



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: June 6, 2007
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Meeting Date: June 28, 2007

TO: Standing Committee on City Services and Budgets

FROM: Co-Director (Grants, Awards & Support Programs), Office of Cultural Affairs

SUBJECT: Major Exhibiting Institutions - 2007 Operating Grant Recommendations

RECOMMENDATION

- A. THAT Council approve 2007 operating grants for three collecting institutions as follows:

A1. Vancouver Art Gallery	\$ 2,083,300
A2. Vancouver Maritime Museum	\$ 394,700
A3. Vancouver Museum	\$ 717,600

- B. THAT Council approve 2007 operating grants for two science education institutions as follows:

B1. A.S.T.C. Science World	\$ 91,100
B2. H.R. MacMillan Space Centre	\$ 504,000

Source of funds for Recommendations A and B is the 2007 Cultural Grants budget.

GENERAL MANAGERS' COMMENTS

The General Managers of Community and Corporate Services RECOMMEND approval of A and B.

COUNCIL POLICY

The City has provided funding to the five major exhibiting institutions to support ongoing operations since their formation as independent non-profit societies. In January of each year, Council has approved monthly or bi-weekly instalments of operating grants, based on the previous year's grant levels, in advance of consideration of these organizations' annual Operating Grant requests, in order to allow these organizations to meet their operating needs and facilitate cash flow in the first quarter of the year.

Approval of grants requires eight affirmative votes of Council.

PURPOSE

This report provides a review of the five major exhibiting institutions' 2006 activities and recommends approval of 2007 Operating Grants as outlined in Table 1 of this report.

BACKGROUND

The City of Vancouver's relationship with the five major exhibiting institutions - the Vancouver Art Gallery, the Vancouver Museum, the Vancouver Maritime Museum, A.S.T.C. Science World and the H.R. MacMillan Space Centre - originated with the City-owned Vancouver Museum located at Main and Hastings (now the Carnegie Centre).

Council has approved financial support for general operations to these five major exhibiting institutions through operating grants which have been adjusted annually by a blended inflation factor based on the recommendation of the Director of Budgets. These institutions also receive operational support from the City in other ways. Direct provision of services varies from institution to institution and includes rental of facilities at nominal rent and property tax exemptions, as well as City services such as security, utilities, janitorial, grounds and building maintenance.

While the operating grant recommendations are currently based on inflationary increases, each year Office of Cultural Affairs staff undertake a comprehensive review of each institution's operational and financial performance consistent with other cultural operating grants. In addition, staff review the three collecting institutions - the Vancouver Art Gallery, the Vancouver Maritime Museum, and the Vancouver Museum - which hold in trust the City's collections of art and artifacts, to assess their performance against the institution's own collections policies.

The Office of Cultural Affairs has retained independent consultants to undertake a comprehensive review of all cultural grants programs including these grants. As part of this program review, the community, including the major exhibiting institutions, will have an opportunity to provide input in the review process. Final recommendations regarding the entire complement of grants programs will be presented to Council for consideration in early 2008. The review will not affect the 2007 cultural grants as changes, if any, will be reported to Council early in 2008 along with a phased implementation plan.

DISCUSSION

Vancouver's major exhibiting institutions have a number of strengths; foremost amongst them is their commitment to public service. In addition to the wide variety and range of exhibitions, all five institutions have complementary education and outreach programs, many of which are well attended and curriculum-based. Over 780 Board members and volunteers contributed approximately 68,900 hours of service to support these five institutions and their offerings to the public. According to Hill Strategies Research, B.C. is one of the three highest provinces for volunteerism, and B.C. leads the country in attendance rates at art galleries. Both the Vancouver Art Gallery and Science World had a record year for attendance and admissions revenue.

Levels of attendance vary among the institutions depending on their product offerings and capacity, and from year to year at each institution. A detailed review and five-year attendance history for each institution is attached to this report as Appendix A. The "blockbuster" exhibition phenomena is one of the primary reasons for peaks in attendance over the years, and these large exhibitions can have a positive impact on raising institutional profile and revenues. "Blockbusters" also have significant costs and financial risks associated with them, and the institutions have to manage these along with programmatic and visitor expectations, as well as maintain audiences for their regular and ongoing programs from year to year.

All of the institutions concluded the year with a surplus, and all three collecting institutions garnered significant donations to the civic collections. In several instances, these surpluses were reinvested in enhancing visitor services, programming and collections care. In others, the surplus was set aside for future operational and facility needs.

All of the institutions have facility challenges. This impacts operations and visitor experiences, either by limiting attendance and/or participation, or draining resources that should be devoted to operations and programming. A few of the institutions have raised some funds to improve aspects of their facilities, although building maintenance is not as attractive a donation opportunity as exhibitions, public programs or outreach initiatives.

2006 Review and 2007 Operating Grants

Staff conducted a detailed review of each institution's annual operations including 2006 activities and financial performance, as well as their 2007 financial, programmatic, and collection plans (where applicable). A summary of the review and analysis for each institution is attached to this report as Appendix A.

In summary, staff recommend 2007 operating grants for each of the major exhibiting institutions as outlined below in Table 1.

Table 1: 2007 Grant Recommendations

INSTITUTION	RECOMMENDED 2007 OPERATING GRANT
Collecting Institutions:	
• Vancouver Art Gallery	\$2,083,300
• Vancouver Maritime Museum	394,700
• Vancouver Museum	717,600
Science Education Institutions:	
• A.S.T.C. Science World	91,100
• H.R. MacMillan Space Centre	504,000
TOTAL	\$3,790,700

FINANCIAL IMPLICATIONS

Staff are recommending 2007 operating grants to the five major exhibiting institutions as outlined in Table 1 based on a general inflationary increase over the 2006 grant as approved by Council in the 2007 Operating Budget. The source of funds is the Cultural Grants allocation in the 2007 Operating Budget.

CONCLUSION

The five institutions offered a range of noteworthy exhibitions and public programs in 2006 with total paid public attendance exceeding one million visitors in Vancouver. These institutions are important contributors to Vancouver's cultural, educational and economic well-being. It is important to note that some of these organizations are going through significant transition. Future evaluations will take this into account and will be done in the context of the department's cultural programs review once it has been completed. Staff are therefore recommending operating grants to each of the institutions as outlined in Table 1.

