



To: Parks, Recreation and Cultural Services Committee
From: Cathryn Volkering Carlile
 General Manager - Parks, Recreation & Cultural Services
Re: Gateway Theatre Review

Date: October 6, 2006
File:

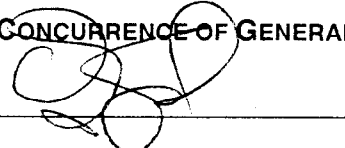
Staff Recommendation

1. That the consultant's report (Attachment 1) on the Gateway Theatre Review be forwarded to the Richmond Gateway Theatre Society Board of Directors for consideration and implementation;
2. That staff identify and draft a set of expectations for the Richmond Gateway Theatre Society and report back to Council; and
3. That the Richmond Gateway Theatre Board be requested to report on their progress regarding these recommendations in 12 months.

Cathryn Volkering Carlile

Cathryn Volkering Carlile
General Manager - Parks, Recreation & Cultural Services
(4068)

Att. 3

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ROUTED TO:	CONCURRENCE		CONCURRENCE OF GENERAL MANAGER		
	PRCS Planning and Projects	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
Culture and Heritage	Y <input type="checkbox"/> N <input type="checkbox"/>				
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

At the May 24, 2006 Parks Recreation and Cultural Services Committee, the following referral was carried:

“That the submission from Ms. Anne Appenheimer regarding the Gateway Theatre be referred to staff to investigate and work with the Gateway Theatre Board regarding the concerns raised by Ms. Appenheimer, and that staff report to the Committee by October 1st, 2006, with a possible plan of action that the City or the Gateway Theatre Board may wish to undertake.”

This report addresses this referral.

Findings Of Fact

A delegation of citizens made up of a former instructor and two parents voiced concerns about the operation of Gateway Theatre in a presentation at the May 24, 2006 meeting of the Parks Recreation and Cultural Services Committee. Ms. Anne Appenheimer, accompanied by Karen Waters and Janice Chapman, spoke about a number of concerns which she had regarding (i) finances; (ii) human resources; (iii) governance, and (iv) the Academy (GAPA), as they related to the Gateway Theatre.

A copy of Ms. Appenheimer’s submission is attached (Attachment 2).

To respond to this referral, City staff retained a consultant to address the areas of concern and provide the City and the Gateway Theatre Society with recommendations. The consultant has met with key City staff, Gateway staff, the Gateway Board, Ms Appenheimer, Richmond City Council Liaison to the Board and has prepared a report outlining his observations and recommendations.

The terms of engagement for the project were to determine an appropriate role for the Richmond Gateway Theatre Society and the City of Richmond City Council and to review and address questions and possible courses of action regarding finance, human resources, governance and program.

The consultant met with the Gateway Theatre Society Board to provide an overview of the findings on September 26, 2006. The consultant’s report addressing the concerns has been compiled and has twenty four (24) recommendations for the City and the Board to review and consider for implementation.

The Richmond Gateway Theatre Society Board has been very cooperative throughout this review and are commended on their interest in addressing these issues.

Analysis

In his review the consultant found that the Gateway Theatre Society has a strong passion to provide quality live theatre programs to the citizens of Richmond and the Lower Mainland. Their

program is well respected and is acknowledged to be a valuable asset in the region. The staff and volunteers are for the most part skilled and very dedicated. The consultant was, however, able to identify areas that the City and the Gateway Theatre Society should consider to improve the overall performance of the theatre, its effective governance, and its connection and communication with staff and patrons. The recommendations as outlined in the report should be reviewed by the Board for implementation.

The consultant's report provides review and recommendations in five areas, summarized as follows:

- Roles and Responsibilities – There needs to be increased clarity in the relationship with the City, in particular with the expectations that accompany the significant financial support.
- Finance – Richmond Gateway Theatre Society should review its Financial processes and practices in particular in the areas of policy, approvals processes, and fundraising.
- Human Resources – The Society would benefit from the engagement of professional Human Resources services on a ongoing basis to help with policy development and to deal with periodic human resources issues.
- Governance – There needs to be additional work in regards to the role of a policy board and clarity of roles between the Board and staff. A revised committee structure should be considered as well as increased communication with, and reporting to, the City and society members, of the Board's decisions and direction.
- Program - Recommendations are provided for the overall program and specifically the Academy Operation. The consultant has determined that Richmond Gateway Theatre Society needs to establish and state clearly its role(s) as a theatre in consideration of the opportunities as Community and Professional/Production theatre.

Academy Operations would benefit from an increased connection with the parents of academy participants and a recommendation is included for the formation of a parent advisory committee.

City staff believe that these recommendations reflect a comprehensive review of the issues raised at the May 26th meeting and provide potential solutions in all areas.

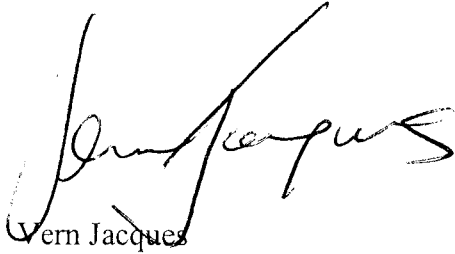
In regards to the roles and responsibilities for the City and the Society, the City should also articulate very clearly its expectations of the Society so there are no misunderstandings. These could be developed and embedded in the City's agreement with the Society.

Financial Impact

There is no financial impact identified with the recommendations.

Conclusion

The recommendations in the consultant's Gateway Theatre Review report provides the basis for Richmond Gateway Theatre Society to resolve any issues associated with the complaints and the City to reset its expectations of the Society in the operation of the Theatre.

A handwritten signature in black ink, appearing to read "Vern Jacques". The signature is fluid and cursive, with a large initial "V" and "J".

Vern Jacques
Manager – Programs and Projects
(3326)

CVC:cvc

Presentation to the City of Richmond Parks, Recreation, and Cultural Services Committee

May 24, 2006

4:00 p.m.

Anderson Room, Richmond City Hall

1. My name is Anne Appenheimer, and I would like to thank you for giving me time on today's meeting agenda. I have been a citizen of Richmond for almost 18 years. I bring you my concerns about the Richmond Gateway Theatre from the viewpoint of a parent, a recent employee, and a tax payer. My children were involved in the original Gateway Theatre Musical Theatre Summer Camps, and for the past 6 seasons, I have been the Musical Director of the Gateway Academy for the Performing Arts (GAPA). During my time as an employee, I was responsible, with my colleagues, for developing the current Academy Musical Theatre summer and winter classes, for teaching the students in those classes, and performing with other musicians in the final performances.

2. As a tax payer, I have always been thrilled to live in a community with such a theatre as the Gateway which according to the City of Richmond website "is dedicated to providing the community with opportunities to participate in the performing arts". I believe that this theatre was built with public funds, and is sustained with public funds, in order to serve the public, especially in the City of Richmond. The reason I feel able to speak with you today is precisely because this theatre is a public institution, maintained by the tax dollars of citizens who expect good things, and responsible stewardship on the part of those in charge of keeping the Gateway Theatre operational.

