4.0 Future Opportunities

Once Partners has stabilized the operations of its existing attractions, it can direct its efforts to enhancing these venues and developing new ones. Some future opportunities being explored by the Board are described in this section. Costs and revenues associated with these opportunities are not included in the financial projections.

4.1 Lyric Concert Bowl/Amphitheatre

Currently the Lyric places heavy reliance on aggressive fundraising and sponsorships in order to continue operations. Since inception, the Lyric has had difficulty meeting the revenue targets required in order to provide free programming for the public. In order to reduce reliance on sponsorship dollars and to provide a dedicated revenue stream to the Lyric, consideration is being given to methods of charging admission. To that end, Partners will explore the construction of a concert bowl or amphitheatre and the relevant impacts. It should be noted that the intention is to offer reserved seating at a price for those who wish to have a "seat" while free public access on the lawns would continue to be available as well. As a Concert Bowl was part of the original plans of the Lyric, it had received City of Winnipeg approval but development has not proceeded yet. Work to date includes:

- Completion of a land survey to identify drainage issues, etc.
- Testing the interest in the sale of "hard seats" for the music and movie series. Advertisements have promoted this option and audience response is being surveyed.

4.2 New Development Project

Partners is currently assessing the feasibility of a centre based on the principles of friendship and promotion of the history of the connection between Winnipegger Lt. Colebourn and "Winnie the Bear". By adopting the bear, Lt. Colebourn's "single act of kindness" began a legend by inspiring some of the most celebrated literary works in history. The centre would have historical and learning components as well as a revenue generating attributes to ensure the centre is sustainable.



Lt. Colbourn and "Winnie the Bear"

In response to the challenge this new dream presents, Partners' Board has placed its hearts and energies towards making it a sustainable reality. Work to date includes:

- Preparation of a business plan by an external consultant.
- Development of architectural designs.
- Purchase of the only known painting by E.H. Sheppard, "Winnie the Pooh and the Honey Pot" (currently on display at the Pavilion Gallery) – raised $195,000 from the private sector to purchase
- Purchase of the A.A. Milne book "Now We Are Six" – raised $41,578 from the private sector to purchase.



E.H. Sheppard painting, "Winnie the Pooh and the Honey Pot"

This new development would be consistent with the Assiniboine Park Framework Plan for the future of the Park and Partners will continue to work with Assiniboine Park Enterprises to make the park a world class tourist destination. The City has invited Partners to meet with the architects that have been awarded the playground contract by Assiniboine Park Enterprises to explore further this new development project and ensure consistency with the Park overall.

4.3 Other Future Considerations

Building on the centre described above, is the future consideration of "The Friendship Foundation". The vision is to grow an endowment fund that would further sustain the Centre as well as provide funds to other programs that support the messages of friendship, kindness and integrity. One such program under consideration is the Colbourne Award of Friendship. The Colbourne Award of Friendship would be awarded at a Gala held annually in Winnipeg. This International award is intended to celebrate the

accomplishments of an individual who exemplifies the "single act of kindness" demonstrated by Lt. Harry Coleboune when he befriended "Winnie the Bear". The Gala would be very high profile and a major fundraising event for Partners, similar to the IDEA dinner currently presented by the Associates.