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**MAJOR EXHIBITING INSTITUTIONS
DETAILED REVIEW OF 2006 ACTIVITIES
AND 2007 PROPOSED PLANS**

A. Collecting Institutions:

- A.1 Vancouver Art Gallery
- A.2 Vancouver Maritime Museum
- A.3 Vancouver Museum

B. Science Education Institutions:

- B.1 A.S.T.C. Science Worlds
- B.2 H.R. MacMillan Space Centre

A. COLLECTING INSTITUTIONS:

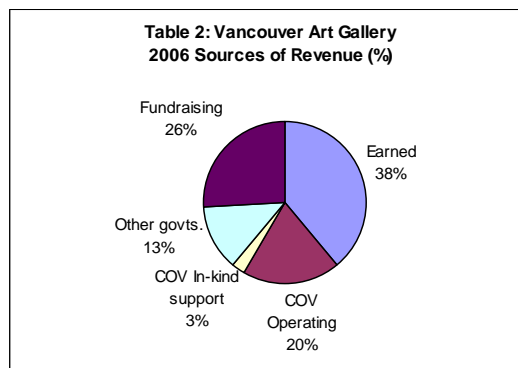
A.1 Vancouver Art Gallery

BACKGROUND

Founded in 1931, the Vancouver Art Gallery Association is an independent not-for-profit public art museum that collects, exhibits, preserves and holds in trust the City of Vancouver's collection of fine art. The collection comprises over 9,100 works with an emphasis on local and international contemporary artists. The Vancouver Art Gallery (Gallery) is governed by a volunteer Board of Directors and has 61 full-time staff and 20 part-time staff. Approximately 250 volunteers contribute 16,500 hours to the Gallery's programs and activities.

In addition to an annual operating grant, the City provides additional in-kind support in the form of occupancy of the facility at a nominal rent, property tax exemption and some exterior maintenance. The Gallery's sources of revenue, including City support (23% of revenues from all sources) are summarized in Table 2 below.

2006 Operating Budget:	\$11.9 million
2006 City Operating Grant:	\$ 2,042,500
Other Civic Support:	nominal rent and property tax exemption



2006 Review

The Vancouver Art Gallery celebrated its 75th anniversary in 2006. The Gallery hosted a year-long program of exhibitions, public programs and events celebrating the Gallery's anniversary, culminating in official programs on the anniversary date in October. The Gallery expanded its public hours of operation opening on Mondays year-round, Tuesday evenings (in addition to Thursday evenings), and for the monthly FUSE evening events. Major temporary exhibitions in 2006 included:

- Solo exhibitions by B.C. artists *Takao Tanabe* and the Canadian debut of *Brian Jungen*
- *Raven Travelling: Two Centuries of Haida Art* - a major survey exhibition featuring over 200 works produced over the last 200 years
- *Emily Carr: New Perspectives* - a comprehensive retrospective of the work of Emily Carr organized jointly with the National Gallery of Canada, and
- *Arthur Erikson* - featuring 12 projects undertaken by this internationally-acclaimed Vancouver architect between 1963 and 2002.

In 2006, touring exhibitions such as *Body: New Art from the UK; Brian Jungen; Takao Tanabe; and Emily Carr: New Perspectives* traveled nationally, and *Massive Change: The Future of Global Design* internationally. The Gallery also launched its B.C. touring program *Across the Province* in April with the exhibition *Dawn: Group of Seven Sketches* which travelled to Prince George, Victoria and Kelowna.

The Gallery acquired 220 artworks for the permanent collection, through donation, purchase, and the Canada Council's Acquisitions Assistance program. The Gallery completed Phase 2 of the Collections Policy, and are working to complete Phase 3 by the end of June 2007.

2007 Plans

The Gallery is operating according to its new Strategic Plan (2007-2010) with a new mission statement, core values and areas of operation. Approved by the Board in March, the plan reaffirms key priorities of facility expansion, increasing revenues from all sources and engaging the community. In alignment with the new mission, priorities have been set in four operational areas:

- Exhibitions and Collections
- Education & Audience Experience
- Community Engagement; and
- Organizational Practices

Exhibitions will have a particular focus on the Pacific Rim and Asian art practices, and will extend the traditional boundaries of visual art to include the broader aspects of visual culture. The year opened with a solo exhibition by Vancouver photographer Fred Herzog, followed by a retrospective of Huang Yong Ping, a contemporary Chinese artist living in Paris. The summer brings the blockbuster Monet to Dali exhibition from the Cleveland Museum of Art, while fall exhibitions will feature the work of Georgia O'Keefe from the Irish Museum of Art, as well as Roy Arden, Mark Lewis and B.C. Binning. Simultaneously with Roy Arden's mid-career survey, the artist will curate a show from the permanent collection which is intended to contextualize his artistic practice.

Touring exhibitions will highlight the work of Takao Tanabe at the McMichael in Kleinberg, Emily Carr at the Art Gallery of Ontario and Musée des Beaux Arts in Montreal, and Brian Jungen in Germany. The *Across the Province* program will tour B.C. Binning's work to the Kelowna and Prince George art galleries.

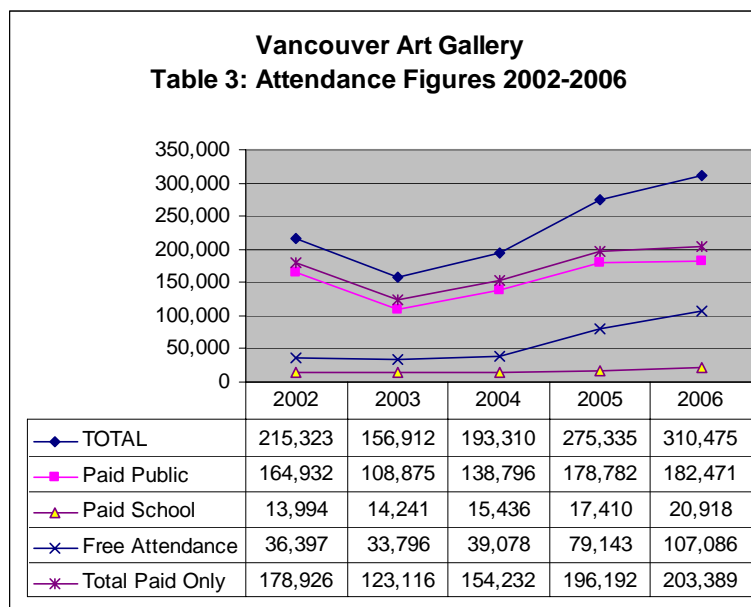
Education programming will focus on offering multiple points of access and adult audiences. Special projects include *Projections*, an interdisciplinary collaboration presented with CABINET in January at the Roundhouse, and a film screening series in partnership with Pacific Cinématique in March. The monthly FUSE event will launch a dusk to dawn program in June. Community engagement priorities focus on the Board, major donors and sponsors, government, members, tourists and local Chinese communities. Expansion of the Gallery store's impact and increased development of Gallery merchandise is also planned.

