

McMichael

CANADIAN ART COLLECTION D'ART CANADIEN

An Agency of the Government of Ontario
Un organisme du gouvernement de l'Ontario

2015/16 Business Plan



Celebrating Fifty Years in 2016

2015/2016 BUSINESS PLAN

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Note: This report was prepared in accordance with the Ontario Government Management Board Secretariat Guide to Developing Business Plans for Classified Agencies, July 2011.

EXECUTIVE SUMMARY

Key Achievements

Since 2011/12, overall McMichael **attendance has risen by 35%**, driven by exhibitions that have captured the public imagination, increased promotion, and community outreach. **Membership is at its highest recorded level**, due to aggressive communications, improved sales training for front of house staff, and better stewardship with members-only events around popular exhibitions. Uptake of student visits improved due to introduction of **new curriculum-based studio and tour programs** and targeted marketing, sales and promotional efforts to all audiences.

McMichael was successful in funding substantial costs for two major projects for 2014/15 from **private sources**: the exhibition and English version of the catalogue for *Morrice & Lyman in the Company of Matisse*, and the 2014 major publication, *Kim Dorland*. McMichael has increased visibility and recognition in local and regional media through increased marketing and improved media relations. The first two issues of **McMichael Magazine**, a content-rich publication aimed at an audience beyond membership and consolidating McMichael's role in the creation and diffusion of knowledge about Canadian art, reached new audiences across Canada and internationally.

A two-year project to improve accessibility resulted in the publication and distribution of ***The Art of Inclusion: A Guide – Seven Steps to Developing and Delivering Accessible and Inclusive Programs within Arts and Cultural Organizations***, a pioneer initiative by McMichael to develop and test best practice for inclusive programs in museums.

McMichael was also successful in finding **new public funding** for significant facility improvements, specifically renovation and adaptive reuse of Meeting House to improve accessibility and flexibility.

Operational Strategies and Issues

At the time of preparing this *Business Plan*, we anticipate that 2014/15 **attendance projection will meet forecast** and self-generated revenue derived from visitors will contribute to the bottom line, thanks to successful exhibitions and improved membership support and retention, as well as **increased private contributions from individuals**. The gallery is also planning for future sustainability with increased capacity in both development and retail/sales, through investment in high quality and critically-acclaimed exhibitions and programs, and through partnerships with regional and national organizations.

We have also moved to new models of service provision and operations to ease pressure on the salary budget, in the light of fixed and increasing costs around benefits, pensions, and market increases. Despite prudent financial management, McMichael is subject to uncontrollable cost increases in operations as a result of **growing non-discretionary expenses** related to salaries and benefits, costs for mandatory items such as insurance, security and utilities, with a fixed and declining (in real terms) allocation of base level funding from public sources. As a result, we will project a modest planned deficit in 2015/16 due to increasing expenses and constrained facilities that hamper program and audience expansion. We will make limited draw on cash reserves to balance the budget.

We are forecasting improving the bottom line in the fiftieth anniversary year, 2016/17, as we attract more paying visits, generate more revenues through sales, and increase support from the private sector.

At the same time, we note that **opportunities for revenue generation are limited**. For example, competing demand for spaces within galleries as a result of exhibition-related food and beverage restrictions, plus renovations to the Meeting House, limit revenues from facility rental. The Board and Management have expended considerable time studying the need to augment the facility to mitigate issues associated with peaking (high visitor traffic), from interventions within the main gallery building, renovations to existing facilities, and development of additional capacity through new construction. Without investment in facility improvements and expansion to attract new audiences, accommodate additional users and provide well-equipped rental spaces, revenues from attendance and facility use will remain static, and McMichael will be limited in its efforts to increase audiences and community engagement.

McMichael has ramped up its sales and retail functions with increased staff and resources and anticipates increased revenues from improved merchandising and online sales. There is potential for additional retail growth in development of unique McMichael specific products, particularly related to the 50th anniversary, but this will also require investment. Implementing a new variable pricing strategy for admissions will increase admissions revenue with minimal negative feedback and loss of visitation.

Development is a longer-term proposition dependent on relationship building and stewardship. We have seen excellent results in Year 1 and into Year 2, and we anticipate additional growth in operational fundraising in Year 3, connected with increased profile around 2016, and a potential campaign. Stewardship and increased expectations do, however, require increased costs to respond to and meet supporter expectations.