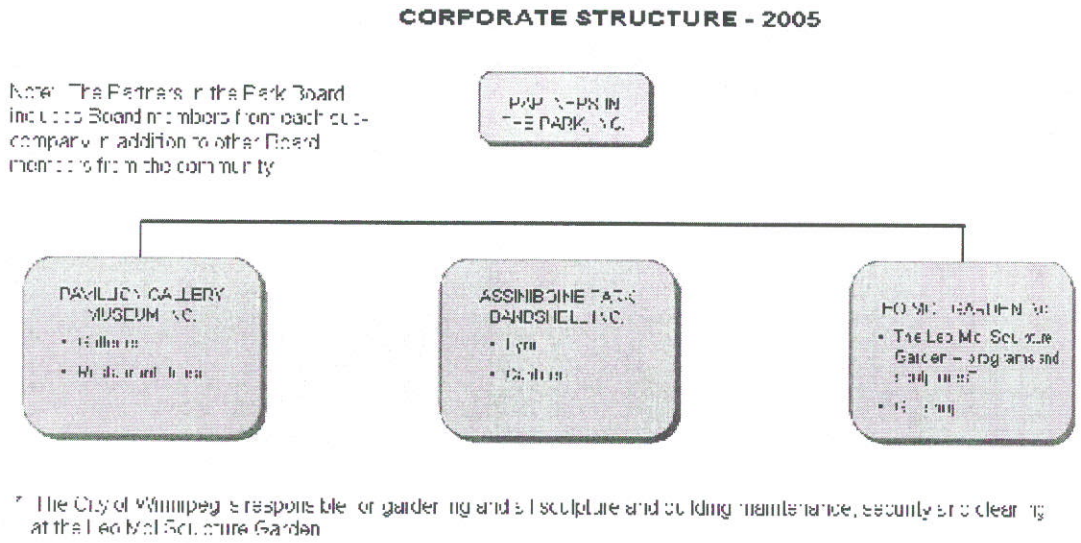
4.4 Conclusion

There are many opportunities for Partners to continue to help enhance the Park and leverage the influence of its Board. However, it cannot move forward with any new developments until it is able to make its existing attractions sustainable.

5.0 Operations

5.1 Structure

Each of the Lyric, Pavilion Gallery and Leo Mol Garden is legally required to have its own corporate structure and Board. However, the Partners Board provides oversight and direction to each attraction. The relationship between the entities is shown below.



All three organizations are non-profit charities and Partners is applying for registration as a charitable foundation which will enable it to receipt donations and distribute funds to its three charitable organizations.

5.2 Governance

Partners was created to maximize efficiencies by having one organization manage all three attractions and oversee fundraising activities. Due to the interrelationship of the attractions, a decision was made to create a parent Board with representation from each organization in addition to other Board members from the community. Partners continuously looks for operating efficiencies and recently undertook a review and streamlined its governance model.

Partners has a dedicated and influential Board of Directors that has the ability to turn visions into realities. Board members have shown their passion for our City and have shown their commitment to the Partners' initiatives by putting their wallets where their hearts are. For a complete list of the Board of Directors, please refer to Appendix B.

Partners works closely with the other Assiniboine Park attractions such as the Conservatory and Zoo on renewal and reinvestment initiatives, which includes participating with Assiniboine Park Enterprise and the City of Winnipeg.

5.3 Corporate Operating Principles

Partners' Corporate Operating Principles, as stated in its Strategic Plan, are:

- **Establish sustainability.** We will achieve and maintain financial sustainability by operating in a cost-effective, 'risk smart', financially prudent manner.
- **Be a model of good governance.** We will serve as a model of good governance to the not for profit sector by incorporating best business practices.
- **Provide quality programming.** We will continue to provide programs and events through our attractions that allow the public access to the fine arts, sculpture and performing arts.
- **Look to the future.** We will identify and implement projects that will provide people with a world-class visitor experience.

5.4 Key Management and Staff

Given the critical condition of its financial position, Partners has closely reviewed its staffing to find efficiencies and has reduced its compliment by three full-time positions in the last year. Key Management and staff positions are described in the paragraphs below.

Irene Merie - Executive Director (Full time)

Irene joined Partners in the Park as Executive Director in June of 2004 when the Board determined a private sector perspective would be required to develop sustainable operations. Prior to joining Partners, Irene ran her own successful computer training and consulting company for 10 years. Irene has also been an active volunteer in the community having served as Chair of the Board for The Winnipeg Chamber of Commerce, Destination Winnipeg and Film Training Manitoba. She is also a member of the Premiers' Economic Advisory Council and serves on the boards of Arts Stabilization Manitoba, The Winnipeg Airports Authority, and the Manitoba Chapter of the Canadian Institute of Chartered Accountants. Irene oversees Partners and is responsible for implementing the strategy set by the Board.

Brenda Bracken-Warwick – Director of Fundraising (Full time)

Brenda was recently hired by Partners and brings five years of experience operating her own consulting company. Brenda has a solid network of business, government and media contacts in Manitoba and has successfully raised funds for community organizations and election campaigns, as well as obtained sponsorships for various conferences and events. She will play a key role in moving Partners to sustainable operations.

Jane Simpson – Special Events Coordinator (Part time)

Prior to taking on her current role, Jane worked part time in the gift shop. In 2005, Jane will be responsible for the Partners Membership Program as well as the Dinner Series and some new exciting events. In addition, Jane will assist the Director of Fundraising and the Board with the Major Fundraising Campaign.

Peter Heymans – Manager, the Lyric Theatre (Part time) and Curator (Part time)

Peter joined Partners in February 2004 on a contract basis. Peter has a unique combination of skills, being a musician and also having a Fine Arts degree. He is responsible for managing the Lyric Theatre and the Canteen, including staffing and booking performances and he is also Partners' Curator.