DISCUSSION

The Gallery had an exceptional year in many respects and concluded its 75th anniversary year with an annual operating surplus of \$8,019 on a total operating budget of \$ 11.9 million. This is the Gallery's 21st consecutive year with a balanced budget. The scale of the Gallery's

operations has grown significantly over the course of the 2003-2006 Strategic Plan, with its operating budget increasing from \$6.6 million in 2003 to \$10 million in 2006. The Gallery’s endowment has also grown from \$200,000 to \$5.8 million by the end of 2006. The Gallery’s new strategic plan reviewed these accomplishments, but also included in its self-assessment “report card” areas that required continued development or focus which informed the 2007-2010 plan.

Paid admissions met the Gallery’s 200,000 visitor goal, and admissions revenue reached a new high of over \$1.96 million. Increasing attendance and admissions revenue were key goals in the Gallery’s 2003-2006 Strategic Plan, and paid attendance has been rising steadily since 2003 (see Table 3). Between 2002 and 2006, total attendance increased by 44%. During the same period there was a 14% increase in total paid attendance. The Gallery has set even more ambitious admission goals, as well as other earned revenue targets in 2007 in anticipation of the summer “blockbuster” Monet to Dali exhibition.



A key operational change in 2007 is the Gallery’s change in fiscal year end, with a transitional year of 18 months from January 2007-June 2008. This change was initiated to manage cash flow and financial planning as a result of the timing of key activities which occurred in the Gallery’s third and fourth quarter. Now these events will happen in the Gallery’s first and second quarters, providing opportunities for better planning and ability to take advantage of any excess, or mitigate any shortfall in income over the year.

Total revenues increased by 26% over 2005, and ambitious revenue targets have been set again for 2007/08. To date, the aggressive growth plan is achieving results and the Gallery has increased staffing and resources to manage this growth. However, sustainability has also been identified as the first key priority under organizational practices in the new strategic plan, and highlights the challenge of sustaining such an aggressive growth model over the long term.

A.2 Vancouver Maritime Museum

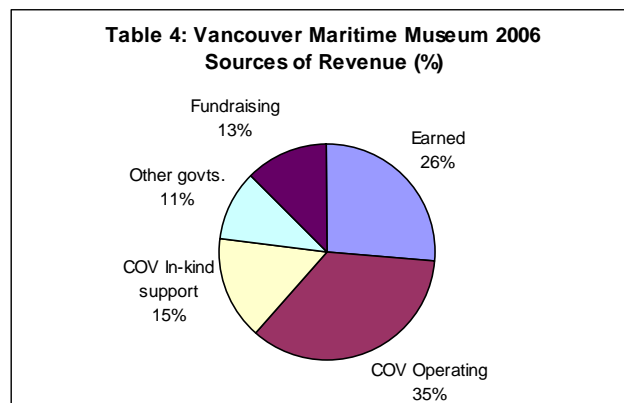
BACKGROUND

The Vancouver Maritime Museum Society (VMM) occupies a City-owned building north of Hadden Park in Kits Point and has operated in its current location on Kits Point since 1958. The VMM is an independent not-for-profit society governed by a volunteer Board of Directors and has 4 full-time staff and 5 part-time staff. Approximately 100 volunteers contributed 6,125 hours to VMM's programming and activities.

The VMM holds the City's collections of maritime art and artifacts in trust for the citizens of Vancouver, including the *St. Roch*, its premier attraction. The VMM also manages the City-owned docks at Heritage Harbour which is home to twelve historic vessels.

In addition to an annual operating grant, the City currently provides occupancy of the facility and harbour at nominal rent, property tax exemption, utilities, janitorial services, and grounds and building maintenance through the City's Facilities Design & Management department. The VMM's sources of revenue, including City support (50% of revenues from all sources) are summarized in Table 4 below.

2006 Operating Budget:	\$ 840,836
2006 City Operating Grant:	\$ 387,000
Other City Support:	100% building op costs, nominal rent and property tax exemption



2006 Review

The VMM had several noteworthy accomplishments in 2006 including a major donation and subsequent renovation to the library and archives to accommodate the significant Chung collection. Also with financial support from the community, the Henry Larsen bronze statue, commemorating the captain of the *St. Roch*, was commissioned and completed. The VMM also revised and updated its Collections Policy to guide collections care and this policy was approved by City Council in July 2006.

The VMM organized two special exhibitions which featured artifacts from the collection. *Tales from the Vault: Incredible Treasures and Stories* grew out of the digital access project that featured 100 significant objects from the collection. *Treasures from the Chung Collection* featured images and documents from this newly acquired collection. The VMM also developed

a new collection storage plan to accommodate the growth of the collection through this acquisition. Both of these exhibitions enabled the VMM to carry out much needed work on the collection, as cataloguing, research, and documentation were completed on each artifact before it went on exhibit.

Changes in the organization's staffing and the departure of three key staff, including the Executive Director of 15 years, meant that 2006 was also a year of regrouping, refocusing and conducting searches for new senior staff.

For many years the VMM Board has been exploring site options. In 2006, the Board undertook a new study which recommended a reinvention of the VMM to a new National Maritime Centre and an alternate option of a partnership with Vanier Park institutions; the status quo was deemed to be unsustainable. The VMM Board at that time indicated its intention to pursue a site in North Vancouver for a new National Maritime Centre. In December 2005, North Vancouver Council approved the concept of a National Maritime Centre located at the site of "The Pier" (Historic Shipyards precinct), in the City of North Vancouver.

In 2006, the VMM concluded the year with an annual surplus of \$92,683 on a total operating budget of \$840,836 largely due to staff vacancies that were not filled by year end. Of this surplus, \$14,683 was applied to deficit reduction. The remainder of the surplus was internally restricted by the Board for collections management, marketing and development and the director's search.

2007 Plans

This year is the 250th anniversary of Captain George Vancouver's birthday and the VMM is planning an exhibition and several celebrations in June to commemorate this event. A new major temporary exhibition entitled *Meltdown: Oceans React to Global Warming*, planned for December, will explore potential solutions and how industries and visitors can effect positive change. The VMM will also be working with the Port of Vancouver Interpretative Centre to support their six special theme weeks and feature artifacts from the collection that will be viewed by the thousands of visitors from the cruise ships.

The VMM has been updating its website to feature online exhibitions and resources. Two new online exhibits, based on ones developed for the VMM's exhibition program, *Cruising the Inside Passage* and the *History of Containerization*, will be added this year. As a result of the significant Chung donation, accessioning and cataloguing items into the library and archives, as well as addressing the backlog in other collection areas will be a priority for 2007.