Significant Challenges

Aging Infrastructure

The last major investment in capital expansion at McMichael was 1982. In the last three years, McMichael has improved its visibility and profile, and increased visitation and use, resulting in greater demands on current infrastructure. While of considerable heritage value and integral to the visit experience, the current facilities constrain audience and user growth. Making grounds accessible, adding new program spaces to free up exhibition space, and increasing back-of-house capacity for receiving new acquisitions and gifts of important Canadian art are three areas that demand critical attention. Of particular note, the McMichael must also face the maintenance issues associated with maintaining a large treed site (over 70% of the trees on the McMichael grounds were damaged during last year's ice storm, with clean-up continuing); collaboration with the TRCA and local authorities will facilitate planning but investment must be made not only to repair storm damage but also to ensure future forest coverage, which is integral to the McMichael experience and identity.

Rising Fixed Costs

Capped public funding and limited opportunity for revenue generation means greater reliance contributions from private sources, underlining the importance of growing the visitor and donor base in a highly competitive market where similar competing attractions are larger, better funded, and better known.

Rising User Expectations

Attracting higher visitation and engaging sponsor and partner interest means investing in significant exhibitions with increased costs associated with security, insurance, promotion, and fees, only partially offset by private support, which must be sourced in a highly competitive market.

At the same time today's visitors are focused on high quality meaningful experiences: "A cultural experience is something that enhances your mind, body and soul in a unique and profound way." (CultureTrack 2014) Identifying the potential 'aha' moments at McMichael, what makes visitors respond positively and warmly, what makes them recommend the institution, and what makes them become loyal supporters, and studying how to enhance and increase these, is a significant activity for 2015/16, as we prepare for our anniversary and a national outreach.

Limited Staff Capacity

Since 2011 and the introduction of new legislation with an expanded mandate, McMichael has ramped up activities and programs to meet expectations of both new and traditional audiences, and increased its presence as an institution that speaks to our identity as Canadians through art. As a result, our base attendance has grown by one-third, an almost unheard of increase, which has put severe strains on the capacity of current staffing complement to respond to new demands and needs of new audiences. The 2014 staff survey reveals increasing strain from high workloads and the challenges of growth.

MANDATE, MISSION & VISION

Mandate

The McMichael Canadian Art Collection is an agency of the Province of Ontario, an operational enterprise agency of the Government of Ontario. The governing legislation is the McMichael Canadian Art Collection Act, R.S.O. 1990, C.M. 4 as amended from time to time. The most recent amendment of the Act received Royal Assent on June 1, 2011, affecting clauses 7 (1) (a) and (b). In the language of the McMichael Canadian Art Collection Amendment Act, 2011, the acquisition and exhibition mandate of the McMichael is to:

- *Acquire and preserve art works, objects and related documentary materials for the collection, by or about artists who have made or are making a contribution to the development of Canadian art, with a focus on the Group of Seven and their contemporaries and on the aboriginal peoples of Canada; and*
- *To exhibit art works, objects and documentary materials, including but not limited to the collection.*

A Board of Trustees, appointed according to the Act, oversees the affairs of the corporation. The Board reports to the Legislature through the Minister of Culture, Tourism & Sport.

The objects of the McMichael are to:

- *Acquire works of art, objects and documentary material for the collection;*
- *Preserve and exhibit the collection;*
- *Conduct research on and provide documentation for the collection;*
- *Stimulate interest in the collection;*
- *Conduct activities in order to enhance and complement the collection; and to*
- *Hold, maintain and use the land described in the Schedule to the McMichael Canadian Art Collection Act.*

Mission & Vision

Mission

To interpret and promote Canadian and Aboriginal art to attract local, national and international audiences.

Vision

To be recognized as an extraordinary place to visit and explore Canadian culture and identity, and the connections between art and nature.

STRATEGIC DIRECTIONS

Strategic Objectives & Initiatives

The McMichael completed a *Strategic Plan* in 2011/12, with a new vision, mission and strategic initiatives. The vision identifies the McMichael as an extraordinary place. This place-based vision has informed the McMichael's re-aligned strategies to increase visitation, private contributions, and community relevance.

The four strategic objectives are:

- *Deliver an engaging and exceptional visitor experience – each and every time,*
- *Become a centre for knowledge creation and sharing,*
- *Improve organizational capacity and performance, and*
- *Build a sustainable organization delivering outstanding performance.*

Since 2012/13, McMichael has undertaken facility upgrades, improved service, and developed innovative approaches as part of our strategy to grow audience and attract and grow private contributions.

To date Management has been successful in raising baseline attendance through popular and well-promoted exhibitions, and in attracting new audiences through programs, special exhibitions, and local community engagement. We have also focused on upgrading the facility both to bring McMichael into alignment with best practices for the sector, and to ensure that visitor and user expectations are met.