3. I am very concerned about what I see happening at the Gateway Theatre. My concerns fall into four categories: Finances, Human Resources, Governance, and The Academy (GAPA). Allow me to highlight my major concerns in each of these areas. Due to the time constraints this afternoon, I will be very brief in my presentation, and I ask you to read this complete document in the near future.

Finances

4. Looking at the theatre's financial statements, it becomes obvious that GAPA is the only part of the theatre which is profitable. As an example, each student paid \$700 for the Stage Lights class this past year, and yet when the staff asked what the budget for technical support for the production would be, we were told a) that it was really none of our business, and later, that b) there would be \$1200 available. When the parents asked the same kinds of questions, especially given the fact that as a group they had paid \$19,600 in tuition, they were told by the Artistic Director, that a significant portion of those funds was

being used to support other Gateway projects, which meant that there was only a small amount to support their children's production.

5. The questions that are raised for me are:

- 1) Where is the tuition money being spent?
- 2) If the financial situation is such that extra money is needed to support Gateway projects, why was the "solution" found in the pockets of the families who support the GAPA, rather than in fundraising?
- 3) If the other projects within the Gateway are losing money, rather than breaking even, or making a profit, why are they being continued?

Human Resources

6. Within the past six months, four people who have been instrumental in the success of the Gateway Theatre and the GAPA have been told that their contracts will not be renewed, myself being one of them. My two Musical Theatre colleagues who, with me, were responsible for the creation and development of the winter and summer programs over the past 6 plus years were both told that "they no longer possessed the skills necessary to take the GAPA forward in the new direction into which it was headed". This, despite the fact that the Artistic Director and the then Academy Administrator had not been in our classes to see our teaching, or our interaction with our students. I was told in February that although I had done a good job, it was time for someone else to have a turn directing at the Gateway. I received this devastating and humiliating news by email only.

7. There are others who have either slipped away quietly, whose contracts have not been renewed, or who have actually been fired because of tensions and difficulties in working with the current Artistic Director. Since I do not have permission from others, I am unable to give concrete examples, but a few investigative questions will turn up their names and situations.

8. The questions that are raised for me are:

- 1) How is it that one person does the "hiring and firing", rather than bringing these decisions before the Board of Directors?
- 2) Is there a pattern in the hiring and firing?
- 3) Is there general happiness among the current Gateway employees, or are folks tense, and unsure of the stability of their job?

Governance

9. I understand that the Theatre is operated by an independent non-profit Society, that the City of Richmond owns the building, and supplies a large portion of the operating funds for the Theatre. My concern with the Theatre's governance is that it appears that, currently at least, the Artistic Director

basically sets the vision, goals, future of the Theatre, and that the Board does not have much of a say in these things. I know that there is currently a real push for the Gateway to become a regional theatre, with emphasis on Canadian works, as is indicated in the slogan "Home to Canadian Theatre". This new vision is certainly not reflected in the City of Richmond website, and I question whether it is a high priority for Richmond citizens. Formerly, Board members formed part of the decision making process when setting the offerings for the upcoming season, but now all of that is done by the Artistic Director. In my view, the days of the "one man show" in leadership are long gone. We now live in a society that expects decisions to be made collaboratively, consultatively, and with consensus. The Board does not even seem to be aware of the conflict of interest resulting from the fact the the Artistic Director's brother is now looking after the brochures for both the Main Stage productions and the GAPA, as well as designing the Gateway Theatre website.

10. It takes a great deal of courage for citizens to come forward to a Board to ask questions or to air concerns, and yet the Gateway Theatre Board has seen these things as "causing trouble", or "rabble rousing". When the students of the Stage Lights class asked for a meeting with the Artistic Director and the members of the Board, it was granted to them. However, they were not met warmly or with any concern, but with a condescending demeanor. These are students between the ages of 13 and 16, who had valid questions and concerns, yet the Board chose to see them not as concerned students, but as "trouble makers".

11. The questions that are raised for me are:

- 1) What is the role of the Gateway Theatre Board?
- 2) Is the current Board fulfilling its mandate, and its responsibility to the citizens of Richmond?
- 3) Is it the City's intention to give so much control to the Artistic Director?
- 4) Why does the Board appear to be so reluctant to hear from citizens, and instead, let the Artistic Director speak on their behalf, rather than speaking for themselves? People need to hear from the Board, not always from its employee.

The Academy

12. This is the most difficult for me to speak about, since it is so dear to my heart, and I have spent countless hours of my own time launching it, getting it to the place that it is. Before Sandy Kidd's retirement in July 2005, the then Academy Directors, instructors, and Sandy had a meeting with the Artistic Director and the General Manager to discuss the future of the Academy. We were assured that we would be sticking to the Five Year Plan which we had developed in 2002. We were assured that things would go on "business as

usual" for at least the first year, and that any changes after that would be discussed, and agreed upon.

13. In August, we started on a process to discuss the future of the Academy, but it soon became apparent that they really were not "discussions" with collaborative decisions being made, but rather (in my view) opportunities for us as Directors and instructors to hear the Artistic Director's new plans. The end result of these discussions was the non-renewing of the three Musical Theatre Director's contracts, the changing of the schedules for the upcoming year, the hiring of "real actors" rather than proven teachers to teach some of the classes, an increase in the fee schedule, and the intent to create an elitist Academy, rather than one which, as the website states, "provides the community with opportunities to participate in the performing arts."

14. The GAPA as it has existed up until now has provided kids in Richmond with fabulous opportunities to learn, to perform, to increase their skills, to increase their confidence, to have a "place" to belong in their community theatre, to be challenged to take on new roles, to collaborate in writing wonderful pieces of Theatre, and the list could go on. I think everyone is aware that there are many people who now make their living in the Performing Arts who had their first opportunities at the Gateway Theatre. Those folks who work as technicians on GAPA shows have consistently commented on the professionalism of the students, and as a result, they have always been so glad to come back to work with them again. I think all of us are aware that kids really need a place to belong where they know they are safe, loved, encouraged, and well-cared for. GAPA has been one of the ways in which this can happen, and I despair over the fact that much of this has been destroyed.

15. The questions that are raised for me are:

- 1) Is it the intention of those in charge to continue having an Academy within the Gateway Theatre?
- 2) If so, will this Academy continue to be open, or will it become an elitist program where only the most gifted students are welcomed?
- 3) Is it possible to establish a student and parent council of the Academy to have a part in establishing and maintaining programming, and to have some input into selection and/or firing of staff?
- 4) Will there be someone responsible to set Academy fees based on Academy costs/needs rather than on supporting the other projects within the Gateway Theatre?

16. In conclusion, I do thank you for spending this time listening to my concerns, and I ask you to please establish your own independent investigation into not only my concerns, but also those of the parents and students who have spoken out earlier this year. I ask you to consider interviewing current and past

employees in order to paint a full picture of the situation at the Gateway Theatre, and I ask you to act in accordance with your civic duty and responsibility, with which you have been entrusted by the citizens of Richmond. This has been a wonderful community Theatre, established with the vision of those who were active before us, and we owe it to them and to the whole community to ensure that it continues on in the same tradition.