With the appointment of the new Executive Director in June, the VMM will begin the process of developing operational and long-term strategic plans. A business plan for 2007 outlines five key areas of focus with goals and objectives for each:

- Operate, Maintain and Advance the Museum
- Collections and Exhibitions
- Advance Education
- Museum Promotion, Communications and Fund Raising
- Working with Other Museums

Deficit reduction continues to be a primary goal this year. The VMM will seek assistance from foundations, as well as generate operational surpluses through increasing membership and

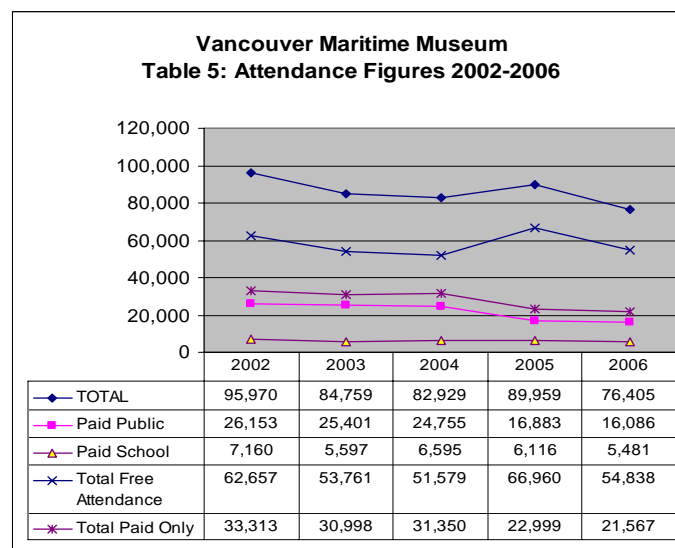
corporate sponsorships. A goal of reducing the accumulated deficit by \$15,000 is projected for 2007.

DISCUSSION

The VMM is in transition and there are some important issues that require attention by the Board and their incoming Executive Director. Early discussions indicate that the VMM plans to refocus its energies on its core activities including exhibitions, programming and collections management in the current location. However, some of the issues that prompted the feasibility and planning studies over the years were related to the current location, the aging building and program offerings. These issues will still need to be addressed in the VMM's strategic and long-range planning.

Over the past few years, the VMM has been averaging one or two new major temporary exhibits a year, due to its limited resources. One major temporary exhibition is planned for 2007 with a modest increase in the exhibitions budget. While the VMM has added a series of community art exhibits to its schedule, the lack of several major changing exhibits annually has had an impact on repeat and paid attendance.

Developing audiences has been an ongoing challenge for the VMM. As indicated in Table 5, between 2002 and 2006, total attendance at the VMM decreased by 20%, with the most significant decline in paid audiences (35% decrease). While the VMM has reported a total attendance of approximately 76,405 for 2006, 54,838 of these were free admissions at the Heritage Harbour, community festivals and outdoor events. In 2002, 65% of total attendance was made up of free attendance. In 2006, 72% of attendance was made up of free attendance.



Two other major challenges for VMM have been its building and its accumulated deficit. The building that currently houses the VMM needs major renovation to meet current museum standards. This was the impetus for the vision of relocating/building a new museum. This situation has not changed, and the building deficiencies will still need to be addressed in order to maximize earned revenues and care for permanent collection.

The VMM also has an ongoing accumulated deficit of approximately \$188,000, much of which was incurred in the early 1990's but continues to be an impediment to operational sustainability. In an effort to address the deficit, the VMM has utilized strategies developed with the assistance of the Vancouver Foundation. Operational fund raising and donations increased in 2004 and 2005, but so did expenditures, resulting in lower than expected surpluses. While the VMM did post a surplus this past year, largely as a result of staff vacancies, most of the surplus was internally restricted for other operational needs. The VMM is projecting a \$16,600 surplus in 2007, and then annual operating surpluses of \$25,000 to 2014. This is an aggressive plan for the VMM, given new staff and their past performance, and there is a risk that the deficit may continue to limit operations and future growth.

The VMM is in the midst of a significant transition and has to address its current operational challenges, its deficit, and its long term plans if it is to realize a viable and sustainable future. The VMM Board and the new Executive Director will need to clarify the institution's role and vision within the community, with the other institutions in Vanier Park, and with the proposed National Maritime Centre in North Vancouver.

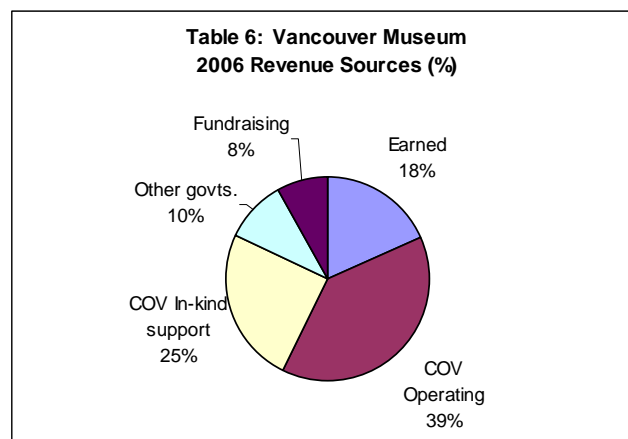
A.3 Vancouver Museum

BACKGROUND

The Vancouver Museum (Museum) has been the keeper and interpreter of the City's history since 1894. The Museum holds the City's collections of historic artifacts in trust for the citizens of Vancouver and exhibits artifacts and specimens that illuminate the human and natural history of Vancouver. The Museum is an independent not-for-profit society governed by the Vancouver Museum Commission, currently appointed by City Council. The Museum employs 13 full-time staff and 33 part-time/seasonal staff, and has over 180 volunteers providing 6,700 hours of service to visitors and the organization.

The Museum occupies a City-owned building in Vanier Park that it shares with the H.R. MacMillan Space Centre. In addition to capital and operating support through grants to the Museum, the City currently provides occupancy of the facility at nominal rent, property tax exemption, utilities, janitorial services, and grounds and building maintenance through the City's Facilities Design and Management department. The Museum's sources of revenue, including City support (64% of revenues from all sources) are summarized in Table 6 below.

2006 Operating Budget:	\$ 1.36 million
2006 City Operating Grant:	\$ 703,500
Other City Support:	100% building op costs, nominal rent and property tax exemption



The revitalization of the Museum and the retelling of *The Vancouver Story* is a ten-year \$9 million project that began in 1996/97. The City's capital contribution of \$3 million has supported upgrading the facility to current building codes and museum standards, improving the lay-out and accessibility of the Museum, and assisting the Museum in developing current and relevant exhibits necessary to attract new and repeat visitors. In addition to the City's investment, the Museum has secured funding of \$2 million from the Canada/B.C. Infrastructure Program, \$530,000 from the Department of Canadian Heritage, \$210,000 from private foundations, and over \$1.8 million from private donors. The first three phases of the capital project are complete – improvements to the public areas of the museum, an orientation gallery, upgrades to 'A' wing, and the opening of the Joyce Walley Learning Centre ('Walley wing'), named in honour of Mrs. Walley, a former Museum docent and in recognition of Dr. Ken Walley's \$1.7 million capital contribution.

