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Orchestra needs city cash to survive

By Kelley Teahen
Free Press Reporter

Orchestra London needs immediate financial help to survive the next few weeks and, unless there's also a commitment for long-term city support, the final trumpets should sound now, says the orchestra's chairperson.

"We're out of gas," said board chairperson David Stelpstra. "We don't need additional loans. We need additional core funding."

The orchestra exhausts a line of credit to pay its employees March 8 and is behind \$71,000 in rent payments to Centennial Hall.

"We're out of gas." *David Stelpstra, chairperson of Orchestra London's board*

By the end of the 1999-2000 season, it will be in debt \$660,000, according to documents submitted to city administrators this week.

At that meeting, the orchestra proposed a plan that would see the city free up \$110,000 to pay immediate expenses by issuing a guarantee to the orchestra's bank. The plan also asks the city to commit to more than \$450,000 in annual funding for the 26-member professional orchestra, whose annual budget is \$2 million.

The orchestra earns \$900,000 in ticket revenue and raises \$600,000 in sponsorships and donations. It gets \$255,000 from provincial and federal arts agencies.

The city now gives the orchestra \$125,000 a year and gets paid the same amount in rent for Centennial Hall use.

The plan has been referred to city administrators for analysis and is set to be presented March 1 at London board of control.

But both the orchestra and the Grand Theatre — itself battling a crippling accumulated deficit — have been asked to attend a special meeting of city council's community and protective services committee Monday to discuss their finances and future.

While the committee might send on a recommendation to the council meeting being held later Monday, Mayor Dianne Haskett says she believes a majority on council "don't want to make a knee-jerk decision.

We don't want to deal with a shortfall in isolation from the bigger picture."

While there's been talk in the community about troubles at the orchestra, Haskett said the city received the formal request for help only this week.

Including a \$128,000 unexpected hit in retroactive Employer Health Tax payments — which kicked in last fall after a court ruling stating orchestra players are employees, not independent contractors — the orchestra will end the 1999-2000 season with a \$354,000 shortfall.

While London has loaned the orchestra \$128,000 to cover the health tax hit, the ruling will add \$90,000 a year to the orchestra's operating costs. As well, it's been run without an executive director or music director the last two years.

"If we wish to rehire a conductor and an executive director and to restore musicians' salaries to 1994 levels (before they took a 20-per-cent pay cut), we need, on an ongoing basis, \$300,000 extra a year," Stelpstra said.

"The city is truly at a crossroads," Stelpstra said. "Relative to other cities of London's size, our orchestra and theatre are significantly under-funded. We've provided a realistic business plan, nothing inflated, and it shows what we need if London wishes to maintain a professional orchestra."

Stelpstra said an emergency grant is "just a Band-Aid" and isn't wise spending "if there isn't an increase in long-term support."

He said the board has looked at three options if no long-term commitment comes through.

The orchestra could "radically downsize" and become a chamber orchestra of 15 core players. It could run on a fee-for-service basis, where outside players are hired to perform a few concerts a year, or as a last resort, he said, it could declare bankruptcy and fold.

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