Gateway Theatre Review

Oct 8, 2006

Submitted by Gary Young Associates

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A. Purpose of Engagement

The terms of engagement for this project were as follows:

- Determine an appropriate role for the Richmond Gateway Theatre Society (RGTS) and the City of Richmond
- Review and address questions and possible courses of action re:
 - Finance
 - Human Resources
 - Governance
 - Program
 -
- We were instructed to present the findings to both the Gateway Board and City Staff.
- The findings, discussion and recommendations for these two challenges are found in Section C.

B. Background Information

The Richmond Gateway Theatre Society serves the City of Richmond and the surrounding communities within the region.

The theatre provides three primary services to the community as described on their web site:

1. Gateway Theatre productions

- MainStage (548 seat stage) - 4 annual productions, mainly featuring the work of award-winning Canadian playwrights.
- Studio B (100 seat) - 2 productions annually in The New Play Series, a celebration of the work of emerging Canadian writers of diverse cultures.

2. Gateway Academy for the Performing Arts

- Offers year-round acting, musical theatre, and technical training classes for youth aged 8 – 18. Professional actors and choreographers instruct our classes, giving students practical, real world skills.

3. Rental facilities

- Professional and community groups rent the Gateway to stage their own shows. The MainStage and Studio B are available as performance spaces. Studio A and our beautiful lobbies are available for meetings and receptions.

In early 2006 two parents of children attending the Gateway Academy for the Performing Arts became upset with some changes to the instructional staff compliment and an apparent reduction in services being provided to the program. This discontent led to further investigation of the theatre operations by these two parents.

They presented their observations to the board of the RGTS through a series of discussions early in 2006.

Six students (including the children of these two parents) requested and were granted, a meeting with the Executive Director, Academy Manager, General Manager and some board members to discuss staff changes and what appeared to be reduced resources to the program.

At the conclusion of these discussions, both the parents and at least some of the students, continued to be dissatisfied with the answers that were forthcoming.

Subsequently the parents met with the General Manager of Parks, Recreation and Cultural Services, Ms. Cathy Volkering-Carlile, who initiated discussions and correspondence with the RGTS on the matters brought to her attention by the parents.

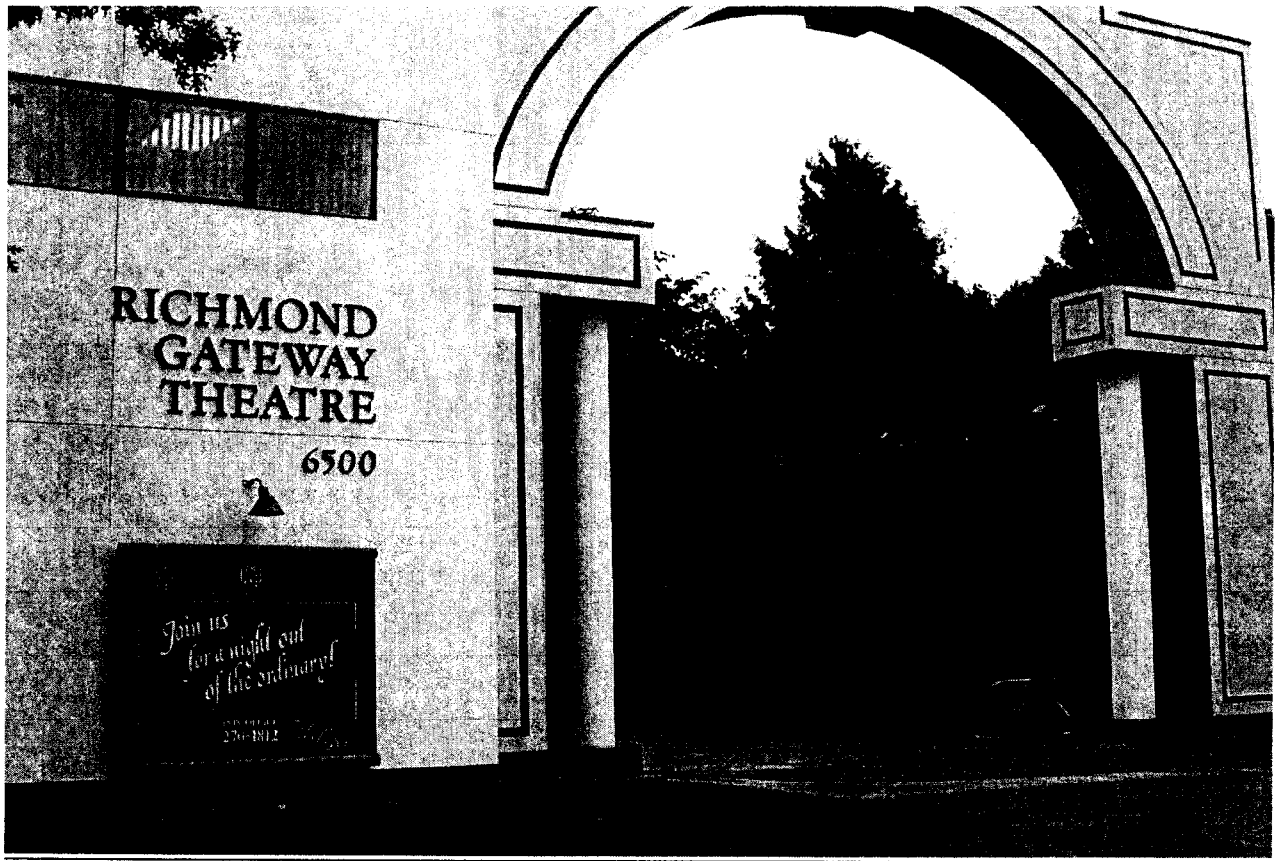
One of the teachers (who is no longer with the academy) made a presentation to the City of Richmond Parks, Recreation and Cultural Services Committee on May 24th, 2006. This presentation had been developed in discussion with the previously noted parents who also attended the committee meeting.

Subsequently, City Council directed staff to complete an investigation and present a report on the issues raised by the complainant.

Our firm was contracted to conduct this review of the issues and to lend an external perspective to the matters at hand.

Our firm addressed the above noted issues through an intensive work plan that called for a series of interviews and investigations as follows:

- Met with 4 key staff of the City
- Reviewed related background information
- Identified specific issues to be reviewed
- Considered efficiencies and effectiveness of current system
- Interviewed Artistic Director/ ED, General Manager, executive of Board and other board members
- Conducted 3 face-to-face interviews with key complainants
- Conducted 5 face-to-face interviews with theatre staff (present and past)
- Initiated an e-mail board survey re 4 issues
- Presented initial findings to full board on Sept 25, 2006



C. Findings

General Observations

The following is an overview of our findings as supported by our interviews, studies and observations.

The volunteer leaders appear to have a strong passion to provide quality live theatre experiences to the citizens of Richmond and surrounding communities to enrich their lives. The staff of the theatre are skilled and dedicated to the same theatre purpose.

