



November 28, 2015

Mayor and Council  
City of Victoria

Thank you for the opportunity to make this submission regarding the matter of the McPherson Theatre being operated by the City of Victoria. I would rather have made this presentation in person but I am in Flin Flon Manitoba assisting the Flin Flon Arts Council in planning the Northern Canada Centre for the Arts and the Environment.

I am a member of the Board of Directors of the Royal and McPherson Theatres Society but today I am speaking to you in my professional capacity. I have 45 years of theatre experience and have filled almost every position in professional theatre from a stage hand to a producer. I have operated small theatres and the largest regional theatre in Canada (Citadel Theatre, Edmonton). In 1990 my wife and I founded the theatre consulting firm Schick Shiner and Associates and in the past 25 years we have undertaken over 300 projects from Ucluelet on the West Coast to Kuwait City in the Middle East.

Given my significant and direct experience as a theatre professional in Canada I am offering you my professional comments with respect to the motion before you at the Governance and Priorities Committee meeting.

Schick Shiner and Associates is an integrated consulting and management firm which offers a full range of professional services related to the planning, design and operation of theatres and other cultural venues. As "specialist consultants" we have provided, over many projects, a wide range of services including the development of building programmes, functional analysis, site selection and community needs assessment, plus theatre technical equipment specifications, performance specifications for catwalks, stages, sightlines and overall design criteria for theatres. We have undertaken feasibility, design and management studies as well as projecting capital costs and operating costs. In addition to planning and design services the firm has provided general management and project management services to a number of organizations.

Developing operating models, business plans and operating budgets is a large portion of the work that we undertake and there are many theatres in Canada which are currently operating under the operating and management models which we have set up. A few of these are:

- Peter and Jeanne Loughheed Centre for the Arts, Camrose, Alberta;
- The Dekker Centre for the Arts, North Battleford, Saskatchewan;
- Port Theatre, Nanaimo, BC;

- E. A. Rawlinson Centre for the Arts, Prince Albert, Saskatchewan.

We have observed, over the past 25 years, that the trend in Canada is for City and local governments to turn over the operation of their cultural facilities to community based non-profit societies. I believe that this trend is not unique to cultural facilities and it is being used for other types of operations such as sports facilities. Because of my experience in theatre operations we have been recommending this style of operation for the last 25 years and we feel we can take some small credit for this trend in Western Canada.

We recommend this operating model because it has the greater degree of community involvement, stewardship by the City without financial risk and the most programming flexibility. This model has proved successful in other communities and provides the entrepreneurial environment required to make a facility a successful operation. It allows the City to provide a community service while reducing its financial risk and it allows a full range of programming from conservative to risky ventures. In addition a non-profit society has greater access to fundraising opportunities and sources, earned income and the operation is not encumbered by civic hierarchical management structures. It is more flexible, responsive to the community and is more cost effective. Of course the City will always retain ownership of the 'bricks and mortar' ensuring the long term viability of the facility as a community asset. The non-profit society is able to provide rental/lease incentives and develop community groups and individual artists and allows true community involvement through the use of volunteers.

This is exactly how the RMTS operates. The proposal which would see the operation of the McPherson Theatre shifted to the City of Victoria goes against the current trend and all the reasons why the operation by a non-profit society works best.

Consider the financial implications: if the City assumes responsibility of the operation we believe the operation costs would increase significantly as the City would not have the synergy of the two theatres to reduce the costs. The City would still have the expense of the operating grant it currently provides to the RMTS plus the increased cost of operating just the one theatre. In addition to these costs the City would be responsible to cover any short fall between operational revenues and expenses. Currently the Society covers any short fall with earned income and operating efficiencies and the City would not have the same opportunities. The total of these 3 factors could reach several hundreds of thousands of dollars per year. In addition the exact annual cost would not be known at the beginning of each budget period due to any operating deficit. Currently the City funds the theatre on a fixed amount and there is no risk that this will increase in any budget period.

The RMTS is a very lean and agile operation. It is known nationally as one of the best operations in the country. I do not understand why the City would want to change something that works so well and which benefits the City administration, the citizens and this performing arts community. The operation of a theatre is a high risk entrepreneurial activity and if the City of Victoria was a Schick/Shiner client we would be recommending that it maintains the current relationship with the Society. I am certain that this Council has more pressing and important issues to deal with than this matter and we should move on.

Respectfully

Richard Schick  
Schick Shiner and Associates