



# **Ramsdell Theatre: Moving Forward**

**February 2013**

February, 2013

Mayor Colleen Kenny:  
Members of City Council:

On behalf of the Ramsdell Theatre Civic & Cultural Center Board, we respectfully submit for your review a comprehensive evaluation of the Ramsdell Theatre. It is our hope that the final outcome of this review is to put the Ramsdell Theatre on a sustainable path for the long term.

The Ramsdell is an irreplaceable asset for all of the Manistee area and we endeavor to provide it every opportunity to succeed and prosper.

Thank you for your ongoing support.

Sincerely,

*Nancy Lyon*

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Nancy Lyon, President  
Ramsdell Governing Authority

*Edward Bradford*

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Edward Bradford, Treasurer  
Ramsdell Governing Authority

Chief Financial Officer  
City of Manistee

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## **Introduction**

The purpose of this report is to research and document the various options for operating and managing the Ramsdell Theatre (Ramsdell). The information presented is an objective look at avenues that are available to the City and Ramsdell Theatre Civic & Cultural Center Board (Ramsdell Governing Authority “RGA”) moving forward. Unlike other whitepapers the City has recently undertaken, this report makes concrete recommendations for a path to move the Ramsdell towards sustainability. The simple reason for this is that the City has enough experience operating the Ramsdell to know what works and what is not working, and there is ample evidence that theatres such as ours share some common threads that enable success.

## **Recent History of the Ramsdell**

The City acquired ownership of the Ramsdell from the Rotary in 1953. In 1990, the Ramsdell Theatre Restoration Project (RTRP) was created to serve as a vehicle to restore the Ramsdell, which had fallen into great disrepair. Over the next fifteen years, this group raised around \$4,000,000 in private and public dollars to primarily restore the interior of the theatre to its former glory. At the same time the restoration was progressing, the City was leasing the building to the Manistee Civic Players (MCP) under an arrangement that allowed them to manage the entire facility, with the City retaining responsibility for the building’s infrastructure and exterior. The MCP managed the building under this arrangement from 1974 to 2007. In early to mid-2000, it was becoming clear that the MCP lacked the financial resources to continue managing and operating the building effectively. They approached the City in 2004 to explore a different operating model, so they could focus on their productions.

The outcome of these discussions was the adoption Chapter 253 of the Codified Ordinances creating the Ramsdell Theatre Civic and Cultural Center Governing Board in November of 2005. This ordinance provides for the ongoing management and operations of the Ramsdell by the City. The City has been actively operating and managing the Ramsdell thru the RGA since the summer of 2007. Since that time, it has invested over \$500,000 for operations and \$2,000,000 for capital expenditures.

## **Why this Report Has Been Created**

As is typical in most communities across Michigan (and the rest of the country too), budgetary constraints are forcing a top to bottom evaluation of how and what type of services they should provide. Manistee is not immune from these budgetary pressures. Reduced tax base, sharply reduced state revenue sharing, pending reductions in personal property taxes and increases in personnel and supply costs have put the City on an extremely challenging fiscal path.

Ownership and operation of the Ramsdell has required the investment of significant resources from the City’s general and capital improvement funds. The Ramsdell does not currently cover its operating costs and has no ability to pay back any of the capital investments; although this is not for a lack of effort on the part of many individuals

**Therein lies the fundamental dilemma of the Ramsdell: An irreplaceable community asset that has widespread support but is not an essential government service and requires heavy, ongoing taxpayer support.**

The Ramsdell enjoys broad support among City residents. Although there are detractors, most realize the unique value that the Ramsdell brings to the community. The City has an obligation to ensure that it protects and maintains the significant private and public investment that has been poured into the building over the last twenty years. The current governing and operating model has had a significant positive impact on the Ramsdell, but is no longer sufficient. The RGA believes that it is now time for the Ramsdell to “Move Forward” by taking aggressive step(s) to move the Ramsdell towards sustainability in a reasoned, effective manner.

### Stakeholders

The primary stakeholders of the Ramsdell are listed below:

City of Manistee	Owns, operates, manages and supports financially the Ramsdell.
City Residents	Supports financially and attend events at the Ramsdell.
Donors to the Ramsdell	Provided financial support for the restoration of the Ramsdell.
Manistee Civic Players	Primary user of the Ramsdell; their “home”; supports endowment
Manistee Art Institute	Important user of the Ramsdell; it is their “home.”
Ingrid Bond School of Dance	Important user of the Ramsdell; it is their “home.”
Conservatory of Dance	Important user of the Ramsdell.
Manistee Rotary	Important user of the Ramsdell.
West Shore Comm. College	Collaborates with the MCP on Ramsdell productions.
Historic Preservation	Ramsdell is on the National Register of Historic Places.
DDA	Ramsdell is an important anchor for a vital downtown.

Each of these stakeholders has unique concerns and issues depending on their relationship to and use of the Ramsdell. The common thread that they all share though, is that in order for the Ramsdell to support their interest(s), it has to be viable economically for the long term.

Any initiatives to make changes to the current operating and/or management/ownership structure that come out of this report will necessarily have to be discussed and explained to the Stakeholders to ensure the greatest level of buy-in possible. Without broad consensus and support among stakeholders, any initiative will face an uphill battle.

## **Current Operations**

It is important to understand how the Ramsdell functions since the City began day to day operations in 2007. The Ramsdell, thru the policy actions and strategic direction of the RGA, has come a very long way in terms of the level of professional oversight. Their involvement, coupled with Council’s dedication of significant human capital and financial resources has allowed the Ramsdell to reach a new level.

## **Governance**

As mentioned, an ordinance provides for the management and operations of the Ramsdell. The RGA currently consists of the following individuals.

Nancy Lyon	President	6/30/13	
Kerry Schubach	Vice-President	6/30/14	Manistee Art Institute (President)
Mary Russell	Secretary	6/30/14	
Edward Bradford	Treasurer	Permanent	City of Manistee (CFO)
JoAnn Muma	Member	6/30/13	Manistee Civic Players (Ex. Dir.)
Rick Richter	Member	6/30/15	
Tom Stege	Member	6/30/15	

The RGA meets monthly, typically on the first Friday of the month, starting at 9:00 a.m. at City Hall. The meetings are open to the public and normally last two hours. On rare occasion, the RGA has had a problem obtaining a quorum.

City staff members are also generally present at the meetings.

## **Administration**

City staff provides all administrative services for the Ramsdell. The effort is a highly collaborative one shared between the Finance and Community Development departments. An operational committee comprised of the City staff listed below meets every Wednesday morning to coordinate Ramsdell operations. Duties performed that relate to the Ramsdell operations include:

Edward Bradford: Ed provides administrative support primarily in the areas of finance, marketing, promotion, technology and general oversight. He prepares the annual budget, annual and monthly financial reports and event specific financial reporting. He prepares promotional materials, maintains the Ramsdell web presence and consults in Ramsdell technology issues. He provides general oversight and planning in areas such as programming, building improvements and strategy.