All the persons interviewed would like to see a Richmond Gateway Theatre that offers a broader range of theatre oriented services. This report suggests a number of improvements which are intended to honour and support the work of these community leaders.

Our general observations are as follows:

- Well utilized theatre
- Skilled staff team
- Executive Director has a clear vision
- Public expectations are increasing regarding participation in decision making
- Staff and Board have been developing actions intended to respond to some of the issues identified by parents and staff of the Academy in the spring of 2006
- Staff of the RGTS have been involved in the planning of cultural services for the City of Richmond e.g. the Parks, Recreation and Culture Master Plan
- City of Richmond is very supportive of Culture in general and RGTS in particular
- Richmond community is changing rapidly
- Vision and associated plans of the RGTS (which have been developed by senior staff and the board of Directors) have not been effectively communicated to some contract staff and users including the parents of the academy participants.

1. Proposed Roles and Responsibilities: Richmond Gateway Theatre Society / City of Richmond

We began this section of the review by reviewing the mandate of the theatre which reads as follows:

Mission Statement of the RGTS

Gateway Theatre is a welcoming and inclusive regional theatre for Richmond and its surrounding communities. Encouraging participation and cultural diversity, we strive for excellence and leadership in the development and production of live professional theatre and programs that connect the community

The Board held a retreat this summer. At the request of the General Manager of Parks, Recreation and Cultural Services, they initiated some discussions related to the issues identified by the parents mentioned earlier. The following are the results of these discussions which lay out the Board's thinking on the matter of the shared responsibilities between the City and the Society.

Board Roles and Responsibilities

- *Programs and services for the community that substantiates the city's annual grant of \$1million*
- *Policy and Governance for the society as a whole. The management of day-to-day operations is delegated to the Artistic & Executive Director and General Manager.*
- *Overall strategic direction*
- *Approval of the core programs but not the programming of events or staffing*
- *Review and approval of financial statements/reports*
- *Approval and the development of society policies*
- *The adoption of the Artistic & Executive Director's reports at monthly board meetings*
- *A review of the Artistic & Executive Director's yearly programming plans. These plans are received and discussed as information. Fundraising*
- *Ambassadorial functions for the Gateway Theatre*
July 15/06 workshop

Role of City of Richmond

- Maintenance of theatre facility including heat and hydro
- Janitorial costs
- Administration costs for the theatre based on a yearly application for funds

- City Council maintains veto power over Gateway Theatre Constitution
 - City Council appoints one council liaison; four community appointees to the society's board of directors and one staff liaison to the society's finance committee.
 - Reviews yearly reports submitted by the society regarding finances; annual audit results and facility uses.
- July 15/06
workshop

The General Manager of Parks, Recreation and Cultural Services indicated that in her opinion, the RGTS should:

- Manage their affairs in keeping with their constitution
- Provide community theatre services to Richmond
- Contribute to and demonstrate how RGTS intends to fulfill council goals and directions

We reviewed numerous documents as background to this report. In particular we noted four documents that directly assist in identifying areas where the RGTS could contribute to the City objectives.

These include:

- The current operating agreement with the City
- The Parks Recreation and Cultural Services Master Plan for 2005 - 2015
- The Richmond Arts Strategy dated July 2004
- The Constitution and Bylaws of the RGTS.

The operating agreement between the city and the society is currently being updated.

The city is the owner of the theatre and has come to an agreement with the society to operate the theatre and the various outreach programs on behalf of the city. It is recognized that the society and its staff possess specific skills and abilities that equip them to provide quality performing arts services to the residents as well as providing a welcoming environment for both residents and local user groups to experience quality theatre programs. Given the substantial municipal investment the city should expect the RGTS to support the various city plans as they pertain to the arts.

Parks, Recreation, and Cultural Services Master Plan

The Arts section (pg 46) notes the following goals:

- Build capacity / support organizations
- Strengthen, support, enhance artistic community
- Increase variety and diversity of experiences
- Expand awareness and understanding
- Broaden economic potential and contributions
- The RGTS has the skills and capacity to support all five goals.

There are also other sections in the master plan where the RGTS could offer assistance to the city:

- Healthy Lifestyles
- Live Connect and Grow (e.g. festivals)
- Child and Youth Friendly community
- Active Living
- Community and Neighbourhood Building
- Volunteer development

We noted that there are several city objectives in the master plan to which the Richmond Gateway Theatre Society could contribute resources and/or services in support the development of the arts in the community.

The Master plan is an outcomes based document. It would seem appropriate that the city should lay out their expectations for achievement of specific outcomes that will contribute to the success of the master plan. This exercise should occur each year prior to the development of the theatre budget plan and should be in keeping both with the city and the theatre long range plans. It would be expected that the RGTS would also report annually on the successes associated with the previous year's actions prior to the establishment of the next year's objectives.

Recommendations

1. Identify all possible roles within 'City' plans and prioritize
2. Seek clarity from the city regarding their expectations annually
3. The RGTS should work with City to establish annual performance measures prior to development of the budget. The following year, the RGTS should report out on these performance measures as part of the annual report



• 2 a) Finance

Findings:

- General accounts are in order
- City provides substantial sustaining 'grant'
- Program Budgets only reflect direct costs
- Academy budget shows profit in annual report
- Not all staff understand and are committed to function budgets

Discussion

We did not complete an audit as the society is audited each year. The statements appear to be on order although this is not our area of expertise.

We did find however that the current budget structure separates the administration functions, which are paid for by the local taxpayer, from the program functions. It is important to acknowledge that the costs of facility maintenance, I.T. support, and leadership required to plan and administer the theatre are essential costs to any program.

Currently it is difficult to determine the actual status of each program because it is unclear what administrative resources and associated funds are required to support each program.

Further the budget information does not indicate the return on the investment. We suggest that a facility rate be determined (i.e. all costs divided by the number of practical programmable hours) and that this figure be compared to the actuals by program on a regular basis to assist staff and the board with the budget planning process.

We did not receive any material that refutes a claim by some parents that the Academy program is generating a profit that is being applied to the previously accumulated deficit. In fact the annual report and statements supports this view. We asked the board if this was a conscious decision and if they wished to continue to generate profits beyond costs from children and youth oriented programs. The treasurer indicated that this practice will not be carried forward into the 2007 operating budget.

Our interviews revealed that some staff were more familiar with their sections of the budget than were others. The staff that we interviewed who are no longer with the society indicated that they were not privy to the budget or the budget plans for their area.

If staff at all levels has an understanding of the entire budget and a specific knowledge of their section of the budget they will be supportive of meeting and exceeding the various budget targets. We therefore encourage more staff training in this area. This will lead to a more efficient and effective operation. It will also permit the RGTS to more clearly set

targets for revenue generation. Additional funds can be used firstly to eliminate the deficit and then to extend services without requiring additional taxpayer subsidy.