Revenues from visitation traditionally account for a smaller portion of overall earnings in the museum sector versus the performing arts, though attendance is an important measure of relevance and community engagement. McMichael has concentrated on improving absolute number of visits through improved and targeted marketing; increasing per visit revenues with expanded retail opportunities and better food services; and expanding the potential for repeat visitation and program take-up through assertive membership development. Another major channel for earned revenue is derived from facility rentals; this revenue stream is, however, limited by lack of dedicated rental space, and rental of existing spaces is constrained by use conflicts and conservation restrictions.

Strategic realignment of staff and increased performance management and directed training opportunities have contributed to improving quality of visitor service. Review and rethinking of programs – including school programs, a traditional strength for McMichael – to respond to surveys of needs and new expectations has resulted in innovative and sector-leading programs.

McMichael has invested in increased capacity in fund-raising, as well as high quality exhibitions and increased communication and stewardship, recognizing that private contributions from individuals and corporations as well as legacy giving are avenues with great potential to enable McMichael to achieve long-term sustainability.

A Review of Vision and Mission

In 2015/16, Management will review our Mission and Vision, and incorporate within the strategic plan new insights, based on feedback from visitors and stakeholders, which suggest that McMichael offers a unique experience that engages people with their identity and with their understanding of what it means to be Canadian. A new aspirational Vision and Mission will expand the public's perception of McMichael beyond Kleinburg and the Group of Seven, and position McMichael as a unique museum on the national stage, dedicated to celebrating Canadian art, Canadian artists and the growth and evolution of what it means to be Canadian and live in Canada. This reinforcement of the historical brand identity with a national focus will prepare the McMichael to meet the opportunities offered through the 50th anniversary in 2016, and the 150th of Canada in 2017, and to foster wider support at the national and international level.

Key Planning Assumptions

McMichael bases its planning on the following assumptions:

- *McMichael is in a 'category of one' with unique asset mix of national significance;*
- *McMichael has a strong local and regional identity but has limited penetration in the national and international markets;*
- *McMichael benefits from collaboration with regional and national partners;*
- *Long-term sustainability is dependent on increasing private contributions and maximizing revenue potential.*

Environmental Factors

There are significant factors in the local, regional and national environment that influence our planning. Sector-wide factors are discussed under the Environmental Scan (see below).

Local Community

The growth of Vaughan and York Region, and the limited number of cultural agencies, make McMichael a key partner in the cultural and economic development of the area. The intensely diverse population presents an important opportunity to attract new audiences through collaboration with school boards and positioning of McMichael as a significant Canadian experience relevant to newly arrived families.

McMichael is a partner in the integrated planning being undertaken by the Toronto Region Conservation Authority and the City that incorporates Aboriginal heritage, native vegetation, accessibility and cultural interpretation. While the site is deemed to be of national cultural significance by TRCA, its maintenance and improvement are the responsibility of the McMichael. Increasing fixed costs related to managing the gallery function constrains participation in planning and jeopardizes site maintenance and critical improvements, particularly in the areas of accessibility and usability for visitors.

Regional

The risk of a location remote from GTA has diminished with the growth of York Region, and the understanding of McMichael as a significant cultural destination that can “pull” visitors, including tourists. Increasing McMichael’s national presence will contribute to growing market share in this area. Better understanding of regional markets, particularly recently arrived residents, can reinforce McMichael’s positioning as a special Canadian destination. Partnership opportunities with Toronto-based organizations like Luminato and CONTACT, attract new visitors from GTA art audience, and increase local participation, while sharing risk and investment.

National

McMichael is unique in its positioning as an institution of national significance specializing in Canadian and Aboriginal art. Building on this unique identity will require increased investment in collections growth, exhibition development, and building national presence through strategic initiatives.

Opportunities

Beginning in 2015 McMichael will leverage regional and national celebrations to improve its brand awareness and increase its market share of cultural tourists and regional visitors.

The Pan/Parapan Am Games in 2015 will focus attention on the culture of the Americas, and McMichael will participate with exhibition, programs, and celebrations, focused on its Aboriginal art collections, and taking advantage of collaborations with Planet Indigenous, First Nations Educational Centre, and leveraging its location in Vaughan, a site for the Trail.

McMichael has an exceptional opportunity in 2016 to focus attention of donors and stakeholders on its successes and future potential, to re-engage with lapsed members and supporters, and to solicit new allies and partners, as it looks to the next fifty years of its development.

In 2017 McMichael is exceptionally placed to capitalize on the interest in and support for Canada’s 150th, particularly with its mandate centred in Canadian art, and its unique site features including the Group of Seven cemetery and Tom Thomson Shack. The focus of 2017 on themes of Canadian history and identity offers a significant opportunity for McMichael to reinforce a unique position as a singular Canadian institution of national significance, differentiated from local and regional art galleries.

