
CITY OF KELOWNA

MEMORANDUM

Date: August 13, 2003
File No.: 1853-20
To: City Manager
From: Cultural District Project Manager
Subject: Sunshine Theatre Company

RECOMMENDATIONS:

THAT Council approve release of the 2003 budgeted grant of \$25,000 for Sunshine Theatre Company to use for purposes other than the 2003 Comedy Festival which did not occur;

AND THAT the \$25,000 be funded from Account No. 466-10-192-0-7879.

DISCUSSION:

At a regular meeting on September 25th, 2002 Council directed staff to set aside \$25,000.00 within the Cultural District Implementation and Marketing budget to support the 2003 Comedy Festival. Based on the recommendations within a report from Grant Thornton, consultants, Sunshine Theatre did not host the 2003 Comedy Festival. Therefore, Sunshine Theatre Company is requesting approval for the release of the funds for other purposes related to the operation of the Society including implementation of the Capacity Building Program outlined in the Grant Thornton report.

Recently Sunshine Theatre received news from Canada Council (Federal Government) that due to a downturn in the stock market (which meant a drop in investment funds in Canada Council's Foundation revenue) several theatre companies across Canada were not awarded project grants. This means a \$25,000.00 shortfall in revenue to Sunshine Theatre which has created a critical financial problem.

The Grant Thornton report indicated that Sunshine Theatre would also be requiring additional annual funding to sustain their operations in future years. At the time, the report did not suggest an immediate injection of cash but to assist Sunshine through the support of Cultural District staff in researching other avenues of funding such as grants, fundraising etc. This work was to continue until the completion of the Capacity Building program, which would provide a complete strategic direction for the company. The Grant Thornton report recognized the revenue stream from Canada Council, which has not materialized.

Sunshine Theatre Company has shown their commitment to the recommendations made within the Grant Thornton report and has indicated a strong commitment to their participation in the Capacity Building program.

The Capacity Building program is due to start in mid-September and will address the governance issues, business planning and strategic planning of Sunshine Theatre. Sunshine Theatre has also accessed \$4500.00 in additional funding through Canada Council to review their operations specific to ensuring that our City benefits from a thriving professional theatre company.

Upon completion of the Capacity Building program and operational review by May 2004, staff will report the results of this project and inform Council on the strategic direction of five major Cultural District institutions including Sunshine Theatre Company. The intent of Capacity Building is to strengthen these organizations by providing a solid business plan that will determine appropriate levels of funding from all government sources and private fundraising initiatives.

Lorna Gunn
Cultural District Project Manager

Cc: Director of Parks and Leisure Services
Financial Planning Manager