2006 Review

The Museum accomplished some key milestones in 2006, including the opening of two new permanent galleries and hosting a major travelling exhibition *Totems to Turquoise* in partnership with the Bill Reid Foundation. The Museum also developed and received Council approval for a revised and updated Collections Policy. Significant collection donations, including a cash donation of \$100,000 for the artifacts' collections care, were also acquired in 2006.

Totems to Turquoise, the exhibition organized and circulated by the American Museum of Natural History and presented in partnership with the Bill Reid Foundation, featured over 500 pieces by master jewellers from the Northwest Coast (including Bill Reid) along side jewellers from the American Southwest. Special events held in conjunction with this exhibition highlighted the traditions and jewellery-making practices of the artists and engaged participants and new audiences from the First Nations communities.

Another exhibition that reflected the diverse interests of Vancouver's citizens was *Persian Steel*, which made its North American debut at the Museum after stops in London, Oxford, Dublin and Paris. This exhibition featured the Tanavoli Collection of steel objects collected over 30 years that tell the story of traditional life in pre-modern Iran. Public programming attracted new audiences from the Persian-Canadian community and a fundraiser with the Iranian Canadian Cultural Centre celebrated Norooz, the Iranian New Year.

This was also a time of refocusing the institution under a new Executive Director. Some of the key goals and objectives that were identified in the 2006 Business Plan included a reorganization, a governance review, a public programs review, and opening the next two permanent galleries that tell *The Vancouver Story*.

A new organizational structure was implemented and included the creation of a senior management team to lead planning and operations within the organization. Key organizational changes included:

- Amalgamation of the public and education program departments under one manager, with additional support from a programs assistant and docents.
- Creation of a Marketing department with a manager, a marketing assistant and a sales position responsible for rentals, events and other revenue-generating activities, as well as Guest Services.
- The creation of a Manager of Human Resources position, which will oversee all the Museum's human resources including staff and volunteers.
- The appointment (on a rotating basis) of one or two representatives from the Curatorial department to sit on the management team.

A key priority for the Museum has been the completion of *The Vancouver Story* permanent galleries. The main focus of the first half of 2006 was the completion of *Gateway to the Pacific* and *Boom, Bust, War*. The Museum opened these two galleries last June. The creation of these galleries included significant community involvement from several Asian and First Nations communities, and reflects Vancouver's diverse communities and their stories past 1910.

In addition to developing new programs based on the new galleries, the Museum also began reviewing its existing public and educational programs to increase program effectiveness and delivery. This resulted in several programs being discontinued to focus on programs that enhanced exhibitions and activities occurring in the Museum. Some new programs were added that focused on museum studies, immigration and global citizenry.

In addition to the development of the collections and their care through a large donation, the Museum also updated its Collections Policy and applied to the federal Museums Assistance Programme (MAP) for funding to undertake a multi-year Collections Assessment Project. This project would fully assess the collections, develop collection and storage plans, address the backlog of cataloguing, and digitize collections data after a review of the Museum's database system.

2007 Plans

The Museum has developed a business plan for 2007 and has identified strategic objectives which include:

- Articulate a new vision and identity
- Community Outreach
- Exhibit the collection and promote its uniqueness
- Complete the permanent galleries
- Financially sustainability
- Develop major donors and fundraising programs; and
- Develop relationships with the Maritime Museum, Space Centre and other potential partners, including determination of a future location.

In 1996 when the Vancouver Museum Commission was created by the City, the governance structure was that of a non-profit society with the directors and the members being one and the same, and appointed by City Council. This was seen as a temporary structure to help the Museum transition through a challenging period of time and, that once established, the Museum would revert to a more traditional membership-based society with directors nominated from the membership.

In 2005, the Museum commissioned a study to explore increasing revenue generating opportunities. The report makes 17 recommendations and some of these were the basis of a revenue generation plan with accompanying goals. The Museum has received funding to address some of these goals from the Canadian Arts and Heritage Stabilization Program (CAHSP) and Arts Partners in Organizational Development (ArtsPOD).

In addition to the *Totems to Turquoise* exhibition, the Museum plans to host two other travelling exhibitions and has developed two in-house exhibitions for 2007:

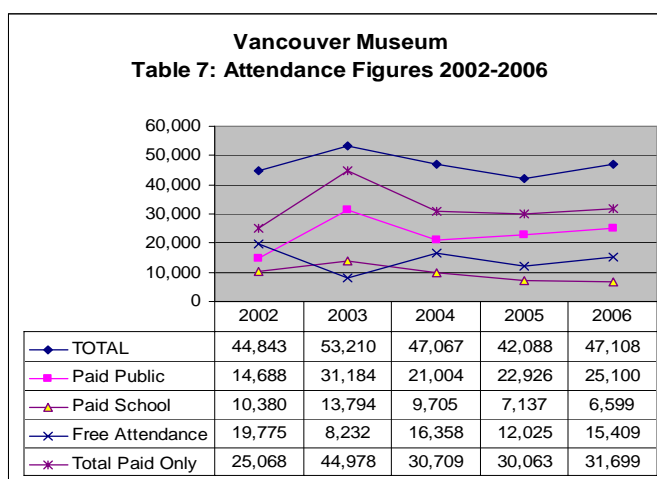
- *Art of Allen Sapp* - reveals daily life of the Cree of Saskatchewan through the paintings of Allen Sapp, artifacts and Elders' stories;
- *Rice is Life* - organized in partnership with the Asian Art Society of B.C., is an exploration of cultural artifacts - from textiles to contemporary paintings and religious posters - and underpinnings of the world's most important food crop;
- *Levelling the Playing Field* - from the Japanese Canadian National Museum, presents the story of the Asahis baseball team with exhibition material in three languages; and
- *Women's Fashion of La Belle Époque* - curated by Ivan Sayers, features clothing and accessories from the late 19th century to WW I.

Exhibit content and design is currently under development for the final two galleries - *Early Years* and *First Nations* galleries. A capital campaign strategy needs to be developed and implemented to raise the additional \$1.5-\$2 million required to complete the final phase of the ten-year capital project.