Heather Pefley: Heather provides administrative support primarily in the areas of building scheduling, coordination among users, back office functions, rental management and collections. She also maintains Ramsdell files, external programming reporting and the master

calendar. Heather is involved in marketing and promotion, particularly for the ballroom as a venue for wedding receptions, and is the primary contact for brides.

Mark Niesen: Mark provides administrative support primarily in the areas of building operations, front-line construction management, building maintenance and caretaker oversight and scheduling. Mark also secures needed assistance in the form of site managers. He also deals with outside vendors and contractors.

Jon Rose: Jon provides administrative support primarily in the areas of building operations, staff management, technology, high level construction management and general oversight. He also weighs in on programming and policy issues.

In addition, various other City staff members support the operations of the Ramsdell in areas such as payroll, accounts payable, promotions and building and grounds. The best estimates are that in total, easily one full-time equivalent employee, or approximately \$60,000 to \$80,000 worth of staff time is being invested in the Ramsdell administration, as defined above.

### **Operations Staffing**

In addition to the administrative services provided, the City is responsible for ensuring the day to day operational needs of the building are met. This includes cleaning, maintenance, building operations, lighting, sound, security and event management. It would not be unusual for a building of this size, value, diversity and complexity to have one or more full-time caretaker(s) as well as part time and/or contractual custodial help. It would also likely have technical and box office staff. However, the RGA and City simply cannot afford this level of staffing. Instead, staffing in each of these areas is provided (or not) as the case may be, as detailed below.

#### **Caretaker**

The City employs two part-time caretakers to clean, maintain and operate the Ramsdell. They work on average twenty hours per week and are responsible for the cleanliness of the facility, acceptable climate control, routine maintenance and the like. The caretakers report directly to Mark Niesen and ultimately Jon Rose. The level of staffing is inadequate to keep the facility cleaned and maintained as the RGA feels it should be, but is the best that can be done given current budgetary limitations.

Also, due to the variable nature of events at the Ramsdell, caretaker schedules vary significantly from day to day and week to week. For example, there may be no events scheduled during the work week, but a Saturday may include an Opera performance, an evening concert and/or a wedding reception that requires staff on site for twelve or more hours. The summer months and early December also have significantly more activity than other times of the year, making scheduling difficult at best. In order to make this work, the City has to rely on contractual cleaning assistance and event Site Managers as discussed below, which is far from ideal, but does provide some additional flexibility and a method of dealing with peaks in demand.

### **Technical & Box Office**

The City does not have any dedicated full or part-time staff available to solely or even primarily run the Ramsdell's light, sound and box office systems. This is a major problem at times, and certainly a significant weakness of the current operation and an area of extreme vulnerability. Currently, one person has intimate knowledge of the lighting system (not City staff) and one person has intimate knowledge of the sound system (City caretaker). There is no viable backup for either, and although the RGA and City are working at identifying qualified individuals and getting them trained, the effort so far has fallen short of our needs.

The City also has no one trained on the box office software. We rely exclusively on volunteers to staff and operate the box office; or in some cases do not utilize the system to sell tickets. Fortunately, there is a bigger pool of volunteers to draw on as the MCP also uses this system and has a few trained individuals. This is an area that the RGA is also trying to address.

### **Site Managers**

Site managers are individuals who are present at the Ramsdell any time the building is occupied, and particularly when there is an event going on. Their purpose is to ensure that everyone in the building has a safe, enjoyable experience, that the building is not damaged, that problems are dealt with as they crop up and that the building is vacant and secured at the end of the event. It is a critical job that must be performed competently and consistently for every event that occurs.

When City caretakers are present on-site, they always act as an overarching site manager; regardless of whether there are other site managers on duty. In other cases, they are the only one performing that function. However, with their limited schedules and other duties, they cannot adequately cover all events.

As a result, our permanent tenants, as part of their lease agreements, are required to provide site managers any time they are using the building. They designate staff or volunteers who are to act in this role and the City provides training to ensure that they can function adequately. Without this provision in our tenants' contracts, the City would spend considerably more providing this oversight.

The City also secures on an as needed basis contractual site managers for events at the Ramsdell. This can vary according to whom is using the building. Typically, wedding receptions and City events like the MET Opera or Ramsdell Presents events require a site manager for several hours and that is often provided by a trained, on call contractual employee. Because of the variability in number and timing of these events, securing and scheduling can pose a challenge.

Overall, the site manager model works fairly well; however, on occasion adequate coverage has not been provided or the building has not been secured properly.

## Consultant

The RGA contracted with theatre consultant Tom Gerdom, aka Gerdom Management Group (Gerdom) in late 2010 to provide a thorough review of the Ramsdell and its operations. This engagement culminated with the report, *The Ramsdell: A New Century* issued in March, 2011.

Subsequent to this, the RGA hired Gerdom for a period to implement some of the recommendations in the report. Gerdom spent considerable time working towards this, with a primary focus on bringing in new programming, establishing a concession program, getting us up and running with film and improving our marketing and promotions. The effort was very well done and well received by the community, but fell short of profitability expectations.

The RGA has continued to build on Gerdom's initiatives, but has not been able to maintain the same pace of activity due to lack of resources and requisite expertise. Nevertheless, Gerdom's efforts have helped define what a vibrant model looks like moving forward, and have increased staff's capacity in several areas, such as booking film.

## Budget

The Ramsdell is considered an enterprise fund on the books of the City. Such a classification means that the Ramsdell is supposed to operate like a business with the intent that it charges fees and/or generates adequate revenue to support its operations. The Ramsdell does charge fees, collect rent and sell tickets; however, it does not generate enough income to cover its operational expenses, much less its capital and debt service costs.

The financial information for the Ramsdell since the City began operating it in 2006 is shown on the following pages.