Administrative Staff and Other Staff

Administrative positions include: Administrative Assistant (full time), Bookkeeper (part time) and Accountant (part time). Summer students are hired for the Lyric Stage and the Sculpture Garden (including the gift shop).

In addition to these staff, security, maintenance and cleaning are on contract with the Pavilion Gallery. Additional security guards are occasionally hired for various performances at the Lyric. Where possible, grants are applied for to cover the cost of summer student salaries.

Volunteers

To assist in meeting the organization's needs, volunteers are utilized on a regular basis to fill a number of activities and roles including tour guides, cataloguing collections, gift shop salespersons, greeters, special event volunteers, and clerical assistants. In a typical year, 50 to 60 volunteers are utilized. Volunteers will be coordinated by the Director of Fundraising.

Key External Advisors/Consultants

Paquin Entertainment has been engaged to program and produce the Lyric Theatre 2005 season. With their demonstrated success for both the Pooh Friendship Day and the International Friendship Festival, Paquin will maximize the attractiveness of the Lyric Theatre by introducing an exciting, new series of events for the public enjoyment in 2005.

5.5 Physical Asset Management

Partners is entrusted with physical assets in the form of artwork and buildings having significant value. Conserving and promoting these assets is an important part of Partners' mandate. However, given its budgetary constraints and slim staffing, current physical asset management processes and policies need to be updated and improved upon.

The Pavilion Gallery Museum

The Pavilion Gallery contains over 6,000 pieces of art created by Ivan Eyre, Clarence Tillenius and Walter J. Phillips, with an estimated value of $10 million. The works include:

- 75 paintings and 20 drawings by Clarence Tillenius.
    - Significant number of works donated to the museum by Clarence Tillenius.

  - Many of the larger pieces are on a long term loan from the Manitoba Museum (until 2008).
- Approximately 500 Walter J. Phillips pieces.
  - John Crabb and the Phillips family have donated a large number of these works to the museum. Additional donations are expected.
  - Museum has a 10 year agreement with John Crabb to purchase a substantial number of these works (will be paid up at the end of 2013).
- 5,000 line drawings, 120 canvas works, and 20 assorted sculptures by Ivan Eyre.
  - Donated to the museum by Ivan Eyre.

Leo Mol Sculpture Garden

The Leo Mol Sculpture Garden contains over 200 pieces of art, which includes bronze sculptures, oil paintings, pastels, ceramics, and stain glass windows. These assets were gifted to the City of Winnipeg. The pieces range in value from approximately $7,000 and up for small pieces and $25,000 and up for large pieces.

Buildings

In addition to the artwork housed in the main building, the Leo Mol Sculpture Garden contains Leo Mol's Schoolhouse studio, which was once the one room studio where he crafted his masterpieces. Currently, the Schoolhouse is used to display Dr. Mol's artworks at various stages so that visitors can get a glimpse of the creative production process. These buildings are owned by the City of Winnipeg, and the City is responsible for all maintenance, repair and security within the Leo Mol Sculpture Garden as well as all related insurance costs. Partners is responsible for overseeing the cleaning and maintenance of the sculptures.

In September 1997, an agreement was entered into between the City of Winnipeg and the Pavilion Gallery Museum Inc. whereby the Pavilion Gallery Museum Inc. undertook to renovate and restore the Pavilion including the construction of art galleries and restaurant facilities. Upon completion, the Pavilion Gallery Museum Inc. is responsible for managing and operating the Pavilion, including the Galleries and restaurant, for the benefit and use of the community at large under a 50-year renewable operating contract. The Pavilion Gallery Museum Inc. is considered an independent contractor, fully responsible for all management and operations of the Pavilion Gallery including operating, cleaning, security and maintenance costs.

The Pavilion Gallery is also responsible for security, insurance, all advertising, promotion, and programming within the building and the surrounding area, providing washroom supplies, and collecting property tax from the restaurant. It is also responsible for all heat, light, water, garbage costs, etc.

The Lyric structure is built on City of Winnipeg land and is owned by the City. The Assiniboine Park Bandshell Inc. has a contract with the City to operate and manage the facility, on the City's behalf.

6.0 Financial Highlights

6.1 Fundraising and Grants

Partners' programming is offered at no charge to the public. Therefore, sponsorships, donations and other fundraising is an important revenue stream for Partners. Partners has made an investment by hiring full-time Director of Fundraising. Appendix C describes some of the Fundraising Programs planned for 2005. The Director of Fundraising will use this as a base to build a comprehensive fundraising strategy, increasing this source of revenue and helping establish sustainable operations.