NOTE

McMichael has developed an ambitious program of exhibitions and events in celebration of its 50th anniversary, and is signalling to the Ministry a special request for one-time funding over two fiscal years, beginning in 2015/16, to aid in this significant milestone celebration. McMichael is also seeking additional funding from provincial and federal grants and partnership programs, as well as from private sponsors and donors.

OVERVIEW OF CURRENT & FUTURE PROGRAMS & ACTIVITIES

Programs and Activities

New Initiatives 2014/15

Building on organizational restructuring undertaken in the last 2 FYs, and benefiting from limited but significant infrastructure improvements in technology and visitor amenities, we launched a series of initiatives around our strategic objectives that have transformed our practice, which we will consolidate in 2015/16, to prepare for important expansion of national profile in 2016/17.

Visitor Experience

Exhibitions

The McMichael exhibition program has two linked themes: Canadian art in a global context; and contemporary artists' response to the canon. Changing exhibitions drive attendance; reduction in the number of temporary exhibitions over the past three years has permitted concentration on fewer, larger exhibitions with targeted marketing campaigns, a model developed in 2012 around *Painting Canada*. The small number of curatorial staff demands on-going reliance on loan exhibitions and external curatorial expertise, though exhibition installations are customized for local/regional audiences.

2014

- *Mary Pratt* retrospective, a travelling exhibition from The Rooms.
- *Changing Tides: Contemporary Newfoundland Art* (Guest Curator: Patricia Grattan)
- *CONTACT: Arctic Exposures* (Curator: Sharona Adamowicz-Clements; Guest Curator: Bonnie Rubinstein)
- *LUMINATO: Tomorrow's Snow; Into the Light* (Artist: Terence Koh)
- *Charles Edenshaw*, a travelling exhibition from Vancouver Art Gallery
- *Morrice/Lyman/Matisse*, a major special exhibition from the Musée national des beaux-arts du Québec (re-installation, Katerina Atanassova)
- *Eyes on Quebec: The Andrée Rhéaume and Robert Fitzhenry Collection* (promised gift; Curator: Katerina Atanassova)

2015

- *Vanishing Ice*, a travelling exhibition from the Whatcom Museum, Bellingham, WA (supplement, Sharona Adamowicz-Clements)
- *Inuit Artists and Climate Change* (Curator: Chris Finn)
- *CONTACT* (Curator: Sharona Adamowicz-Clements)
- *Group of Seven: Professional Native Indian Artists Inc.*, a travelling exhibition from the Norman Mackenzie Art Gallery, Regina SK

Learning

In 2014/15 McMichael restructured the learning programs in response to teacher and student feedback, to update content, ensure effective delivery, and improve user experience. Refitting of lower level spaces permit improved studio experience, but does not increase capacity. Focus on working with contemporary artists has resulted in a series of innovative learning modules (one of which has led to a new collaboration with the American Museum of Natural History in New York, based on Michael Yahgulanaas, Haida Manga). Educators also integrated I-pads in selected school and public programs to support learning and enhance

visitors' gallery experience and improve accessibility.

McMichael has developed a special leadership in innovative accessible programs for children and adults, publishing and distributing *The Art of Inclusion: A Guide – Seven Steps to Developing and Delivering Accessible and Inclusive Programs within Arts and Cultural Organizations*.

Amenities

In 2013/14 McMichael began development of an accessible integrated reception area, aimed at adult and family visitors, now complete with construction of a new servery and cafe, upgraded retail fixtures, and relocation of school programs to lower level.

Knowledge Creation & Diffusion

Research

A new active acquisition strategy, established in 2013/14, required supplemental curatorial capacity, partially filled by a program of planned paid internships (majority grant-supported). These term internships permitted research and treatment of the recently acquired Lismer Archives and First Nations regalia.

Mobilizing Inuit Cultural Heritage

Federal funding for a 12-month Aboriginal internship supplemented support from York University to continue the major digitization project for the Cape Dorset Archives, now in Year 2 of the 7-year project.

Publications

In 2014/15 McMichael's revised communications strategy separated content from program information, creating the content-rich *McMichael Magazine* for broad public distribution and new school and adult learning brochures for target markets. New customer-relations and transaction software to be implemented in January 2015, will improve online sales capacity and reduce employee workload.