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<b>296 Ramsdell Theatre Fund</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Budget</b>
539.000 Grant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
642.000 Sales	0	0	9,375	437	2,075	0	6,953	500
651.000 Sales - Concessions					0	159	2,078	9,000
652.000 Sales - Movies					0	0	1,233	12,500
653.000 Sales - Performances							1,612	
664.000 Interest Income	73	241	158	76	183	7	1,585	50
667.000 Rental Income	0	18,250	35,225	35,717	42,747	51,197	36,453	23,000
667.001 Rental Income - Ballroom						0	5,315	24,000
667.002 Rental Income - Theatre						0	1,340	3,500
667.003 Rental Income - Hardy Hall						0	870	2,000
667.004 Rental Income - Studio						0	440	100
671.000 Other Revenue	0	0	293	623	0	0	667	500
674.000 Contributions\Donations	0	0	2,500	0	2,000	3,608	5,917	2,500
699.000 Transfers In	51,070	100,000	80,000	65,000	103,663	249,761	321,878	288,830
<b>Total Revenues</b>	<b>\$51,143</b>	<b>\$118,491</b>	<b>\$127,552</b>	<b>\$101,853</b>	<b>\$150,669</b>	<b>\$304,732</b>	<b>\$386,341</b>	<b>\$366,480</b>
702.000 Salaries	\$0	\$0	\$21,265	\$20,462	\$22,177	\$24,266	\$20,983	\$23,270
704.000 Overtime	0	0	342	981	698	245	346	0
712.001 Costs - Social Security	0	0	1,281	1,338	1,440	1,483	1,354	1,443
712.002 Costs - Medicare	0	0	300	313	337	347	317	337
712.007 Costs - SUTA	0	0	12	43	234	354	412	358
712.009 Costs - Workers Comp	0	0	357	418	569	332	370	742
<b>Employee Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$23,557</b>	<b>\$23,555</b>	<b>\$25,453</b>	<b>\$27,026</b>	<b>\$23,782</b>	<b>\$26,151</b>
728.000 Office/Operating Expense	\$624	\$8,992	\$7,008	\$8,944	\$10,893	\$13,643	\$17,636	\$14,000
751.000 Concession Expense							\$1,005	\$5,750
752.000 Movie Expense							\$2,890	\$7,500
753.000 Performance Expense							\$6,919	\$3,000
801.000 Professional Services	2,902	15,466	22,631	3,727	865	7,232	28,783	5,500
822.000 Insurance	0	1,671	1,580	1,477	2,878	1,647	1,397	1,600
831.000 Contractual Repairs & Maint	0	372	1,148	2,580	1,413	5,423	4,350	6,500
850.000 Phone	159	300	402	679	848	911	1,042	540
870.000 Memberships & Dues	0	0	0	0	0	0	55	460
892.500 Marketing Expense	\$0	\$270	\$2,014	\$972	\$1,598	\$194	\$10,404	5,000
900.000 Printing/Publishing	0	0	967	139	314	99	99	500
920.000 Gas	38,583	22,520	27,813	26,073	23,589	15,435	10,244	17,000
922.000 Water	426	262	244	495	258	323	348	400
925.000 Electric	3,985	6,963	5,137	6,275	6,490	12,493	13,654	21,000
930.000 Repairs & Maint	1,579	30,973	16,414	9,896	13,587	12,134	9,000	8,000
970.000 Capital Outlay	0	29,131	16,520	474	10,908	997	1,356	5,000
<b>Operating Costs</b>	<b>\$48,258</b>	<b>\$116,920</b>	<b>\$101,877</b>	<b>\$61,730</b>	<b>\$73,641</b>	<b>\$70,533</b>	<b>\$109,182</b>	<b>\$101,750</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$48,258</b>	<b>\$116,920</b>	<b>\$125,434</b>	<b>\$85,285</b>	<b>\$99,094</b>	<b>\$97,559</b>	<b>\$132,964</b>	<b>\$127,901</b>

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<b>AVAILABLE FOR DEBT SERVICE</b>	<b>\$2,885</b>	<b>\$1,571</b>	<b>\$2,118</b>	<b>\$16,569</b>	<b>\$51,574</b>	<b>\$207,173</b>	<b>\$253,377</b>	<b>\$238,579</b>
998.000 Ramsdell Roof - Interest					\$8,389	\$15,294	\$13,079	\$10,733
998.002 Ramsdell HVAC - Interest					\$0	\$0	\$11,839	\$43,870
<b>TOTAL DEBT INTEREST</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,389</b>	<b>\$15,294</b>	<b>\$24,918</b>	<b>\$54,603</b>
<b>OPERATING RESULT</b>	<b>\$2,885</b>	<b>\$1,571</b>	<b>\$2,118</b>	<b>\$16,569</b>	<b>\$43,185</b>	<b>\$191,879</b>	<b>\$228,459</b>	<b>\$183,977</b>
308.000 Ramsdell Roof - Principal						\$54,585	\$56,781	\$57,601
308.002 Ramsdell HVAC - Principal							\$31,668	\$65,080
<b>TOTAL DEBT REPAYMENT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,585</b>	<b>\$88,449</b>	<b>\$122,682</b>
<b>SURPLUS\DEFICIT BEFORE CAPEX</b>	<b>\$2,885</b>	<b>\$1,571</b>	<b>\$2,118</b>	<b>\$16,569</b>	<b>\$43,185</b>	<b>\$137,293</b>	<b>\$140,010</b>	<b>\$61,295</b>
<b>CAPITAL EXPENDITURES</b>								
Theatre HVAC							\$1,270,930	\$0
Theatre Improvements							\$39,315	\$50,000
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>\$1,310,245</b>	<b>\$50,000</b>
<b>CASH IMPACT BEFORE FINANCING</b>	<b>\$2,885</b>	<b>\$1,571</b>	<b>\$2,118</b>	<b>\$16,569</b>			<b>-\$1,170,235</b>	<b>\$11,295</b>
HVAC Loan							\$1,246,000	\$0
<b>FINANCING SOURCES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>\$1,246,000</b>	<b>\$0</b>
<b>FINAL CASH IMPACT</b>	<b>\$2,885</b>	<b>\$1,571</b>	<b>\$2,118</b>	<b>\$16,569</b>			<b>\$75,765</b>	<b>\$11,295</b>
<b>BEGINNING CASH &amp; INV</b>								<b>\$32,464</b>
<b>ENDING CASH &amp; INV</b>							<b>\$32,464</b>	<b>\$43,759</b>

### Financial Review

A review of the financial information reveals the City is providing significant financial support for the Ramsdell. For the current fiscal year, the number is \$278,830:

Operating Subsidy	\$60,000 per year	(has been higher at times)
Capital Improvements	\$40,000 per year	(from the Capital Improvement Fund)
Debt Service	\$178,830	(Roof and HVAC notes, from CI fund)

Operational subsidy and capital improvements are determined and appropriated annually while the debt service requirement stretches at this level until 2016-2017 and then drops down to \$108,950 thru 2026-2027.

The Ramsdell does generate revenue, but not in sufficient quantities. Enhanced programming such as the *Ramsdell Presents* concert series and the MET Opera is providing incremental sales, but much more and profitable programming would need to be done to make a meaningful difference. There is not the organizational capacity to do so at this time.

### Fundraising

One area that is glaringly absent from the financial picture is an active fundraising component. Donations to the Ramsdell are a potentially huge untapped area that needs to be explored. The Ramsdell Theatre Restoration Project (RTRP) was able to raise several million dollars in private donations over a 15 year period to restore the Ramsdell. Since 2007, they have largely been inactive. In recognition of this, the RTRP reformed itself as the Friends of the Ramsdell (FOR), with a two prong focus. The first focus is to raise money for operations and possibly capital projects thru an annual giving program. The second is to pursue annual and legacy gifts to the Ramsdell endowment at the Manistee County Community Foundation.

Fundraising will be challenging both operationally and politically. The FOR does not have an actively engaged board nor a professional fundraiser or development specialist and is not actively seeking out donations at this point. Instead, it is acting as a shell waiting to be reactivated when the timing is right. Politically, launching an active fundraising campaign today would be difficult because of the ongoing Vogue Theatre capital campaign. That is not to say that both entities cannot raise funds at the same time, but we want to be mindful of not damaging a relationship that we are trying to foster.