DISCUSSION

The Museum has made a number of changes that have positively impacted the operations and programming in 2006. The *Totems to Turquoise* exhibition, while having challenges and higher risk associated with it (short lead time, complex partnerships and significant expense), was an important partnership for both organizations, raising their profiles in the community and extending their work with First Nations beyond Bill Reid and the Museum's traditional groups.

The Museum has made progress in developing audiences and growing attendance and it is anticipated that this growth will continue in 2007. However, the Museum recognizes that attendance is still well below the organization's capacity. As illustrated in Table 7, between 2002 and 2006, total attendance at the VM has increased by 5% and there has been a 26% increase in paid attendance. In 2002, 44% of attendance was comprised of free attendance which was reduced to 33% by 2006. This decrease in free admissions has been intentional in an effort to improve admissions revenue. This strategy has been successful, as in 2006, admissions revenue increased by 32% over 2005 to \$252,824. This is even more significant, given that the previous year's admissions revenue had dropped by 14%, and both school and public program admissions were down slightly in 2006. This was due in part to the review and discontinuation of some programs in 2006, as well as to external forces such as the B.C. Supreme Court legislation on school field trips.



In 2006, the Museum concluded the year with an annual surplus of \$3,568 on a budget of \$1.6 million. However, financial sustainability remains a key issue for the Museum, as the Museum's accumulated surplus has been eroded to cover operating losses.

Although some of the challenges the Museum faced in 2006 still exist, a number of opportunities have allowed the Museum to improve its programming and relevance to the community. The opening of two more permanent galleries in June, as well as the high profile

Totems to Turquoise exhibition, provided the Museum increased visibility and gave local residents the impetus to return to the Museum.

A key strategic priority for 2006/07 is the articulation of a new vision and identity for the Vancouver Museum. The absence of a clear brand has contributed to the lack of visibility and the organizational restructure made resources available to hire a new Marketing Manager. The organizational restructure also improved other areas of the Museum's operations.

The governance structure of the Vancouver Museum Commission remains unresolved. While Council appointed the initial commissioners in 1996, subsequent appointments have been based on nomination from the Commission. The City does not seek nominations from the community for the Commission as it does for the Library or Theatre boards.

The rationale for the limited membership has now past and expanding community membership and governance participation would be beneficial to the Museum's operations. To facilitate this change, Council directed staff to review with the Museum options to amend the Museum's By-laws relating to governance structure, including membership and the nominations process, and report back with a recommendation prior to the Vancouver Museum's annual general meeting in 2006.

As part of articulating a new vision and identity, the Museum has been reviewing its governance structure through a Board committee and has indicated that a recommendation will be made to Council by year end. Staff recommend that should the matter remain unresolved in 2008, Council consider deferring consideration of Commission appointments until such time as the review is completed and an alternate governance structure is implemented.

B. Science Education Institutions

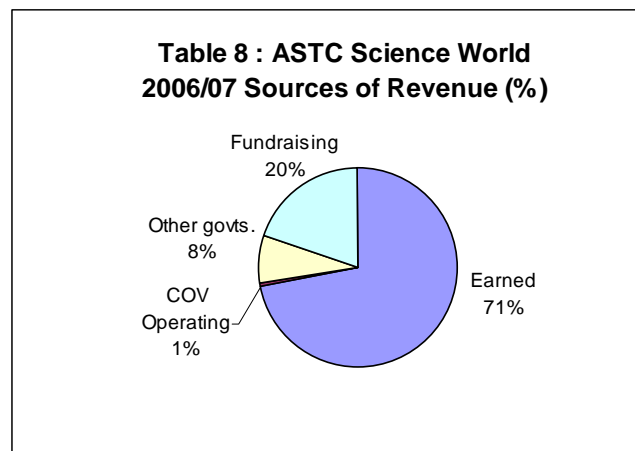
B.1 A.S.T.C. Science World

BACKGROUND

Science World is a hands-on science and technology centre that provides in-house and travelling exhibitions, public and outreach programs, as well as events and films founded in arts, science and technology. As a non-profit organization with a volunteer Board of Directors, Science World employs 74 full-time staff and 42 part-time staff, with approximately 150 volunteers providing over 34,700 hours of service to visitors and the organization. Science World occupies a provincially-owned building on land leased from the City for a nominal rent and without property tax.

Science World generates a significant portion (71%) of its annual operating budget through earned revenues from admissions, memberships, retail sales, etc. The balance of funds is raised through grants, donations and fund raising. Table 8 reflects Science World's sources of revenue, including its operating support from the City (1%).

2006 Operating Budget:	\$8,226,000
2006 City Operating Grant:	\$89,300
Other Civic Support:	nominal rent and property tax exemption



Science World is in the midst of a \$21 million *ReGeneration* program which began in 2001 to make improvements to its aging exhibits, building and infrastructure. This phased capital program has been funded primarily through a \$1.6 million grant from the Canada/B.C. Infrastructure Program and private sector donations. Facility improvements to date include lobby renovations, new permanent exhibition galleries such as *Kidspace*, *Our World*, *Body Works 1* and *Eureka!*, as well as the Science Theatre.

2006 Review

Science in Toyland and then *LEGO: Secrets of the Pharaohs* opened the exhibition program for 2006 and development continued on the *Body Works 2* permanent exhibit gallery. The opening of this gallery was rescheduled to 2007 to accommodate the large travelling "blockbuster"

exhibition, *Body Worlds 3* which took place in the fall of 2006. *Body Worlds 3* featured more than 200 plastinate human specimens, which make visible the many layers and systems that lie beneath the skin. This exhibition complemented the first phase of *Body Works* that opened in 2004, which features interactive exhibits on the science behind human performance and tests individual strength, endurance, reaction time, dexterity and memory.

The priorities outlined in the 2005 - 2009 Strategic Plan include financial stability, customer satisfaction and community engagement, with a focus on both the quality and quantity of programs delivered at Science World and throughout the province. Major outreach initiatives such as *Science World on the Road* were developed and presented as part of the B.C. Program for the Awareness and Learning of Science (B.C. PALS) program, in addition to those outreach programs already provided such as *Community Science Celebration*, *Opening the Door*, and *Engaging Science*, which are presented in partnership with the H.R MacMillan Space Centre and the Vancouver Aquarium.

In 2006 as part of its *ReGeneration* program, Science World completed many exterior restoration projects and upgrades to areas such as Centre Stage to enhance the visitor experience. Science World continued to develop plans for an outdoor science park in consultation with Park Board and City staff, and a set of guiding principles has been adopted by all parties to facilitate the complex process.

2007 Plans

Science World opened this year with *The Story of Chocolate*, which celebrated the plant, the products and the culture of chocolate through the lenses of science, history and popular culture. A new evening program for adults has been developed in conjunction with the chocolate exhibition, and has led to developing a new monthly adult program for the fall.