A new co-publication strategy resulted in three new books, all related to McMichael exhibitions, and all supported with supplemental funding from public and private sources:

- *Morrice and Lyman in the Company of Matisse* (English version);
- *Kim Dorland*; and
- *The World According to Karine Giboulo*

In addition, a commemorative catalogue for *Eyes on Quebec* was produced with private funding.

Web Presence

McMichael has initiated a two-year project to re-design its website to incorporate improved user interaction, transactional capability, greater access to content, and improved social media, with a focus on development of special content and social media projects by 2016/17.

Organizational Capacity

In preparation for 2016/17 initiatives, realignment of existing responsibilities permitted a new project management structure to co-ordinate and manage special 2016 projects, within current budget.

Completion of ITC upgrades (begun in 2013/14) including improved network and storage capacity, more efficient desktop tools (Office 365), as well as incorporation of new CRM/POS applications in sales and

admissions, will improve internal communications and permit refined analysis of visitor/customer data.

In partnership with McMichael Volunteer Committee, consolidation of disparate volunteer programs, including McMichael Youth Team, under the umbrella of the Committee, improved opportunities for voluntarism with increased integration with McMichael staff and greater recognition.

Sustainability

Focussing on fundraising and stewardship (including prominent on site donor recognition) has resulted in improved net revenues on events, increased membership conversion and record number of memberships, and reinvigoration of McMichael Canadian Art Foundation. New investment in sales capacity is increasing group sales and facility rental revenues.

2015/16

Over the last two fiscal years, McMichael has undergone transformational change, which has affected all areas of the organization. In 2015/16, McMichael will consolidate and build on programs and activities launched in 2014/15 and focus on three major projects to engage communities and increase attendance, and work towards the Ministry's objectives particularly in the areas of stewarding heritage, partnering with Aboriginal communities, working with educators and cultural agencies, increasing opportunities for artists, and collaborating in the celebration of the Pan/Parapan Am Games and the Ontario Trails strategy with our community partners.

1. Celebrating Aboriginal Heritage, Summer 2015

McMichael is located on traditional territory of the Mississaugas of the New Credit. Centred on a major touring exhibition, *Professional Native Indian Artists Inc: Group of Seven* (Norman Mackenzie Art Gallery), McMichael will partner with the First Nations agencies to provide a rich program of school activities responding to the Pan/Parapan Am Games water theme (Birch Bark Canoe Project), as well as summer Aboriginal artists residencies, and is seeking funding to enhance participation more fully in the Games by engaging artists from south western United States in special presentations. McMichael will also participate in the Torch Relay in Vaughan.

2. Stewarding our Lands, Fall 2015

Indoor and outdoor exhibition projects with noted Canadian photographers and installation/land artists combined with new activities to engage local residents and autumn season tourists with McMichael's significant cultural landscape will build on collaborations with TRCA, Willowbank and a working group of nationally prominent landscape architects to test and evaluate new modes of interaction with the landscape, and develop long-term plans for the maintenance and renewal of the grounds and trails. As part of this initiative, McMichael will seek partnership with private and public sector funders to prepare for major interventions in 2016/17 and 2017/18, focussing on restoration/re-design of Group of Seven Cemetery and Tom Thomson 'Shack', both identified as features of national interest.

3. Launching the 50th Anniversary

The 50th Anniversary centres on three linked projects: exhibitions, publications, and website. The January launch will feature exhibitions on McMichael's core collections, release of a major co-published book, and diffusion of national promotional campaign, including a redesigned website, broader distribution of McMichael Magazine, and major social media interaction.

We will also continue our ongoing work to:

Enhance the Visitor Experience through surveys and qualitative study to learn more about visitor behaviour and expectations, to improve the experience and drive increased repeat attendance;

Make McMichael a national resource for Knowledge Creation and Sharing through continuing collaborative research and digitization projects, and co-publishing two new books in 2016;

Respond to timely opportunities through flexible Organizational Capacity by leveraging existing staff and volunteer resources and developing new collaborations that will focus on the 50th anniversary in 2016, and prepare to be a significant site for celebrating Canada's art heritage in 2017 - Canada's 150th; and

Seek new models for long-term Sustainability by developing a long-term plan to reimagine McMichael for the next 50 years, in terms of Vision, Mission, site and building development, program augmentation, and national profile.

Master Plan

In 2013/14 McMichael conducted significant studies towards a long-term Master Plan to transform the McMichael into a nationally-significant institution and a unique destination for local, regional, national and international visitors. The objective of the Master Plan is long-term sustainability, based on a medium-term strategy, which leverages existing resources, adds new capacities and increases usability and take-up to grow earned revenues as well as private contributions.