### Capital Expenditures

In spite of the enormous past investment in the Ramsdell, the renovation is still not complete. It is estimated that there is about \$1 million dollars remaining in work to be done, primarily on the lower level and beneath the stage, handicap accessibility and green room\office areas. Financing this work will continue to be a challenge in the current economic climate.

## Programming

Programming is currently provided by the RGA, various user groups and outside groups renting the Ramsdell for their own events. Examples of programming currently provided are listed below.

### RGA

Little Night Music Concert Series  
MET Opera Live in HD Telecasts  
10 West Studio Premieres  
Second Run Movies  
Music Classes  
Weddings and Receptions  
Proms

### MAI

Art Exhibits  
Artist Receptions  
Art Classes\Workshops

### Ingrid Bond School of Dance

Dance classes  
Recitals\Productions

### MCP

Dramas\Studio & Outside Productions  
Musicals  
Children Theatre  
Acting Classes  
Directing Workshops

### Other

Manistee Benzie Community Chorus  
Manistee Rotary Show  
Conservatory of Dance recitals

As the volume of events at the Ramsdell has increased, accurate scheduling has become a critically important function. There have been remarkably few conflicts in this area; however, those conflicts will continue to increase and need to be managed as the volume of activity at the Ramsdell increases. The Ramsdell currently has significant excess capacity from a structure and space availability standpoint to hold additional activities and events.

## Marketing

Marketing is an area that is new to the Ramsdell. We are working hard to be effective, but the capacity to do so is somewhat limited by financial and human resources. The areas of marketing, advertising and publicity are clearly a priority area, yet still a work in process and evolving based on the type of programming.

We have, however, made significant advances in our web presence through our website and Facebook pages which can be found online at [www.ramsdelltheatre.org](http://www.ramsdelltheatre.org) and [www.facebook.com/ramsdelltheatre](https://www.facebook.com/ramsdelltheatre). The website is functional but needs an upgrade in terms of look & feel, appearance and “theatrical” presence. The effort to do so is underway.

Other areas that need attention are developing a consistent brand for the Ramsdell, improved exterior signage and better coordination among all users of the building in their advertising and promotions.

## Strengths, Weaknesses, Opportunities, Threats Analysis

SWOT analysis is one of the most used forms of organizational analysis. A SWOT analysis examines and assesses the impacts of internal strengths and weaknesses (over which you have control), and external opportunities and threats (over which you have little or no control), on the success of the "subject" of analysis. In our case, the subject of the analysis is the long term viability and sustainability of the Ramsdell.

Successful organizations build on their strengths, correct their weakness, take advantage of opportunities and proactively manage external threats. They also keep a watch on the overall environment and recognize and exploit new opportunities faster than others. Each of these elements is described further below:

**Strengths:** Strengths are those factors that make the Ramsdell more competitive than its peers. Strengths are what the Ramsdell has a distinctive advantage at doing, or what resources or assets it has that others lack. Strengths are, in effect, resources, capabilities and core competencies that the Ramsdell holds that can be used effectively to achieve its goals.

**Weaknesses:** A weakness is a limitation, fault, or lack of resources that keeps the Ramsdell from achieving its goals; it is what we do poorly or where we have inferior capabilities or resources as compared to other peers or competitors.

**Opportunities:** Opportunities include any favorable current or prospective situation in the Ramsdell's environment, such as a trend, market conditions or overlooked need that supports the demand for our product and permits the Ramsdell to enhance its competitive position.

**Threats:** A threat includes any unfavorable situation, trend or impending change in our environment that is currently or potentially damaging or threatening to our ability to compete. It may be a barrier, constraint, or anything that might inflict problems, damages, harm or injury.

The following page is the classical SWOT analysis for the Ramsdell. A list of strengths, weaknesses, opportunities and threats is presented along with conclusions that can be drawn from this analysis.

## SWOT ANALYSIS

	Helpful to achieving the objective	Harmful to achieving the objective
Internal origin (attributes of the organization)	S Strengths	W Weaknesses
External origin (attributes of the environment)	O Opportunities	T Threats

Strengths

Classic, historic theatre  
75% renovated  
New HVAC  
New Roof  
Multi-purpose facility  
Anchor tenants (MCP, MAI, Ingrid)  
Council commitment  
Community commitment  
RGA Board  
Projection capability  
Proven donor base  
Facebook page

Opportunities

Vogue Theatre partnership  
WSSC partnership\Other partnerships  
(LRBOI, MCCF)  
Capital grants  
Capacity grants  
User group partnerships

Weaknesses

No Professional management  
No annual or planned giving program  
Limited programming  
Lack of technical staff  
Lack of administrative staff capacity  
Web page look and feel  
\$1,000,000 remaining renovations needed

Threats

Limited market area  
Increasing availability of on-demand  
entertainment  
Other entertainment options (free & paid)  
Various summer concert series

The takeaway from this analysis is that the Ramsdell has been doing a lot right for the past several years and is in a relatively strong position. We have many strengths and relatively few threats. Although some opportunities present themselves, they are ones that are complex and will take significant time and effort to develop. The weaknesses, however, are quite pronounced. These have to be addressed if the Ramsdell is to move forward in a meaningful fashion.

**Benchmarking**

No operational study is complete without looking at a sampling of peer organizations against which you can compare your operations. The RGA selected the following organizations to benchmark the Ramsdell against, based on location, size of theatre and similarity to the Ramsdell.

<b>Theatre</b>	<b>City</b>	<b>Built</b>	<b>Seats</b>	<b>Website</b>
Calumet Theatre	Calumet	1900	1,200	<a href="http://www.calumetttheatre.com">www.calumetttheatre.com</a>
The Opera House	Cheboygan	1877	582	<a href="http://www.theoperahouse.org">www.theoperahouse.org</a>
Croswell Opera House	Adrian	1866	650	<a href="http://www.croswell.org">www.croswell.org</a>
Howmet Playhouse	Whitehall	1946	400	<a href="http://www.howmetplayhouse.org">www.howmetplayhouse.org</a>
Menominee Opera House	Menominee	1902	750	<a href="http://www.menomineeoperahouse.org">www.menomineeoperahouse.org</a>
City Opera House	Traverse City	1891	1126	<a href="http://www.cityoperahouse.org">www.cityoperahouse.org</a>
Tibbits Opera House	Coldwater	1882	499	<a href="http://www.tibbits.org">www.tibbits.org</a>
Wealthy Theatre	Grand Rapids	1911	400	<a href="http://www.grcmc.org">www.grcmc.org</a>
<b>Ramsdell Theatre</b>	<b>Manistee</b>	<b>1902</b>	<b>450</b>	<a href="http://www.ramsdelltheatre.org">www.ramsdelltheatre.org</a>

Information requested was in the following broad areas:

General Information: Ownership, Year Built, Capacity, Other Spaces, Renovation Status, Users

Budget Information: Revenue, Expense, Capital, Debt

Governance and Staffing: Governing Body, IRS Status, Staffing, Executive Director

Programming & Events: What Programming is Provided, Concessions, Liquor License

Fundraising: Annual Giving, Planned Giving, Endowment

The Ramsdell also recently joined the League of Historic American Theatres, [www.lhat.org](http://www.lhat.org) which has a wealth of information on theatres like the Ramsdell and is a great resource.