An updated and refreshed exhibition *Grossology* will return by popular demand this year, as the target audience of 5-11 year olds has grown up and a whole new audience is ready to experience this interactive exhibition on the “impolite” science of the human body. The second phase of the permanent exhibition *Body Works* is scheduled to open in October. Through hands-on exhibits, visitors will be able to explore many body phenomena including digestion, parasites, and aging.

Five new Board members were appointed at Science World’s annual general meeting in May, and a Board retreat was held to begin reviewing the strategic plan and priorities for 2007/08. Fund raising continues to be a priority for both operating and capital projects. A three-part fund raising plan is underway, with contributions being sought from the federal and provincial governments, as well as the private sector. At the same time, Science World has launched its capital campaign to raise the remaining \$10-12 million for the *ReGeneration* program. Now that guiding principles have been adopted, Science World is ready to take the next step and will engage landscape designers, engineers, etc. to develop more concrete proposals for the outdoor science park.

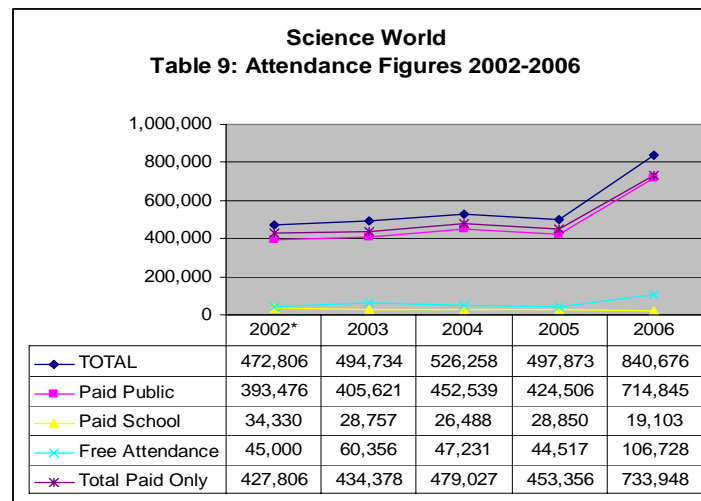
DISCUSSION

This past year was one of the most successful years in Science World’s 16 year history on many levels, largely due to the “blockbuster”, *Body Worlds 3* exhibition. This exhibition fit well with Science World’s mission and program plans, had a significant impact on public

attendance and earned revenues, and supported many of the goals for Science World in 2006. From September to January, *Body Worlds 3* attracted 340,800 visitors, many of whom had not visited the facility before, and Science World expanded its auxiliary staff and volunteers to manage the increased volume of activity. This exhibition not only provided favourable financial contribution and increased Science World's profile in the community, but it also left a legacy of new ticketing, administration and telephone systems, as well as expanding the staff's skills in managing large scale events and the development of new audiences.

Science World has employed several strategies to realize the goals outlined in its 2005-2009 Strategic Plan. Building attendance and increasing access continue to be a priority in Science World's program planning. As illustrated in Table 9, between 2002 and 2006, total attendance has increased by 78% and total paid attendance increased by 72% over the same period. Overall attendance increased by 68% in 2006, largely as a result of the *Body Worlds 3* exhibit and the B.C. PALS program.

The B.C. PALS program, now in its third year of a five-year commitment, has also been important for the organization on a number of levels. This program garnered significant new multi-year financial support from the Province, as well as addressed the organization's strategic and programming goals to increase community outreach opportunities and the number of school visits. As the B.C. PAL program is sponsored through grant funds and allows free access to school students from around the province, this increase in attendance (140% over 2005) is reflected under free admission rather than paid school admissions.



* Free and paid public attendance are estimates in 2002 based on performance in other years, as these numbers were not tracked separately.

In its Strategic Plan, Science World also identified the need to build its base operating budget in order to address current program and infrastructure needs, and enable the organization to refresh programming and exhibits on an ongoing basis to attract repeat visitation. Science World made progress again this past year by increasing its operating budget from \$8.7 million to \$10 million. Science World concluded the year with an annual operating surplus of \$2.8 million, with \$1.3 million to be reinvested in building upgrades and roof repairs. The organization has internally restricted the remainder of these funds for future capital

reinvestment and working capital reserves. Capital fundraising for the *ReGeneration* program has slowed over the past year and these restricted funds will assist in addressing ongoing infrastructure needs, as well as unanticipated operating expenses or shortfalls.

B.2 H.R MacMillan Space Centre

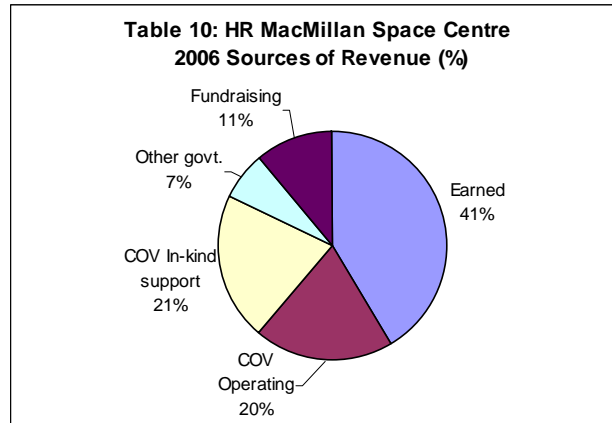
BACKGROUND

The H.R. MacMillan Space Centre (Space Centre) occupies a City-owned building in Vanier Park that it shares with the Vancouver Museum. The Space Centre offers interactive exhibits, public programs, demonstrations and events in five different areas of the facility: the H.R. MacMillan Planetarium; Gordon MacMillan Southam Observatory; GroundStation Canada - a multimedia “mission control” theatre; the Cosmic Courtyard - featuring interactive exhibits on a range of space-related topics; and Virtual Voyages - a motion simulator ride.

The Space Centre is governed by a volunteer Board of Directors and has 18 full-time staff and 41 part-time staff. Over 100 volunteers contribute approximately 4,900 hours to the Space Centre’s programming and activities.

In addition to an annual operating grant, the City provides occupancy of the facility at a nominal rent, property tax exemption, utilities, janitorial services, and grounds and building maintenance through the City’s Facilities Design & Management department. The Space Centre’s sources of revenue, including City support (41% of revenues from all sources) are summarized in Table 10 below.

