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Orchestra must change -- or fold

By LARRY CORNIES -- London Free Press

"There was a bit of a setback this year. Artistically, things went very well. It was on the non-artistic side where the challenge was not met."

-- Orchestra London president Bruce Boundy at the end of the '95 season, which lost \$113,859 and put the accumulated deficit at more than \$290,000

"I was not hired to be the new captain of the Titanic. I do not have any intention of having the orchestra go down."

-- Orchestra London general manager John Sterne, at his hiring in 1996

"We're tired of being seen as a mismanaged organization and a drain on the public purse."

-- Sterne in 1997, on a plan to achieve self-sufficiency within five to 10 years

"We've overcome our financial crisis of two years ago. We've fully repaid the (\$150,000) loan from the city . . . The atmosphere is stable and the emphasis is now where it should be -- on producing good music."

-- Orchestra London president William Murphy, less than a year ago

Yanked from the precipice of bankruptcy this week by a city loan of \$110,000, Orchestra London's staff and board are, once again, trying to come up with a plan to save the organization.

This is already a very familiar tune. Over the years, Londoners have heard it so often they know it by heart. Like the theme from the motion picture Titanic, it was arresting and haunting the first few times; now it's beginning to grate.

By the end of this season, its officials say, the orchestra's accumulated debt may be more than \$600,000. That's not a figure any arts administrator wants to see on a financial statement, let alone on applications for arts grants. In fact, if it happened, it would be the worst money crisis in Orchestra London's history. In past years, its bankers have threatened to pull the plug for less; only a generous endowment saved the orchestra from a worse financial fate several years ago.

Let's dispel a few myths. According to the Council for Business and the Arts in Canada (latest figures are for '97-'98), the orchestra does quite well by the city hall in terms of the percentage of revenue derived from municipal grants. Among major Canadian cities, only Kitchener-Waterloo (7.4 per cent), Regina (9 per cent), Vancouver (6.9 per cent) and

Windsor (19.1 per cent) do better than London, at 6.2 per cent. Windsor's share is astronomical because of a concerted effort several years ago to pump money into the organization to save it, but it's a real anomaly on the Canadian music scene. And yes, the City of London's grant gets returned to municipal coffers through rent payments for Centennial Hall. But that's not an unusual arrangement -- it happens in many cities across the country.

Second, Orchestra London's box-office and other earned income -- again, as a percentage of revenue -- is a respectable 46 per cent, higher than the national average of 42 per cent. Third, donations (including corporate and foundation gifts, sponsorships, special events and individuals) amount to about 27 per cent of revenue -- spot on the national average.

Where the orchestra could do better, by comparison with others coast to coast, is in attracting national and provincial grants. And it's in this area where Orchestra London is in real danger of entering a kind of death spiral.

For the current fiscal year, the Canada Council for the Arts has granted the orchestra \$157,000, down from \$188,400 two years ago. Fortunately, the Ontario Arts Council's grant of \$205,205, up from \$186,500 for the past two years, has taken up the slack. But the orchestra's ballooning debt will be a big worry to both those agencies next time around.

"What we look for is how (orchestras) handle available resources and how they go about deriving others," says John Brotman, director of arts programs for the Ontario Arts Council. "We get concerned when there are constant deficits . . . In the last analysis, we will withhold grants. Our advisors are pretty savvy and have a pretty good eye for when arts organizations are keeping their heads above water or are beginning to sink. We look for a plan."

Donna Balkan, spokesperson for the Canada Council, agrees. While Orchestra London had earlier been on a multi-year granting program, "now they're year-to-year. The real issue for our peer assessment committee is, What direction are they going in? That includes management."

Orchestra London needs a tough, multi-year business plan it will stick to -- one that is aggressive on both the income and cost-cutting sides. (The orchestra still, for example, has a far bigger administrative staff than any orchestra of comparable size in the nation.)

If Orchestra London's board can't summon the courage to insist on that, the organization should fold. And no one should presume, if that happened, that another ensemble wouldn't emerge from the ashes. In the local musical marketplace, real music lovers would emerge to lovingly fashion something entirely new.

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