The observations and findings of the benchmark study are summarized in the tables below. Venues marked with an \* did not respond to the survey. Data for these facilities was obtained from their websites and other publically available information. Blank spaces for these venues mean the information could not be found. Budget benchmarking is omitted because of lack of information.

**General Information**

	<b>Ramsdell Theatre</b>	<b>Calumet Theatre*</b>	<b>The Opera House*</b>	<b>Croswell Opera House</b>	<b>Howmet* Playhouse</b>	<b>Menominee Opera* House</b>	<b>City Opera* House</b>	<b>Tibbits Opera* House</b>	<b>Wealthy* Theatre</b>
Owner	City of Manistee	Village of Calumet	City of Cheboygan	Croswell Opera House & Fine Arts Association	City of Whitehall	Menominee Opera House Committee, Inc.	City of Traverse City	Tibbits Opera Foundation & Arts Council	Grand Rapids Community Media Center
Year Built	1902	1900	1877	1866	1946	1902	1891	1882	1911
Location	Manistee	Calumet	Cheboygan	Adrian	Whitehall	Menominee	Traverse City	Coldwater	Grand Rapids
Capacity	450	1,200	582	650	400	750	1,126	499	400
Other Spaces	Ballroom (280) Hardy Hall (100) (2) Classrooms	Ballroom (300)		Heritage Room (50) Art Gallery (30) Rehearsal Room (40)					Micro Cinema (60) Meeting Room (20) West Lobby (50)
% Renovated	80%			100%		Just starting Not in operation		In process	100%
\$ Needed	\$750,000			\$2,000,000 (Cap Imp)		\$8,000,000			
User Groups	Manistee Civic Players Manistee Art Institute Ingrid Bond School of Dance	Calumet Players	Northland Players	Limited; Producing Theatre	White Lake Dramatic Club		Wharton Center	Branch County Community Theatre	

**Governance & Staffing**

	<b>Ramsdell Theatre</b>	<b>Calumet Theatre</b>	<b>The Opera House</b>	<b>Croswell Opera House</b>	<b>Howmet Playhouse</b>	<b>Menominee Opera House</b>	<b>City Opera House</b>	<b>Tibbits Opera House</b>	<b>Wealthy Theatre</b>
Governing Body\Board	Ramsdell Theatre Civic & Cultural Center Board	Calumet Theatre Company	Cheboygan Area Arts Council	Croswell Opera House & Fine Arts Association Board	City of Whitehall	Menominee Opera House Committee, Inc.	City Opera House Heritage Association	Tibbits Opera Foundation & Arts Council	Grand Rapids Community Media Center
Number of Members	7	18	14	17			12	17	
501(c)(3)	No Yes Friends of the Ramsdell	Yes	Yes	Yes	No Yes Friends of the Howmet		Yes	Yes	Yes
Employees	2 part time	5	6	6 full time 3 part time			Contracts with MSU Wharton Center	11	5
Executive Director	No	Yes	Yes	Yes	Yes			Yes	
Caretaker	2 ½ time			Contractual \$1,300 per month				2	1
Administration	City Staff			6 full time 3 part time	City staff			5	1
Site Managers	Contractual			Volunteers					
Lights	Contractual	Have artistic / technical director	In house	Contractual				1	
Sound	Contractual	Have artistic / technical director	In house	Contractual				1	1
Box Office	Volunteer MyNorthTickets (online)	Online tickets	Online tickets	1 Manager,1 pt for shows TYTix (online)	No online tickets		Online thru Wharton Center	2 Online Tickets	1
Ushers	Volunteer		Volunteers	Volunteers				Volunteer	

**Programming & Events**

	<b>Ramsdell Theatre</b>	<b>Calumet Theatre</b>	<b>The Opera House</b>	<b>Croswell Opera House</b>	<b>Howmet Playhouse</b>	<b>Menominee Opera House</b>	<b>City Opera House</b>	<b>Tibbits Opera House</b>	<b>Wealthy Theatre</b>
Movies	Yes - DVD			Yes - DVD	Yes				Yes
MET Opera	Yes			No					
Concerts	Little Night Music series	Yes	Yes	Several single night concerts\events	Yes		Yes	Yes	Yes
Live Theatre	MCP, about 6 per year	Yes	Yes	Up to 11 per year	Yes CMU Summer Theatre		Yes	Yes	Yes
Art	MAI exhibits, classes, permanent collection		Youth Arts Festival Access to Arts	Lenawee Council Visual Arts leases for 8-10 shows			Artist in residence thru Wharton	Yes	
Dance	One - classes Two - performances		Yes - classes	One – occasional rehearsal			Yes		Yes
Theatre Classes	MCP - Occasionally		Yes - Children	Summer camp for children ages 6-15	Yes - youth		Yes – thru Wharton	Yes	
Music Classes	Yes – one instructor			No – live orchestra for theatre events					
Weddings	Yes - frequent			As possible					
Other	Various Rotary show	Benefit variety show Talent show		Birthday parties, Cabaret events, Adrian Symphony	Various		Various	Various	Various
Concessions?	Yes, limited			Yes				Yes	Yes
Liquor License?	No			Yes					Yes

**Fundraising**

	<b>Ramsdell Theatre</b>	<b>Calumet Theatre</b>	<b>The Opera House</b>	<b>Croswell Opera House</b>	<b>Howmet Playhouse</b>	<b>Menominee Opera House</b>	<b>City Opera House</b>	<b>Tibbits Theatre</b>	<b>Wealthy Theatre</b>
Annual Giving	No	Yes 400 members	Yes	Yes >500 members	Yes	Yes	Yes	Yes	Yes
Amount Raised	\$0			\$100,000					
Planned Giving		Yes		No				Yes	
Amount Raised				\$0					
Endowment	Yes	Yes		Yes	Yes				
Amount	\$55,000			\$35,000 & \$127,000	\$187,000				
Purpose	Maintenance of interior			Operations & Facilities	Programming, presentations, operations, repairs & maintenance				
Time ED spends fundraising	n\ a			35%					

## Benchmark Observations

Unfortunately, the response to the request for benchmarking was poor. Only Croswell Opera House responded in time to be included. We hope to obtain more responses and include them in a future update. However, a great deal of information was able to be obtained from the organizations' websites and other sources. A few themes emerged from the data that was able to be obtained.