2006 Operating Budget:	\$ 1.8 million
2006 City Operating Grant:	\$ 494,100
Other City Support:	100% building op costs, nominal rent, property tax exemption



2006 Review

Exhibits and programming continued to look at the night sky from various perspectives. A new planetarium show *Is Anybody Out There?* opened in May as part of a Canada-wide partnership with other science centres and explores the possibilities of extraterrestrial life. Video conferencing programs were tested with remote communities, with financial assistance from Western Economic Diversification (WED), the Vancouver Foundation and the Canadian Space Agency. The Space Centre also received a Canada Council grant to have science fiction writer Spider Robinson host a series of talks on science fiction versus real science as part of the organization’s inaugural writer-in-residence.

Spring break programming was followed by Marsville in May, when students, teachers and parents collaborated on a mission to Mars. The Community Astronomy Summer Tour travelled the province and a pilot program “Star Watching, Soul Searching” was developed with the Vancouver InterSpiritual Centre. The Space Centre also explored opportunities for collaboration with other partners such as Science World, particularly in the area of Outreach programming. *Engaging Science* is an example of one joint program that is currently delivered in conjunction with Science World and the Vancouver Aquarium and presents professional development workshops to B.C. teachers.

Over the past year, the Space Centre began discussing a change in focus that would both strengthen existing programming and refresh operations. The key priority has been to develop a new vision and mission for the organization that would make the institution more relevant to the community, renew the stories and think about the operations in a new way. This new vision is to be developed over the next two years and enhance the current mission “to educate, inspire and evoke a sense of wonder about the universe, our planet and space exploration.” However, in addition to looking at the night sky, the institution will also examine our own planet Earth and generate dialogue and programs that reflect upon how to live on the planet in a sustainable way. In essence, the intention is to put the “planet” back into planetarium.

There were several key staff changes including the hiring of an Associate Director replacing the Director of Operations position, the creation of a Director of Learning to replace the education staff position, and retirement of three key senior staff. Some of these positions have been designed to move the organization forward during this planning phase, and others will not be filled until a decision is made about what is needed to support the new direction.

2007 Plans

Work on developing the new vision and mission continues, and while sustainability is at the core of this vision, it is also an opportunity to instil sustainability in the way the organization operates and the impact it will have on the community. In January, a meeting was held with leading sustainability thinkers to consult with them and discuss ideas, which will lead to the development of principles which will then be tested.

In the coming year, the Space Centre will be researching its audiences and consulting with groups, including youth, inner city schools, ESL, and First Nations, to ensure that programming is appropriate and relevant to their needs. The Board will then develop a strategic plan based on this research and test its new direction. The Board is also reviewing its structure and roles, and some Board committees have been put on hold while the new vision is being developed. The Board currently has nine members (capacity of 16) and has delayed recruitment until now in order to rebuild according to the new vision and attract members with appropriate skills and contacts. Fund raising is also a priority for the Board, as fund raising activities have not been pursued while the organization has been in transition. A membership campaign will be launched to build the Space Centre’s stakeholder base and an evaluation of programs and partnerships is also planned.

The *Planet in Focus* Film Festival was piloted during spring break, along with programming and workshops on the theme of sustainability. A new planetarium show on earth sciences is planned for 2007 and initial research on *Sky Stories*, a new planetarium show featuring First Nations stories about the night sky has begun with financial assistance from WED. The new

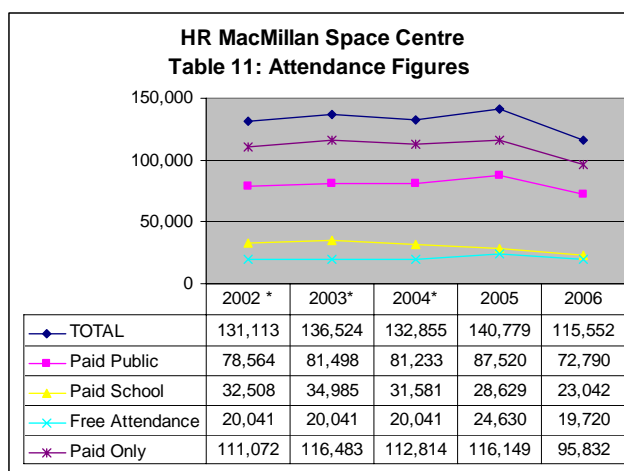
focus on sustainability will be launched with the new Earth and Sky Gallery scheduled to open in 2008, the 40th anniversary of the organization.

The organization has begun a monthly series of talks and discussions amongst staff and the public on what sustainability means and what role the Space Centre could play in advancing sustainability in the community from a space science perspective.

DISCUSSION

2006 was a year of maintaining core functions, but holding back on any new initiatives, marketing campaigns or filling vacancies, as the organization began to rethink its mandate and focus. The Space Centre has been investigating several options for its future. 2007 will be an important year for the Space Centre as it tests the feasibility of the new vision to determine whether it will be sustainable over the long-term.

Attendance continues to be considerably below 1998 levels when the Space Centre completed its capital renovations. In 1998, paid attendance reached 151,091, but attendance has been declining in recent years. As indicated in Table 11, between 2002 and 2006, total attendance decreased by 16% and total paid attendance by 14%. Admissions revenue also declined as marketing and new programming initiatives have been put on hold until the new vision has been developed. Paid attendance decreased by 17% over 2005 and is at its lowest level in the last five years.



*Free attendance is averaged as it was only available for 2003.

The Space Centre streamlined its strategic planning to focus on one main goal - to establish a financially stable operation that supports the mission of the organization by the beginning of 2008. Five action items were identified and progress was made on several fronts. Staff costs have been reduced considerably as three senior staff retirements have not been replaced as work continues to review what is needed in personnel to support the new vision. Diversifying revenue sources has also been a priority and rental income increased by 19% over 2005. Other goals such as developing public programming, increasing public admissions revenue, and increasing school and outreach participation are set for later in 2007 or 2008 once the new direction of the organization is implemented.

This holding pattern is intended to be temporary, with the new vision centred on the planet Earth and sustainability to be launched with the new Earth & Sky Gallery in 2008. In the short

term, this holding pattern has been improving the Space Centre's financial position and the surplus will be used to support the development of the new direction. However, the organization will have to implement this vision soon if it is to maintain core operations and revenues.

The Space Centre concluded the year with an excess of revenues over expenditures of \$152,248 on a total operating budget of \$1.8 million. This was largely due to reducing programming and staff costs, and staff vacancies that were not filled by year end. The Space Centre generates approximately 41% of its annual operating budget through earned revenues and the City's grant is the only operating grant available to the organization. The remaining operating funds are raised through project grants, contracts, donations and fund raising.

The Space Centre and Science World have also had some preliminary discussions about their respective mandates, programs and future infrastructure plans. Given that both have a science-education mandate and are considering a reinvestment in expensive projection equipment, City staff have encouraged the two institutions to continue their discussions to determine the best means of providing public service and use of resources.