The master planning process is based on the following principles, which will guide directions for development and offer opportunities for specific collaborations and fundraising to realize the projects:

- **Cultural Landscape:** The McMichael is basing the Master Plan on the integration of structures, grounds and programs into a cultural landscape perspective. In this perspective, the Master Plan is perceived as an evolving program to enhance all aspects of the landscape and its use.
- **Environmental Sustainability:** McMichael is currently designated as LEED Silver. All developments in facilities and grounds, as well as programs and services, should aim to reduce the McMichael's environmental footprint, and to follow best practices for environmental sustainability.
- **Accessibility:** McMichael is subject to AODA Guidelines, but is committed to a 'design for all' approach in its buildings, grounds, programs and services, to ensure inclusive access for visitors, clients and staff.
- **Aboriginal:** The McMichael is situated in a heritage river valley and respects Aboriginal perspectives on principles of land use and sustainability.

The McMichael Board and Management share a **strong desire to move ahead** with McMichael's renewed aspirational Vision, and to build on the efforts to date to study and articulate a strategy that will **balance maintenance and growth of ongoing operations** with a well thought out plan for **capital expansion** that will not only answer the current issues of use conflict and peaking but also respond to the needs of growing collections and expanding audiences.

There are two areas that must be addressed if the McMichael is to move forward and realize its potential:

Staffing

The increase in visitation resulting from ramped up exhibitions, programs, and stewardship, and increased audience expectations, means that from a team perspective, McMichael is at maximum capacity. The organizational restructuring undertaken in the last two fiscal years has ensured that all staff is strategically focused and working at capacity. Any additional increase is unsustainable, given the current staffing complement.

Facilities

Conflicting needs of exhibitions, collections conservation and preservation, visitor amenities (accessible washrooms, food services, children's spaces), and revenue generation have increased as McMichael has augmented its level of activity and visitation. High visitor peaking issues that result in poor visitor experience, inadequate service, and threats to collections and assets must be addressed. These impact McMichael's ability to serve current visitors and users and severely limit the capacity for growth. Without improved and expanded facilities, the McMichael will be forced to restrict its service and limit growth.

McMichael Management and Board are cognizant of the constraints of public funding, but at the same time must underline the **need for adequate public support** to ensure successful and professional ongoing protection of assets and community service. Without increase in base level funding to permit adequate staffing in core areas of conservation, curatorial, facility and grounds management, and development, equivalent to 5 FTEs, plus enhanced support for master planning, equivalent to 2 FTEs, it is difficult to plan for needed growth.

Thanks to efforts from senior volunteers, McMichael's Foundation has grown in the last two fiscal years with substantial capital gifts, and ongoing contributions by Foundation Directors, but is not yet at the level where it can supply significant annual operating support through return on investment.

The Boards and Management are committed to pursuing new capital support from the private and public sectors to realize the visionary master plan that will enable McMichael to ensure long-term sustainability and to realize its potential as an iconic institution of national significance that holds a special place in the hearts and minds of our citizens.

NOTE

Proof of Concept: Special Capital Project, 2015/16

With one-time capital funding from the province, and based on the master planning principles, McMichael will redesign and enhance existing infrastructure (Meeting House) to create accessible flexible spaces for art, learning, rental, and short-term accommodation. This project will be an invaluable 'proof of concept' for issues that will arise in larger-scale capital projects including heritage identification and evaluation, accessibility, conservation and adaptive reuse of heritage structures, siting and soil stability, LEED, and design for flexibility and optimal functionality, while at the same time offering much needed public activity space to ease current crowding and conflicts.

RESOURCES NEEDED TO MEET GOALS & OBJECTIVES

Summary of Staff Numbers

Management staff numbers over last year have remained stable, but there have been some salary increases due to increased compensation for new responsibilities, market adjustments, as well as increased costs for group benefits. Preparing for 2016/17 celebrations has resulted in an internal reorganization and reallocation of resources to focus on planning and project development for the anniversaries, but has not resulted in increased salary costs.

Staff survey reveals increasing strain from high workloads, compensation, recognition, and challenging work environment in terms of poor quality office space dispersed throughout the facility hindering communication and collaboration. Improvement in technology will mitigate some communication issues, but balancing expectations and capacity is challenging. Without additional base staffing (see above), McMichael will be unable to maintain current quality of operation at the same high levels, nor will it be able to prepare for longer-term sustainability through expanded service and facilities.