**Ownership:** Five of the nine are owned by a municipality. The remaining four are owned by non-profit organizations.

**Users:** Five of the nine have community theatre groups; one has its own producing company.

**Governance:** Most of the governing boards are larger than the RGA. This is likely because these boards, unlike the Ramsdell, are active in fundraising. When the Ramsdell Theatre Restoration Project was active, it had a larger board that was consistent with the sizes noted here. Howmet Theatre in Whitehall is the most similar in terms of ownership and management.

**Executive Director:** Seven of the nine have an executive or managing director. One is not open. One is managed by a major university thru a contract. The Ramsdell does not have an executive director. This is a major weakness of the Ramsdell.

**Staffing:** Each theatre staffs their operation a bit differently, and without benchmark responses, inadequate information exists to draw ironclad conclusions. However, it is apparent that nearly every venue has higher dedicated staffing levels than the Ramsdell currently has.

**Programming:** The Ramsdell's programming stacks up well against the other venues, in terms of variety. Not enough information was available to make a comparison on quantity and profitability of the events.

**Fundraising:** Eight of the nine theatres have an annual giving program. The Ramsdell is the only one that does not. This is a major weakness of the Ramsdell.

**Endowment:** Three of the facilities, including the Ramsdell, have some type of endowment.

## **Alternative Operating Models**

There are several different organizational and operational structures that can be looked at to run the Ramsdell. There are hundreds of small, historic theatres across the country, each with their own unique history, community and challenges. Each theatre has a slightly different organizational structure, funding model, level of programming, renovation status, strategic partnerships and collaborative efforts. Whatever the chosen structure, each Theatre has arrived at it based on their unique needs and ongoing “evolution” towards a viable entity. There is no cookie cutter approach.

However, with that said, there are several common threads that run through all successful operational models. The two biggest are widespread community support and an engaged, active Executive Director.

The study looks at the status quo and several other operational models that could be explored. For each alternative, it provides the following:

- Description:                Brief description of what the model is.
- Discussion:                A discussion of the model including assumptions and other relevant info.
- Programming:             A discussion of how programming at the theatre would be impacted.
- Financial:                 A discussion on how the finances of the Ramsdell would be impacted.
- Pros & Cons:             A brief synopsis of advantages and disadvantages of the model.

## Status Quo

**Description:** The status quo model assumes that operations continue as they have for the past several years, described fully earlier in the paper, using a mixture of paid part-time Ramsdell staff and full time City staff. The RGA would continue to provide oversight.

**Discussion:** This model assumes that the level of funding for the Ramsdell is relatively static and that no large programming or marketing initiatives can be undertaken as a result of staffing and funding limitations. It also assumes that non-Ramsdell workload of City staff providing administrative services does not change significantly, nor does the availability of staff for these functions diminish due to resignation, restructuring or retirement.

**Programming Impacts:** Staff is currently largely maxed out in its ability to schedule and manage a larger quantity and/or increased variety of City-sponsored programming. Additional events would have to be brought in by outsiders with little City involvement, except for minimal publicity and providing site management.

**Financial Implications:** Under the status quo model, incremental gains in revenue, programming and margins can be expected as staff becomes more familiar with operating the Ramsdell. This approach will not likely provide break-even performance for operations and certainly will not fund any additional capital needs or existing debt service.

Pros	Cons
No or minimal additional cost	City staff not spending as much time on core responsibilities
Building used as has been in the past	Does not move towards sustainability
	Does not increase programming
	Does not take advantage of fundraising opportunities
	Does not provide professional management

## Executive Director

**Description:** The Executive Director model envisions hiring a full-time, professional Executive Director (ED) to oversee the operations and management of the Ramsdell under the supervision of the RGA. The RGA feels that an ED is necessary under any of the operating models presented. The RGA is empowered under ordinance to hire an ED with the approval of City Council.

**Discussion:** An Executive Director would have an immediate positive impact on the Ramsdell. This position would be able to move the Ramsdell forward in a method that cannot be reached thru the status quo of having several individuals manage the Ramsdell “in addition” to their regular full-time responsibilities. The ED would be fully engaged and dedicate 100% of their efforts to making sure the Ramsdell does everything possible to succeed. It would provide a level of expertise that is now lacking. This individual would need to have a high profile in the community. Some of the qualities\traits that we would be looking for in an ED candidate would include:

Personable	Theatre Management Experience
Good Listener\Communicator	Persuasive\Compelling Personality
Self-starter\Takes Initiative	Marketing\Promotion Experience
Technologically Savvy	Grant Writing
Extensive Fund Raising Experience	

The ED would be responsible for the day to day operations and management of the Ramsdell. It is likely that at least one third of the ED time would be spent doing fund development. This would include both annual and planned giving. An active annual giving program could generate significant revenue to help offset operational costs. A successful planned giving program would help ensure that the past investment poured into the Ramsdell is taken care of and does not become an additional burden down the road. The largest generational wealth transfer ever will happen in the next 20 to 30 years, and we need to be in a position to capitalize on this.

The RGA will measure the success of the ED through concrete metrics in the following areas. This will ensure that the ED is being held accountable for their performance and keep everyone focused on the end goal which is Ramsdell sustainability.

- Annual Giving Program
- Planned Giving Program
- Ramsdell Brand Identity
- Level and Quality of Programming
- Strength and Quality of Strategic Partnerships
- Change in Ramsdell “Profitability”
- Grants

**Operational Impacts:** The ED would assume most, but not all, of the administrative and operational tasks being conducted by City staff. For example, it is likely that City Hall staff would handle all the accounting, most of the cash handling and financial reporting. Construction projects would also be handled by City staff. Things like building scheduling, event coordination, booking, event reporting, staff scheduling and volunteer recruitment would be better handled by the ED. We also do not anticipate that the ED will be behind a desk forty hours a week. In order to succeed they also need to be out in the community, garnering support and meeting with donors and such. Marketing and promotions would also be a key part of the ED’s job.

**Financial Implications:** The current Ramsdell budget does not have sufficient resources to hire an ED. This position will have to be funded by the City. We believe the most plausible scenario to fund this position is that City Council make a three-year commitment to an ED for the Ramsdell, paid for out of General Fund fund balance. It would mean an approximate doubling in operational funding for the Ramsdell to \$120,000 from \$60,000 per year, or \$180,000 over a three year period. This additional investment is equal to about a 1% increase in the general fund budget.

This scenario should be viewed as a “worst case” scenario in terms of financial impact. Clearly, the RGA expects that the presence of an ED will lead to much higher revenues for the Ramsdell. In addition, there may be an opportunities to apply for capacity building grants that could fund a portion of this position, using the City’s commitment as a match. The AES office is currently looking into this possibility.

As an example of this, annual giving is often modeled by using a pyramid structure. This helps keep the fund raiser on track and ensures that fundraising targets are realistic & achievable. The hypothetical example below shows a plan that raises \$50,000 for annual giving. The figure on the right shows how a fundraising strategy might work.

