasts with sponsorship options. This business paradigm shift will result in more revenue for our musicians as well as for Nova.

We ended the 2010-2011 season "in the black" but we did end the 2011-2012 season with a small deficit, primarily because of the investment we made in creating the demand. Having created the demand, our focus for the upcoming season is financial sustainability and we have every reason to believe that we will be successful with our plans to make that a reality.

We are fortunate to have one of the most creative artistic directors/conductors in the country, Jung-Ho Pak. It's his vision for bringing beauty and joy into the lives of as many people as we can reach, through a fun and inspiring classical music experience which is driving all of us. We are passionate about what we're doing and we know we are on the path to success. We would like to have the Local 325 musicians on our team but they have chosen not to join us on this path.