The current staff structure assumes we continue in a non-union work environment, with the following work force:

Classification	FTEs
Senior Management (5)	5
Full-time staff (39)	38.9
Part-time staff (59)	23.0
Full-time seasonal (15)	2.8
Total:	69.7
Note: Security Services Out-sourced	9

Summary of Financials

	2013-14 (audited)	2014-15 (projected)	2015-16 (plan)	2016-17 (forecast)	2017-18 (forecast)
Revenue					
Provincial grant for operations	3,328,800	3,328,800	3,328,800	3,328,800	3,328,800
Other	203,640	269,800	721,700	380,200	320,000
Business operations	3,011,746	3,602,000	3,756,100	4,379,000	3,797,555
Total Revenue	6,544,186	7,200,600	7,806,600	8,088,000	7,446,355
Expenses					
Salaries, wages & benefits	3,773,011	4,093,000	4,263,900	4,349,000	4,392,500
Other direct expenses	3,010,724	3,336,400	3,542,700	3,679,150	3,053,855
Total Expenses	6,783,735	7,429,400	7,806,600	8,028,150	7,446,355
Net income/(loss) before amortization	-239,549	-228,800	0	59,850	0

External Factors

Changing Audience Expectations

Culture Tracks 2014, a major study of audiences for the performing and visual arts in the United States, notes that while audiences are increasing, they are visiting less frequently, and they are defining cultural opportunities more broadly. They seek both entertainment and enlightenment, and particularly for younger cohorts, visiting is a very social experience. The “millennials” in particular see participation in culture as a means of escaping the stress of connected and interconnected social and business activities. What drives participation? Content, value, and being social.

While McMichael attracts a traditional audience of art lovers, McMichael is also well-positioned to welcome those seeking a broader cultural experience, which includes multisensory enrichment as well as opportunities for sociability, through integration of grounds, buildings, exhibitions, programs and amenities, and on-line as well as on-site engagement opportunities.

Changing Demographics

Cultural agencies are affected by numerous factors related to changes in the Canadian population, particularly evident in the GTA, where 52% of the population is born outside Canada. In Vaughan itself there are over 99 different languages spoken, with a majority Italian culture grouping, but increasing in-migration from adjacent communities with high concentrations of South Asian and Asian populations. Local population growth is fuelled by young families and new immigrants, who are not necessarily traditional art museum goers, requiring investment in specialized target marketing and program development. The ‘baby boom’ cohort, from whom most art institutions draw a substantial portion of the audience, is moving into retirement years, offering potential for increased leisure time use of cultural facilities, but at the same time demanding improved accessibility.

Changing Climate

Climate change is impacting grounds management and vegetation. Severe weather has had major impact on the site with deterioration of trails, flooding, loss of tree canopy, increased fire hazards, and building systems. Invasive species endanger the ‘boreal’ canopy for which McMichael is celebrated and threaten slope stability. Maintaining an iconic and aging building with LEED status and extensive grounds with enhanced accessibility standards is a challenge.

Changing Tastes

Increasingly diverse population plus limited access to art education about Canadian art within schools is changing the interests and appetite for traditional Canadian art. Global interest is focused on contemporary art, though there has been increasing international interest in Aboriginal artists and traditional knowledge. Making Canadian art accessible to a global audience presents interesting challenges. With few exceptions, Canadian artists do not have high name recognition outside Canada, so that finding global partners to both develop exhibitions and share costs is important to ensure visibility and lower risks. Developing more content-rich web resources will also engage audiences outside of Canada with our art as will linkages to gallerists showing Canadian artists abroad.

Internal Factors

Sustainability

While pricing does not appear to be a barrier to visitation, visitor expectation for high quality experience does require increased expenditure on exhibition and program development, maintenance, services, and amenities. Facility improvements and service training have contributed to improved experiences and increased accessibility; responding to new requirements for intellectual and physical access means new expenditures on accessible design and media.

Key Drivers

New exhibitions with high name recognition are key audience drivers, but do require major development expenses, as well as marketing investment in a competitive market place to attract audience share. McMichael has been working to increase baseline attendance through programs and community engagement, a multi-year strategy to long-term growth, based on repeat attendance and site use.

Fiftieth anniversary celebrations are a special key driver for planning in 2015/16, with the launch of the anniversary celebrations starting in January 2016.

HUMAN RESOURCES

The organization structure was modified in 2014/15 to support a two-year project management of our 50th and Canada's 150th anniversary celebrations, to be led by our Director, Marketing and Visitor Experience. In the two-year assignment, daily management for the Marketing & Visitor Experience area has been formally appointed to Associate Directors reporting to the CEO. In addition to Associate Directors in Marketing and Visitor Experience, at the time of writing, we are recruiting for an Associate Director of Building & Systems to ensure strategic oversight of our large property and future expansion. By recognizing the role of our Associate Directors we will be able to drive our strategic priorities through the organization and effectively manage short-term operations.