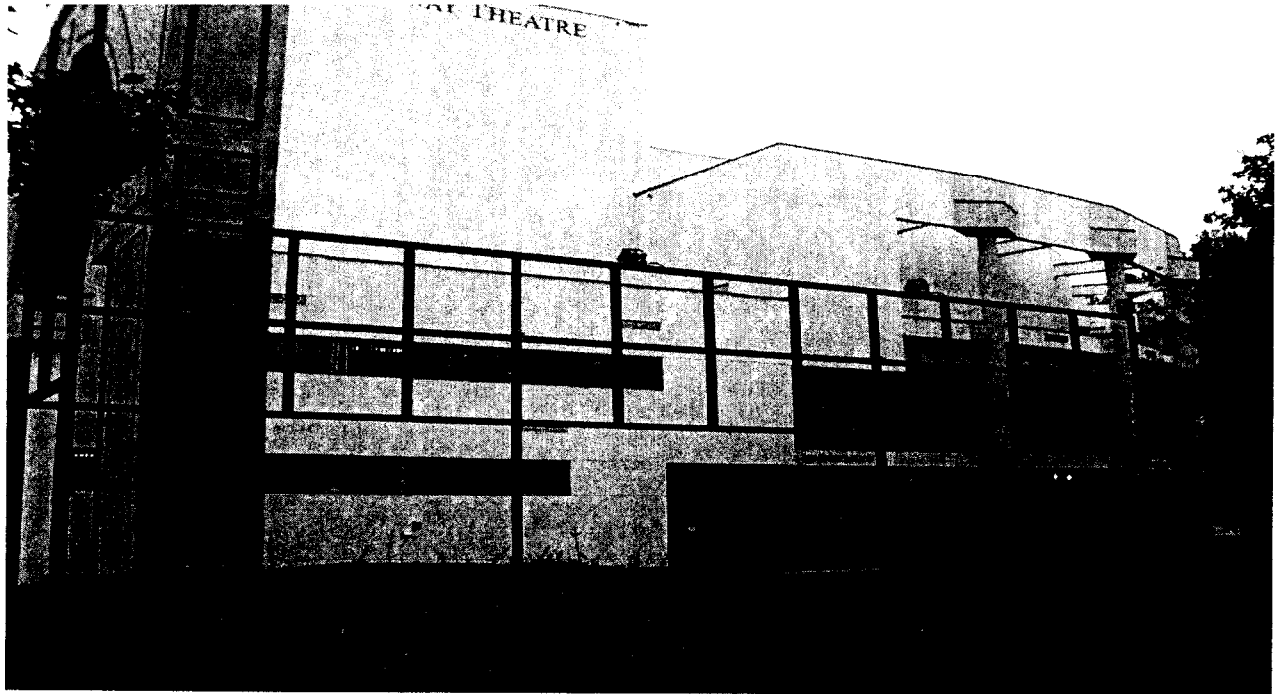
We noted that the current agreement with the city requires the society to seek permission to move funds of more than \$4000 from one account to another. This sum represented significantly more 'buying power' when it was established than is the case in 2006. This clause is not being adhered to. We would suggest that this section be eliminated from the new operating agreement. A functional purchasing policy, performance measures will ensure good management of the theatre funds. The society finances are also subject to scrutiny via the annual audit. Finally, City staff sit on the finance committee. We do suggest that a new operating agreement require the board to approve budget changes of over \$10,000 which will usually come to the board with a recommendation from the Finance Committee.

There were some suggestions of conflict of interest where contracts were awarded to family members. We did not investigate this in any detail. The current practice is for the chair to sign the purchase orders weekly. We think that this is a cumbersome way to do business. The board should establish a purchasing policy that includes the requirement for any potential conflict of interests to be reviewed by the board.

Finally we noted that the Executive Director is an accomplished play write. Some of his productions are presented at the Gateway which certainly raises the theatre image. However there is no understanding with regard to the possible revenues that could arise if one of his plays becomes very successful. The issue of intellectual property could become quite contentions. We therefore recommend that this matter be addressed as soon as possible for the benefit of all parties.

Recommendations

- 4. Create and report on a function budget that captures all costs/revenues (inclusive of city funds)**
- 5. Identify cost / visit (by function)**
- 6. Involve more staff in budget development and establish targets for each group**
- 7. Focus on revenue opportunities – build plan (sponsorships, dark nights, higher attendance)**
- 8. Establish roles for the finance committee and Board regarding financial related policies such as budget approvals, purchasing, and spending authorities**
- 9. Clarify the relationship between the RGTS and the Executive Director with regard to Intellectual property**



• 2 b) Human Resources

Findings:

- Some staff are committed to the revised theatre vision
- The RGTS has a sizeable staff group (full time, part time, contract and volunteer)
- Significant staff turnover in last few years
- High turn over creates anxiety 'am I next?'
- Contract staff in Academy develop close ties to clients

Discussion

Staff is the single most expensive and valued asset of non profit organizations such as the RGTS.

The theatre has a full time equivalent (FTE) staff compliment of about 25 and a volunteer staff that varies from 130 and 200. All of these persons should be categorized as staff of the RGTS and as such are responsible to the board of directors through the Executive Director.

The management of this size of a staff compliment should not be lightly regarded especially given that some of the workers are represented by a union. The Theatre does not have any human resources services.

The complaints that led to this review occurred this past winter. The issues arose as a result of the tactics that were utilized to change the academy staff compliment.

The past winter, the Executive Director focused on the academy as part of his five year work plan. There was confusion among some persons about actions such as not renewing contracts and releasing staff. In hindsight it is possible that if a different set of tactics had of been employed, many of the issues that resulted in the presentations to the board and ultimately to the Parks, Recreation, and Cultural Services committee might have been avoided. In particular it was our observation that some of the changes were implemented too quickly and without client feedback.

The staff is guided by an employee handbook. We would encourage this handbook to be reviewed and appropriate sections considered as possible policies by the board. As an example the overtime practices seem rather generous.

There are other HR matters that require attention. For example, the organization does not yet have a practice of evaluating all staff. The Executive Director has been employed for 6 years and will be reviewed this year for the first time. The proposed process does not include a 360 review which would be helpful for all concerned. The fact that the board has initiated the process speaks to their desire to continue to improve the organization.

Human Resource skills and practices are as specific and unique as is the knowledge about how to adequately prepare a play for presentation to an audience.

The organization requires the services of a part time human resource consultant. These services can be hired on an on call basis or arrangements can be made with the City of Richmond. We suggest that the RGTS will require about a half day a week on average.

The organization could also benefit by the development of a number of HR related policies. For example we note that only the Academy staff is required to go through an RCMP background check before being hired. Since children are often in and around the theatre we would recommend that all staff and volunteers go through this check.