Number of Donors	Size of Gift	Total Gift
1	\$10,000	\$10,000
2	\$5,000	\$10,000
4	\$2,500	\$10,000
10	\$500	\$5,000
100	\$50	\$5,000
500	\$20	\$10,000
<b>617</b>		<b>\$50,000</b>



Pros	Cons
Provides full-time leadership and oversight	Additional cost
Provides needed expertise	Requires startup commitment from City
Take advantage of fundraising opportunities	
Take advantage of grant opportunities	
Increase utilization & programming	
Easier to structure cooperative arrangements	

## Partnership with Vogue

**Description:** This scenario envisions partnering with the Vogue Theatre Restoration Project (“Vogue”) and sharing the cost of an Executive Director. This model would have an ED working on behalf of both organizations via a contractual agreement between the City and the Vogue.

**Assumptions:**

This model assumes that the Vogue would be interested in pursuing a joint venture to hire an ED. The RGA has approached the Vogue in the past regarding this and at that time they were not interested in discussions because they were focused on their capital campaign to raise funds for the needed Vogue construction, and they felt like they would need a full time director just for the Vogue. Now that this campaign is well along, and construction is underway, focus will necessarily move towards operational issues. It is a good time to broach the subject again. Towards that end, the new AES Director Kathy Adair has been asked to help facilitate a conversation with the Vogue in order to gauge their interest.

**Operational Impacts:** Jointly hiring an ED would have similar operational impacts to those mentioned in the Executive Director scenario, but to a significant lesser degree since the Ramsdell would not have a full forty hours of the ED’s time. Duties not covered would fall back on City staff.

**Financial Implications:** Jointly hiring an ED would have similar financial impacts to those mentioned in the Executive Director scenario, but to a somewhat lesser degree since although the Ramsdell would not have a full forty hours of the ED’s time, it would be sharing the cost.

Pros	Cons
Provides enhanced, but less than full-time leadership and oversight	Additional cost
Provides needed expertise	May not realize the true benefit of the position because their time is split
Take advantage of fundraising opportunities	Possible conflicts of interest between Ramsdell and Vogue
Take advantage of grant opportunities	
Increase utilization & programming	
Easier to structure cooperative arrangements	

## Non-Profit Organization

**Description:** This model envisions creating a non-profit organization to own and/or lease, operate and oversee the Ramsdell Theatre. This would be similar to the Vogue Theatre Restoration Project for the Vogue Theatre in Manistee or the City Opera House Heritage Association, Inc. for the Opera House in Traverse City.

**Discussion:** For this model to have credibility and work, any non-profit would have to have demonstrable financial and organizational capacity from the start to ensure that the model would be viable. The community invested significant resources in the Ramsdell and expects that it be taken care of appropriately. The challenge with this model is twofold. First, the core group of donors that sustained the RTRP have largely moved on to other endeavors and would have to be re-engaged. Second, the community has limited resources and it may not have the financial capacity to support two non-profit venues.

**Operational Impacts:** This model would relieve the City of most administrative and all operational responsibilities. Oversight by the RGA would continue, although at a greatly reduced level. Their role would be to simply enforce the provisions of the lease or agreement with the non-profit.

**Financial Implications:** This model would relieve the City of most but probably not all operational financial responsibilities. Specifics would depend on the particular arrangement. It should be clearly noted that this model was utilized with the MCP from 1974 to 2007. Also, it is almost certain that the City would be responsible for the outstanding debt on the facility. Finally, if the non-profit organization was ultimately unable to sustain itself, the City would have to step back in and continue operating and managing the Ramsdell.

Pros	Cons
Relieves City of operational responsibilities	Tried, and failed, before
Reduces some financial burden	Loss of control
	<u>May not</u> provide needed expertise w/o ED

## Millage Increase\Recreational Authority\County Authority

**Description:** This scenario envisions having a county-wide or joint authority with a voted, dedicated millage that would own and operate the Ramsdell Theatre, and perhaps other assets.

**Discussion:** The City does not have the ability to levy a dedicated millage on its own to support the Ramsdell Theatre. As a home rule community with a 20 mill charter cap, the City is very limited in what additional millages can be imposed. The City currently levies 17.2957 mills. Its 20 mill charter limit has been reduced by the Headlee amendment to the Constitution to 17.7612. The City could choose to levy that additional .4655 mill and earmark the estimated \$80,000 in tax proceeds for the operation of the Ramsdell.

Another option would be to request a Headlee override vote and restore the 20 mill cap. It would then be able to levy up to 2.2388 additional mills as needed to support the operations of not only the Ramsdell but also general City operations and/or capital needs, such as streets.

There are other options available to provide taxpayer support for the Ramsdell. A third method would be to use PA 321 of 2000 - Recreational Authorities Act which provides for the establishment of recreational authorities to do a variety of things, among which is operate a public auditorium. The authority could levy not more than one mill for a period not more than 20 years and this requires a majority vote in each jurisdiction that would be part of the authority and levy the tax.

A fourth option is available under PA 261 of 1965 – County and Regional Parks. This law provides for a county (or regional) recreation commission.

All of these scenarios involve raising additional revenue thru a tax increase of some sort. Only the first one could be done unilaterally by City Council. The other three require voter approval. Given the state of the economy, general voter disdain for tax increases and the Council strategic goal of not raising taxes, the likelihood of this advancing appears remote. Notwithstanding these hurdles, it is important to note that the 2006 Citizen Service Survey indicated that 49.1% of the City residents would support paying an additional .5 mill to support the Ramsdell Theatre. Undecided residents came in at 14.4% and No was 36.5%. Furthermore, the 2010 MATRIX Operational Service Assessment stated that County or Regional support for the Ramsdell would be “ideal.”

There has been discussion for quite some time now about having a county-wide or regional recreation authority. This would probably take over the duties of the Manistee Recreation Authority and would go a long way towards consolidating the many disparate organizations that currently are involved in recreation in the area. If crafted properly, it could support a variety of areas including the Ramsdell.

**Operational Impacts:** Impacts would vary widely depending on what avenue was chosen and the result of negotiations leading up to implementation.

**Financial Implications:** Impacts would vary widely depending on what avenue was chosen and the result of negotiations leading up to implementation.

Pros	Cons
Ample revenue to support Ramsdell	Raises taxes
May spread cost out over more than just City residents	Loss of control
Removes general fund burden	Less than full time attention to the Ramsdell

## Partnership with Major College

**Description:** This scenario envisions a collaborative partnership with a university or large college to operate and/or provide significant programming for the Ramsdell Theatre. This could be similar to the arrangement that the non-profit operating the Traverse City Opera House has with Michigan State University Wharton Center for the Arts.

**Discussion:** An arrangement such as this would not occur unless the university or college has a compelling reason to expand its presence into our area, or perhaps some type of mandate to do so. Primary reasons the Wharton Center entered into an arrangement with the TC Opera House were a desire for added outreach to MSU’s large alumni base up in the Traverse City area and the attractive demographic and economic makeup of the greater Traverse City area.