Partners has designated Manitoba Lotteries Corporation (MLC) as a Platinum Partner for the 2005 season and MLC's generous support has allowed Partners to present programming at the Lyric for 2005. MLC committed itself as a five year sponsor and is now in the fourth year of that agreement.

Other significant sponsors, many of which have provided funds over multiple years, include:

- Siobhan Richardson Foundation
- Canwest Global
- The Free Press
- Canad Inns
- Richardson Foundation
- Scotiabank
- Great-West Life
- AVW Telav
- Prairie Public Television
- Investors Group
- Cool FM 99.1
- The Winnipeg Foundation
- CanWest Global Foundation
- Peerless Garments
- Destination Winnipeg
- The Fairmont Winnipeg
- Wawanesa Insurance

In addition, Partners receives donations from countless individuals and families who enjoy the attractions.

Partners is in the process of solidifying long term funding commitments from its two key funders, the City of Winnipeg and the Province of Manitoba.

6.2 Historical Financial Performance

The following points show the evolution to Partners' current critical financial situation.

- During 1997-98, $4.7 million was raised for the renovation of the Pavilion (including $1.5 million from the Canada-Manitoba Infrastructure Program. Of this amount, $3.5 million was to be directed to project costs, and $1.2 million was to be set aside for an endowment fund. The interest from the endowment fund would contribute to operating costs.
- Previously unknown structural problems with the windows were discovered during the renovation. No additional capital costs were contributed and as a result of these expenses, the amount set aside for endowment eroded from $1.2 million to $700k.
- The operating funding from the City of Winnipeg was not provided for the full five years anticipated.
- After a year of operation, it became apparent that the actual operating costs for the Pavilion were far more expensive than originally estimated.
    - Significantly higher costs incurred for utilities, security, repairs and maintenance, insurance, and cleaning incurred.
- Over the period of 1999 to 2005, all of the Pavilion funds intended for endowment (including both the $700k remaining after the structural problems and new funds raised for this purpose), as well as some sponsorship monies intended for programming, have been used for operations.
- In addition, significant legal costs were incurred during three years of negotiations to resolve tax liability expenses for the Lyric and the Pavilion.

During this time, Partners has made staffing changes with a view to add private sector skill sets needed to develop organizational sustainability and has actively searched out efficiencies in its operations. For the organization to fulfill its mandate at the most basic level, long term financial support is required from the City and the Province. Operating expenses are such that many of the costs would still be incurred if attractions were closed.

6.3 Financial Requirements Going Forward

Consolidated financial projections are provided in Appendix D. These projections have been developed assuming the attractions continue to operate in a "status quo" mode. That is, no new development costs or revenue streams are included. The projections are the minimum Partners believes is required to meet its mandate.

In order to maintain its basic operations, Partners is asking the City and the Province to each provide an annual amount of $400,000 reducing to $350,000 by Year 8 as shown in the financial projections in Appendix D. **The contribution from the City will be used for operating expenses**. This will allow monies Partners generates from other sources, such as fundraising and restaurant operations, to be directed towards replenishing and building endowment funds for each of the attractions.

Other funding scenarios have been considered by the Board but have been deemed unacceptable due to:

- Inconsistency with the mandate of providing free and accessible programming.
- Inconsistency with the operational requirements required for a Museum "Category A," a requirement of the donated artwork.
- Inconsistency with the need to achieve long-term operational sustainability.

The consolidated income statement projections are divided into operating revenues and expenses, and programming revenues and expenses. Partners has decreased its operating expenses to a lean level, little more can be reduced here without closing attractions. Programming revenues and expenses are shown separately in the projections, and Partners will contain its programming expenses within the revenues available (ie. those generated from sponsorships, donations, other fundraising, etc.).

The projections show a replenishment and building of endowment funds for each attraction. Endowments are expected to reach the following levels by 2012:

- Leo Mol = $500,000
- Lyric = $500,000
- Pavilion =$1,000,000

By 2013, it is expected that Partners will have repaid its long term debts and built its endowment funds to a significant level, allowing it to begin decreasing the amount of support it requires from the City and Province.

Projections to 2013 are provided in Appendix D. Given the number of years projected into the future and the inability to predict external events and circumstances, there will likely be a difference between forecasted and actual results. If Partners' actual performance exceeds its projected performance, it would be willing to reduce the contribution requested from the City and the Province in the year immediately following.