Recommendations

- 10. Create a Human Resource consultant role to assist the organization with the development of policies and practices in areas such as: job expectations, evaluations, recruitment, training, supervision, etc.**
- 11. Develop a policy which requires all staff and volunteers to go through a criminal record search prior to be hired at the Gateway Theatre.**



• 2 c) Governance

Findings:

- RGTS Board prepared to commit time and effort
- Lack of clarity about role of board / staff
- Primary activity of board – receiving information and reports
- Not all board members satisfied with current roles/responsibilities
- Several 'advisory' committees to staff and board
- Currently no parent advisory committee at the Academy

Discussion

We asked numerous persons involved in the leadership of the theatre if the current board is a policy or an operations board. There was no unanimity in the responses. Some

respondents reported that they simply did not know. This confusion is leading to the resignation of some board members. Hence the matter must be addressed.

When we examined the minutes, reports and other actions related to the board meetings it appeared that the board meetings are, for the most part, information focused.

Boards overseeing an operation the size of the Gateway Theatre need to be proactive in developing policy. We would suggest that it is the task of staff to bring forward issues, provide options for the board to consider and recommendations to be discussed. The board task should be primarily to provide vision, and direction.

The role of staff is to implement the policies. The result of the board deliberations would be an organization policy book that directs the actions of the theatre. It would include policies such as refunds, purchasing etc.

This model of board organization has been popularized by John Carver in *Boards that Make a Difference*. It provides a structure and method of proscribing limits on the Chief Executive Officers responsibilities. Emphasis is placed on the main purpose of the board - policy development. They identify the following types of responsibilities where boards should focus:

- Determine ends (priorities/ expectations) to be achieved annually
- Determine means to the ends
- Determine Board/Executive relationships
- Determine board process

Carver provides a good framework that would benefit by being molded to fit the specific needs of the RGTS.

We reviewed the committee structure of the board and found that some committees have, in their mandate, the responsibility to provide advice to staff. We believe that this is inappropriate and unnecessary.

One of the current functions of the HR committee is to act as final arbitrator in grievances. This function would better be assigned to an independent third party.

The Finance Committee is responsible for developing and putting forward an annual budget for the board consideration. This set of budget recommendations should include annual fees for such things as admissions and academy rates.

This fund raising committee with the support of the board will likely be required to play a more prominent role in finding support for both the annual budget and the possible theatre expansion as noted in the Parks, Recreation and Cultural Services Master Plan. The committee is supported by a staff person and as a consequence targets could be raised in this function. A number of quality fund raising programs are also available that have proven success records. These programs should be reviewed regularly by the board.

We also found that committees did not always keep minutes. Committee members were sometimes confused and in disagreement with the recommendations resulting from the deliberations of the committee.

We would suggest that standing committees have delegated authority in some matters and reporting functions in all matters.

Further we recommend that a specific staff person be assigned to support each committee, and that minutes be kept and circulated prior to the presentation of the committee recommendations to the board.

We noted that the board members are invited to participate in the selection of the plays that are being considered for presentation. These actions should be encouraged. One of the roles of the board is to reflect that opinions and expectations of the residents.

The board meetings are not open. There exist standard practices to define what should be discussed in camera. Most items that are discussed would benefit by being open to the public or at least to members of the society.

In order to steer the overall governance process we have recommended that a set of governing principles be established. The proposed principles have been reviewed by the RGTS board.

The recommended principles are as follows:

Principles of Governance

1. The Board is responsible to the society members and to the Council of the City of Richmond for the operations of the Gateway Theatre
2. Staff are responsible to the board for implementing all policies approved by the board
3. Fairness and Equity will be a primary hallmark of the system
4. The governance will be effective (doing the right things)
5. The authority will be tied directly to the responsibility for the specific actions
6. The citizens will have a clear, understandable process for accessing the policy makers (the board)
7. The decisions will result in an efficient service delivery.

We have also proposed some actions to help improve the reporting and meeting functions.

i) Report Distribution:

Currently the Board receives recommendations from committees without receiving the report on which the committee based its recommendation. This can lead to situations where the Board relies on the committee members, in particular the committee chair, to give a verbal explanation of the background surrounding the recommendation. This further explanation is time consuming and can lead to a debate based on recollection and hear say rather than the facts as presented in the original report.

In order to provide all Board members with adequate and consistent information the Board agenda should include copies of all reports relevant to a particular recommendation.

ii) Report Format:

Reports to committees and Board should be in a consistent format to ensure the decision makers receive a complete package of information on which to base their decisions.

The following format is recommended:

- A concise recommendation worded to be used by the committee or Board as a resolution.

- Reason for report: a brief explanation of why the report is being presented including any information regarding referral from a previous committee or Board meeting.
- Background: a brief history of activities and issues leading to the preparation of the report.
- Analysis: A more in depth analysis of the issues involved and the options available.
- Policy implications: Does the recommendation fall under current policies or is there a need to change policy?
- Financial Implications: Every report should show the financial impact of the various options open to the decision makers.
- Options: Authors should put forward viable options for the Board to consider as well as the recommendation.

iii) Agenda Format:

Items on the formal Board agenda should require action. Meetings can get bogged down discussing non-action items, which leads to frustration on the part of Board members who consider the discussion to be irrelevant.

Recommendations

- 12 Adopt a set of principles for governance**
- 13 Consider a process to improve the reporting and decision making functions for the RGTS board meetings**
- 14 Taking the necessary steps to become a Policy Governance Board**
- 15 Complete a board / staff workshop to clarify roles and responsibilities with the new board in the winter of 2007– (follow up to July 15/06 workshop))**
- 16 Eliminate the Human Resource and Long Range Planning Committees and refresh the mandate of other committees to include recording, reporting and decision making functions supported by designated staff**

• 2 d) Program

Findings:

- Primary focus of staff and board appears to be on theatre productions
- Academy going through transition to 'higher level' of training
- The theatre is also an active rental house – dance schools, high school concerts, a community concert series, touring companies etc.

Community or Production/Professional Theatre

Findings:

- Some staff and former staff confused about the role of the theatre
- A few parents/ complainants also confused
- Some board members joined board thinking that it was a community theatre and were surprised at production focus
- Senior RGTS staff strong on the role of Gateway as a Professional Theatre

Discussion

The interviews indicated that one of the biggest points of confusion was the role that the RGTS is, and should be, playing in the cultural life of Richmond.

In order to better understand the matter we searched for a definition of a community theatre:

How do you define a community theatre group?

Association of Community Theatres - Central Ontario

- is a not-for-profit organization;
- has a volunteer, elected Board of Directors, that are not staff of the organization;
- has a membership, which is open to the public;
- *has artistic or production staff that are not on salary;*
- *has actors that are amateur, or if professional, engaged under an Equity Amateur Contract or Guest Artist Contract.*

Given the professional nature of this theatre it does not fit this definition of a community theatre.

In order to better understand this matter we reviewed the actual activities of the RGTS. The following chart captures the actual attendance. Note that fully half of the theatre participation is found in the rentals section. The academy section should in our opinion also be classified as community theatre activities. It is helpful to also look at the residency of the various groups that can be counted.