The City did reach out to the Wharton Center a few years ago when these negotiations were occurring to see if they would be interested in partnering with the Ramsdell if their talks fell thru. Given Manistee’s population, demographics and location, it would be very difficult to strike a deal such as this. This option can certainly be explored, but the likelihood of a university being interested is probably very small.

**Operational Impacts:** This would relieve the City of most administrative and all operational responsibilities. Oversight by the RGA would continue, although at a greatly reduced level. Their role would be to simply enforce the provisions of the agreement.

**Financial Implications:** It is unlikely that any partnership struck would result in significant financial savings to the City. At a minimum, it is almost certain that the City would be responsible for the outstanding debt on the facility. There would also likely be some type of operational cost formula that would result in the City paying some amount on an annual basis.

Pros	Cons
Frees up administrative staff time	Loss of control
Increased programming	Possible squeezing out of “user groups” as utilization increases
Professional management	Minimal savings.



## Partnership with West Shore College

**Description:** This scenario envisions a collaborative partnership with a West Shore Community College (WSCC). This collaboration could range from cooperative drama productions thru the MCP (currently occurring) to cooperative programming to long term operating agreements or possible outright ownership of the facility.

**Discussion:** An arrangement with WSCC has a great deal of potential, from a theoretical standpoint. WSCC's standing as "our" community college and its mission; "To make our community a better place in which to learn, live, work & prosper" certainly make a partnership much easier than with a larger, more distant college. The fact that they have an active theatre program also is a positive.

A few years ago, the RGA had preliminary conversations with WSCC regarding a cooperative box office ticketing software and staffing arrangement; as well as a community arts web portal. Although these discussions did not result in a partnership, they certainly were productive and cordial. WSCC and MCP routinely collaborate on theatrical productions. Dr. Charles Dillon (President) and Dr. Rick Plummer (Professor of Theatre/Director of Cultural Arts Communications Division) are long time Ramsdell supporters.

It is also important to point out that WSCC has previously made significant commitments to its infrastructure thru a partnership with West Shore Medical Center (Manistee County Center) and its recent renovation of its performing arts auditorium. This may limit the need\desire\opportunity to partner with the Ramsdell. In addition, Ludington has recently created the Ludington Area Center for the Arts, which may compete for time, attention and resources, since they are in WSCC's service area. One advantage that WSCC has in this area is that they are able to fund improvements thru a capital millage that raises over \$2.5 million dollars annually as well as thru state appropriations; and they have no outstanding debt.

Although it is premature to anticipate what outcome any future discussions with WSCC may lead to, the RGA has recently reached out to WSCC to restart these conversations.

**Operational Impacts:** The impact on operations would vary greatly depending on the level of partnership with WSCC. Some scenarios (increased programming, joint productions, etc.) may actually require more operational resources. Other scenarios such as an operational agreement may reduce administration and operating costs, but may also eliminate revenue streams. The ultimate impact is dependent upon the outcome of any negotiations.

**Financial Implications:** As with operations, the impact is uncertain at this point. However, it is unlikely that any partnership struck would absolve the City's responsibility for the outstanding debt. It is plausible to envision scenarios where WSCC does assume all operational activities, relieving the City of that responsibility.

Pros	Cons
Could free up administrative staff time	Loss of control\ownership
Increased programming	Possible squeezing out of “user groups” as utilization increases
Professional management	
Stable funding	
Inter-governmental cooperation	

## Sale of Facility\ Privatization

**Description:** This scenario envisions either 1) privatizing the facility by leasing it to a private party with the City retaining ownership; or 2) selling the facility to a private party.

**Discussion:** City Council has repeatedly said that they are unwilling to entertain selling the facility, so that option is not discussed. Leasing the facility to a private party operator is possible, but unlikely. To determine the interest in this approach, the City would have to issue a carefully crafted request for proposals. This approach was recommended in the 2010 MATRIX Operational Service Assessment. The proposal would have to ensure that the millions of dollars of investment in the building are appropriately protected, that the building is still available to the community and that it is operated in a responsible fashion. In addition, no private party would assume the debt payments as part of the lease agreement. The City would still be responsible for those.

**Operational Impacts:** This would relieve the City of most administrative and all operational responsibilities. Oversight by the RGA would continue, although at a greatly reduced level. Their role would be to simply enforce the provisions of the lease.

**Financial Implications:** This scenario, ideally, would remove any day-to-day operational responsibilities. Final impact would be subject to negotiations.

Pros	Cons
Frees up administrative staff time	Removes direct control over facility
Saves operational subsidy	City still responsible for debt
Increased programming	Requires carefully crafted lease to ensure asset is protected

## **Conclusion\Recommendation**

No one disputes that the Ramsdell occupies a prominent position in hearts and minds of many of our residents. Nor can they argue about the value of the theatre as an economic driver for the community. As the premiere community arts and entertainment center, the Ramsdell has a prominent and permanent position of importance to Manistee.

The common thread that runs throughout this report, and is supported by peer benchmarking, is that the Ramsdell needs quality executive leadership to move forward towards sustainability. The current model does not provide this and does not have the capacity to effectively allow the Ramsdell to meet its goals. The RGA recommends that Council take the following actions.

**Make a three-year commitment to fund an Executive Director**

**Encourage continued exploration of strategic partnerships**

It is proposed the ED would be paid for by an additional general fund commitment (out of general fund reserves). However, as the paper demonstrated, it is hoped that this position would generate additional revenues to help offset its and possibly other operational costs.

The RGA would continue to explore strategic partnerships and alliances with organizations that can help it obtain its goals. The hiring of an ED will help further these conversations and make them more productive.

If approved, the RGA will measure the success of the ED through concrete metrics in the following areas. This will ensure that the ED is being held accountable for their performance and keep everyone focused on the end goal which is Ramsdell sustainability.

- Annual Giving Program
- Planned Giving Program
- Ramsdell Brand Identity
- Level and Quality of Programming
- Strength and Quality of Strategic Partnerships
- Change in Ramsdell “Profitability” (reduction in subsidy)
- Grants

Hiring an ED will not guarantee that the Ramsdell will become self-sufficient operationally, but it will ensure that we are well positioned to take advantage of opportunities as they arise and provide the Ramsdell with the opportunity to move forward in a meaningful way.

**Supplemental Information:**

The following documents\reference information has been collected and reviewed during the compilation of this document and may be of value to the reader. They are available on request.

City of Manistee Codified Ordinances: Chapter 253 Ramsdell Theatre Civic & Cultural Center Governing Authority

Ramsdell Governing Authority Bylaws

Ramsdell Theatre Restoration Project (Friends of the Ramsdell) Articles of Incorporation

Friends of the Ramsdell Bylaws

Consultant Tom Gerdom Report: Ramsdell: A New Century

Consultant Tom Gerdom Closing Memos:

- Managing Director's Role and Staffing
- Marketing Promotion & Branding
- Community Arts School
- Programming
- Film Exhibition
- Concessions & Liquor Sales

Operational Service Assessment and Benchmarking Final Report, October 2010

2006 Citizen Service Survey