In 2014, our Chief Curator took a position in Ottawa further supporting the promotion and dissemination of Canadian art and knowledge based on experience gained at McMichael. In the first quarter of 2015/16 we forecast a new Chief Curator/Director, Collections & Curatorial to be in place.

The work done over the past 18 months in merging volunteers at the McMichael into the previously formed McMichael Volunteer Committee (MVC) will bear fruit in 2015/16 with expanded recruitment process and engagement of volunteers within all McMichael departments. The support of volunteerism is important to a public institution and the McMichael is committed to providing a rewarding and enriching volunteer experience.

The McMichael has supported internships in various areas of the gallery, namely Education, IT, and summer placements, but has never formalized, nor publically promoted these education opportunities. In fiscal 2015/16, management will forecast areas where co-op or internship opportunities would be value added to the student's learning and to McMichael's place in providing a learning environment. Human Resources will ensure that policies, procedures and external tools are in place that will promote the programs and support the successful inclusion of interns in the McMichael commitment to learning.

To support our commitment to Learning internally amongst the staff, professional development within each department will be a forecasted budget line with appropriate supervision. In addition to supporting professional development within each department, Human Resources will continue in providing third party management and leadership training that began in late fiscal 2014/15.

The employee staff survey in 2014/15 showed staff who are highly proud to be a part of the McMichael; however, expressed concern regarding compensation and recognition. The expanded reach of the McMichael over the past two years required a change in work processes, which brought with it changed relations and additional work flows. Staff have worked extremely hard to support the growth; it is now projected that in 2015/16 the changed processes from the past years will be solidified and smoother, with increasing feedback on performance and program success. Human Resources will support the management group in providing leadership and training on teamwork, staff engagement and staff recognition to ensure that the staff are equally proud in their work experience as they are in working at the McMichael.

INFORMATION TECHNOLOGY (IT) & ELECTRONIC SERVICE DELIVERY (ESD) PLAN

Over the last two years, McMichael has upgraded and expanded its IT networks and storage, and has rolled out improved enterprise software. These improvements will enable us to build better and extended web access and content in 2015/16, including new online transaction capabilities that will affect sales, memberships, donations, etc. In addition, McMichael will launch a new online retail presence, using LightSpeed software with enhanced CRM, to improve national and international sales.

INITIATIVES INVOLVING THIRD PARTIES

McMichael is in Year 3 of a five year contract for food service with Cashew and Clive, with relocated café services in Grand Hall.

McMichael is in Year 2 as a Partner with York University, SSHRC funded, to undertake a major seven-year research project, *Mobilizing Inuit Cultural Heritage*, in association with the West Baffin Eskimo Co-operative, Isuma TV, Nunavut Broadcasting and Nunavut Arctic College.

The McMichael has established a collaborative partnership with Ontario Parks, including Killarney and Algonquin. As part of our renewed approach to the cultural landscape, we have established a strengthened relationship with Toronto and Region Conservation Authority. In addition, the McMichael has signed an MOU with the Willowbank School of Restoration Arts, agreeing to host student interns and projects.

In 2014/15, McMichael established formal partnerships with *Luminato Festival* and *CONTACT*. *CONTACT* will be repeated in 2015/16; further collaboration with Luminato is under discussion. McMichael has also established formal partnerships with both JazzFM (performance and media sponsorship) and WNED (promotion and program support).

COMMUNICATION PLAN

McMichael has focused developed a new communications tool in *McMichael Magazine*, to reach national and international audiences. In 2015/16 McMichael will develop a new national promotional strategy around the McMichael brand, to be launched in 2016/17, to improve visibility and recognition outside of the GTA and region. This new strategy will focus on McMichael's significance as a national treasure, with less significance on place-based themes.

All of our publicity and media messaging will continue to be developed in conjunction with the Ministry protocols and key messaging for all agencies. McMichael also has capacity in both English and French.

CAPITAL ASSET MANAGEMENT PLAN

In 2015/16, McMichael will complete renovations on the Meeting House, thanks to special 2013/14 provincial capital funding. McMichael will not be requesting funds in this FY for new capital projects, other than maintenance, repair and replacement of current assets, as identified in the VFA Asset Management Report.

Note

McMichael LEED Certification expires in September 2015. Preliminary consultant study suggests that an assessment of re-certification will require an investment of \$130,000. In light of potential gallery capital expansion, this investment might be better delayed to coincide with planning for new construction, when that is funded. We have, however, included an additional \$80,000 request in the Capital Budget, should government require that the re-certification process be undertaken in this fiscal year.