MONTH	MONTHLY TOTAL	Gateway Productions	Academy	Rentals
JULY (2005)	2402	285	1059	1058
AUGUST	1514	272	795	100
SEPTEMBER	990	380	337	183
OCTOBER	4433	3216	610	607
NOVEMBER	5318	45	652	4516
DECEMBER (2005)	7372	6912	370	90
JANUARY (2006)	1664	344	607	713
FEBRUARY	4779	3450	594	735
MARCH	3245	873	637	1670
APRIL	8131	4727	644	2605
MAY	8208	752	2056	4015
JUNE (2006)	5778	0	0	5778
TOTAL	53834	21256	8361	22070

The Richmond residents involved in the programs/services are as follows:

- Gateway Productions: 49%
- Academy Membership – 68%
- Society membership – 84%
- One could assume that theatre rentals also include a large proportion of Richmond residents.

The General Manager of Parks, Recreation and Cultural Services suggested that the theatre could and should play both roles (Professional and Community) with the following attributes:

- Viable
- Sustainable – Programs to reflect two streams
- Embrace dual function of theatre
- Build Richmond attendance
- More emphasis on Richmond children and youth in Academy
- Support development of other child and youth focused performance training opportunities
- Stronger ties to local user groups who use theatre
- Build society membership e.g. local renters, parents of academy etc.

The theatre Executive Director has coined the phrase 'Theatre serving the community.' This definition seems quite appropriate to us and we suggest that it become enshrined in the mission/ vision.

This issue has really been a matter of where the emphasis and resources of the theatre are being focused. We believe that RGTS has established itself on the profession theatre side, and can now focus more on supporting community related actions.

As part of these efforts the board and staff should look at building the society membership which currently sits at about 300 persons in order to better represent the Richmond community.

The Society currently permits staff to be members of the society. We recommend that this practice be halted.

Recommendations

- 17 Provide more resources and emphasis on the community aspects of the Theatre operations and programs**
- 18 Provide support to other arts organizations in Richmond**
- 19 Initiate a membership drive to build the size of the society**
- 20 Approve a policy restricting society membership to those persons not receiving a remuneration from the RGTS**

• 2 d-i) Academy Operations

Findings

- The academy has been in operations for 14 years
- Registration has grown in that time from 45 to almost 300
- The program includes classes from September to May and a summer program
- The academy had a 5 year Strategic Plan for the period 2003- 2008
- A new plan for the academy was developed as part of the Gateway Program Plan for the period 2005-2010
- Many of the Academy staff and parents were not made aware of the shift in program direction as a result of the revised plan
- Some students were upset to hear that staff (with whom they had developed a close relationship) were no longer with the program
- Six students took the initiative to ask for a meeting to voice their concerns
- As a result of raising this issue two students felt they were not welcome the following year in the program

Discussion

The RGTS developed a new plan for the Gateway Academy that put greater emphasis on the development of professional theatre skills. This 'new direction' overlapped a previous plan. Some academy staff, parents and students were not aware of this shift in emphasis. One outcome of this shift led to a change in some instructors which in turn resulted in some upset students and parents. The process that was implemented in order to clarify the new direction was not effective and as a result some students were unduly upset.

The board did not appear to open a clear line of communication with the parents early in the process. This may have been at least in part because of a new staff person in the senior academy manager role. Subsequently the board responded to the parent concerns but not to the satisfaction of all concerned.

The issues might have been averted had functional communication and public engagement processes be utilized from the point that the change in emphasis was contemplated.

The City of Richmond is currently developing a set of tools to assist with public process. We suggest that the RGTS staff be included in any training program and that they bring a proposed plan to the RGTS board as soon as possible.

Most children and youth oriented programs benefit from the advice and support of parent advisory committees. In the case of the RGTS Academy, the parents could assist in such areas as fund raising, corporate sponsorships, advertising, promotions, and communication with the parents.

The Academy staff have responded to the issues last year with the creation of a parent code of ethics. They intend to add a code of conduct for staff and students as well. They have also added a meet and greet session for parents and faculty.

We also suggest that the academy program place greater focus on developing the children and youth of the City of Richmond. The 68% local registration could be increased to meet a higher target as established by the board.

Recommendation

- 21. Establish Parent Advisory Committee for Academy with a clearly defined set of roles**
- 22. Include the RGTS staff in any training programs related to public process**
- 23. Adopt a public engagement process at the RGTS board**

D Summary of Recommendations

The following provides a synopsis of the various recommendations included in this report.

- 1 Identify all possible roles within 'City' Plans and prioritize**
- 2 Seek clarity from the City regarding their expectations annually**
- 3 The RGTS should work with City to establish annual performance measures prior to development of the budget. The following year, the RGTS should report out on these performance measures as part of the annual report**
- 4 Create and report on a function budget that captures all costs/revenues (inclusive of city funds)**
- 5 Identify cost / visit (by function)**
- 6 Involve more staff in budget development and establish targets for each group**
- 7 Focus on revenue opportunities – build plan (sponsorships, dark nights, higher attendance)**

- 8 Establish roles for the finance committee and Board regarding financial related policies such as budget approvals, purchasing, and spending authorities**
- 9 Clarify the relationship between the RGTS and the Executive Director with regard to Intellectual property**
- 10 Create a Human Resource consultant role to assist the organization with the development of policies and practices in areas such as: job expectations, evaluations, recruitment, training, supervision, etc.**
- 11 Develop a policy which requires all staff and volunteers to go through a criminal record search prior to be hired at the Gateway Theatre**
- 12 Adopt a set of principles for governance**
- 13 Consider a process to improve the reporting and decision making functions for the RGTS board meetings**
- 14 Taking the necessary steps to become a Policy Governance Board**
- 15 Complete a board / staff workshop to clarify roles and responsibilities with the new board in the winter of 2007– (follow up to July 15/06 workshop))**
- 16 Eliminate the Human Resource and Long Range Planning Committees and refresh the mandate of other committees to include recording, reporting and decision making functions supported by designated staff**
- 17 Provide more resources and emphasis on the community aspects of the Theatre operations and programs**
- 18 Provide support to other arts organizations in Richmond**
- 19 Initiate a membership drive to build the size of the society**
- 20 Approve a policy restricting society membership to those persons not receiving a remuneration from the RGTS**
- 21 Establish Parent Advisory Committee for Academy with a clearly defined set of roles**
- 22 Include the RGTS staff in any training programs related to public process**
- 23 Adopt a public engagement process at the RGTS board**

Appendix A

West Shore Parks & Recreation Society

This model provides a good model to consider as changes are considered to the agreement and constitution.

The Juan de Fuca Recreation Centre sits on a 108-acre park located in the City of Colwood. The site is operated by the West Shore Parks & Recreation Society; and the City of Colwood, the District of Langford, the District of Metchosin, the District of Highlands and the Juan de Fuca Electoral area all contribute, through tax requisition, toward the operation of the parks and recreation facilities. The West Shore Parks & Recreation Society Board of Directors is the governing body for the centre, and is made up of representatives from each of the contributing jurisdictions.

Indoor facilities include a swimming pool, weight room, a curling rink, a skating rink, a variety of meeting rooms, banquet rooms complete with full catering services; a lounge overlooking the curling and skating areas; and a 55+ activity centre which includes an auditorium and stage. Outdoor facilities include a 9-hole golf course plus a Pro-Shop and Fieldhouse meeting/banquet room; four lawn bowling greens serviced by a Clubhouse with catering facilities; lacrosse box; a professional cycling velodrome; lighted outdoor playing fields; ball diamonds; tennis courts; BMX track; and a 1½ mile jogging trail. The grounds are landscaped, the connecting walkways and roadways are paved, and parking is close at hand for all indoor and outdoor facilities.

Our on-site services include a wide variety of fitness; arts/crafts; recreation; health & wellness programs for people of all ages and abilities. The Juan de Fuca Branch of the Greater Victoria Public Library is also located on site. Through our Food & Beverage Department we have the capability of hosting weddings, large trade shows, picnics, and other large group gatherings with a full range of catering services available.

BOARD OF DIRECTORS PHILOSOPHY

The Board of Directors shall provide recreation and leisure activities and facilities for the residents of participating areas regardless of age, sex, religion, ability and/or financial status.

The Board of Directors business shall be conducted in an orderly manner to ensure timely, appropriate and efficient decision making.

BOARD OF DIRECTORS MANDATE

The West Shore Parks & Recreation Society was incorporated under the Society Act on November 21, 2001, and operates under the Operating, Maintenance and Management

Agreement between the City of Colwood, Districts of Langford, Highlands and Metchosin and the Langford Electoral Area.

That the Society's Board of Directors has the authority to:

- Generally administer and operate a community recreation function as well as the equipping, managing and operating of the recreation complex, located in the City of Colwood and any other recreation facilities that under the control of the Board of Directors, and serving the residents of five participating jurisdictions - City of Colwood, District of Langford, District of Metchosin, District of Highlands and the Langford Electoral Area.
- Prepare an annual operating budget;
- Operate the various leisure programs and facilities in a manner, which the Board of Directors deems advantageous to the residents of the participating municipalities.

BOARD OF DIRECTORS STRUCTURE

Regular meetings of the Board of Directors are held on the second Thursday of each month. Additional meetings, as required from time to time, will be convened at the call of the Chair. All Board of Directors meetings are open to the public, with the exception of In-Camera Sessions, which are called for the discussion of land acquisition; personnel; conduct of lawsuits; and/or labour relations.

Appointments are made to the Board of Directors by the Municipal Councils in December of each year. The Directors' terms of office expire on December 1st of each year.

The Board of Directors Chair will be elected in January of each year. Committees necessary to the Board of Directors' mandate will be struck by the Chair, and the Chair will appoint the Chair and members of each Ad-Hoc and Standing Committee.

Board of Directors meetings will be conducted in accordance with the regulations of the Society's Act, as well as Roberts Rules of Order, Newly Revised (1990 Edition).

Appendix B

Some Best Thinking Regarding Governance Practices

The best thinking on board development comes from John Carver.

According to Carver, boards should focus on four basic policy areas.

The first policy area are “ends”, this is the long-term vision of the board and determines which human needs have to be met, for whom, and at what cost.

The second area is “executive limitations;” the chief executive’s role is defined by limitations that circumscribe carefully and precisely what is not allowed.

The third policy area is the Board-Executive Linkage/Board-Executive Relationship. In the Policy Governance Model the chief executive is the only employee of the board, and all staff are employees of the chief executive.

The final policy area is the Board Process.

The following are excerpts from the Carver material of specific relevance to the Gateway Theatre “The board exists to be accountable that its organization works. The board is where all authority resides until some is given away (delegated) to others. Greater effectiveness in the governing role requires board members first to understand governance in a new way, and then to be disciplined enough to behave in a new way. Boards cannot excel if they maintain only the discipline of the past any more than managers of this new century can excel if they are only as competent as those of the past.

The Boards primary task is to act as Owner-Representative and also as a Servant-Leader

‘A board that is committed to representing the interests of the owners will not allow itself to make decisions based on the best interests of those who are not the owners. Hence, boards with a sense of their legitimate ownership relationship can no longer act as if their job is to represent staff, or other agencies, or even today’s consumers. These groups only constitute a small percentage of the total ownership.

The community as a whole is the legitimate ownership. Therefore the board must be in a position to understand the various views held in the community about the purpose of the organization.

Policy Governance demands that boards’ primary relationships be outside the organization—that is, with entire community. The board is first a servant, before it is leader. It must lead the organization subject to its discoveries about and judgments of the values of the ownership.

Since the board is accountable that the organization works, and since the actual running of the organization is substantially in the hands of management, then it is important to the board that management be successful. The board must therefore increase the likelihood that management will be successful, while making it possible to recognize whether or not it really is successful. This calls upon the board to be very clear about its expectations, to personalize the assignment of those expectations, and then to check whether the expectations have been met. Only in this way is everyone concerned clear about what constitutes success and who has what role in achieving it.

Consequently, the board is totally accountable for the organization and has, therefore, total authority over it—including over the CEO. We can say that the board is accountable for what the CEO's job is and that the CEO does the job well. But we cannot say the CEO is accountable for what the board's job is and that the board do its job well

Policy Governance boards knows that their job must result in the production of three deliverables.

- (1) The first deliverable is a systematic linkage between the organization and the entire community. This is not public relations. The board connects with these owners in order to ascertain the range of values about the purpose of the organization. If the board is to make decisions on behalf of the taxpayers, it must know these citizens in all their diversity think.
- (2) The second deliverable is written governing policies in the four areas, using the principles we have described.
- (3) The third deliverable is the assurance of organizational performance, that is, performance that can be shown to be a reasonable interpretation of the board's policies

John Carver's ten universal Policy Governance® rules

1. **Govern proactively** through explicit statements of values, rather than reactively or through event-specific decisions. Boards must be at least as disciplined as they expect their staffs to be.

2. Using four categories, address values about:

Ends - what results/benefits/changes for which people/needs are worth what cost

Staff Means - unacceptable practices and circumstances

Board-Staff Linkage - how power is passed and accountability evaluated

Board Process - how the board will govern and on whose behalf.

3. Spend most board time addressing **Ends** with a long term perspective. This is the board's major contribution to long range planning.

4. Address **Staff Means** only in a negative or constraining way in order to leave maximum freedom, but within clear limits.

5. Always **resolve value issues starting from the largest**, granting the Chief Executive authority to decide all further (smaller) issues.

6. The **board's job** contributions or products *must* include:

Linkage with the ownership

Explicit governing values (policies)

Assurance of executive performance

7. The **Chief Executive** position exists *solely* to accomplish Ends without violating the constraints on Staff Means.

8. Routinize the **monitoring** of staff performance against all board policies on Ends and Staff Means, recognizing this measurement as *the* evaluation of Executive performance.

9. **Official board committees**, if any, are there to help with the board's job, never with the staff's. Their best contribution is to prepare policy options (with implications) for board deliberation.

10. Use board time to **create the future** more than to review the past, to stimulate debate on Ends rather than Means, and to look beyond the organization more than within.