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To: nmimms@city-ftpierce.com, lhudson@city-ftpierce.com

Date: Thursday, June 28, 2018 02:12PM
Subject: Sunrise Theatre Observations

Dear Mayor Hudson and Mr. Mimms,

I am writing to thank you both for organizing and hosting the recent Community Meeting for the Sunrise Theatre. I found the dialogue and information exchange to be both extremely insightful and productive.

By means of introduction, I am a member of the Sunrise Theatre Advisory Board and am in my third year on the board. I joined the board because I wanted to contribute to advancing the Arts in our community. I am a third generation Fort Pierce native; my grandfather was the very first postal delivery man in our city; my father and Aunt were born here in 1925 and I grew up here and graduated from John Carroll in 1982. Both of my parents were actively involved in the Arts (my father sang in the Treasure Coast Opera and my mother played cello in the Treasure Coast Symphony) so my desire to support the Sunrise is partly driven by honoring their legacy.

That being said, my time on the board has largely been a disappointment. Traditional boards are designed to provide advice, council and strategic direction to the entity that they support. The Sunrise board in my tenure has done none of that. Our board meets every other month so that means if everything goes perfectly, we would meet 6 times a year which is simply not sufficient to effectively execute our duties (last year I believe the board met less than 3 times due to lack of quorums).

However, the purpose of this correspondence is not to discuss the past but rather to speak about the future and a path to get there. My professional background is rooted in Finance, Technology, Operations and Executive Management Consulting and looking through this lens there are several areas of opportunity and improvement:

1. **Complete A Thorough Financial Analysis:** Part of the frustration as a board member is that we have only been presented with part of the story. Each board meeting we are given a very top level review of the performance of the shows at the Theatre. This analysis only includes the cost of the event, some ancillary cost items such as security and the ticket sales (revenue). On the surface, events that *appear* to have either turned a profit or broke even really did not when accounting for the rest of the expense items allocated to the Sunrise's annual budget. Information is power and leads to better decision making. We need financial tools that will enable the management team to make informed choices based on empirical data rather than a subjective one. Let's change the perspective from being reactive to being proactive.
2. **Empower the Board:** The board needs to be more actively involved in the strategic decisions that impact the Sunrise. An excellent example of this is the annual event programming. At no point during my tenure on the board were we ever included in discussions around event and program selection for the upcoming year. Just as we all learned at the Community Meeting, the 2018 schedule is locked in and in composition is not materially different from the 2017 schedule. How can we expect improved results if we keep doing what we are doing. Let's establish a committee made up of the Sunrise management team, board members and perhaps a representative from the City that is tasked with reviewing and approving the schedule based on event cost, perceived interest from our patrons and alignment with the programming goals of the Theatre.
3. **Create Executive Search Committee:** As we gear up our national search for a new Executive Director, the creation of a cross-team selection committee is paramount to securing the right person for the next phase of the Sunrise Theatre's growth. Review and input from a broader and more diverse team will ensure that all needs are addressed during the selection process.
4. **Leave No Stones Unturned:** There should be no holy grails when it comes to addressing the issues that are driving the less than satisfactory performance at the Sunrise. All areas of the operation should be reviewed. One area of particular interest to me is how we approach the pricing of our tickets. For shows that are not selling well, why not offer discounts to fill the seats? We have

fixed expenses that need to be covered so selling a seat at a discounted price is far better than not selling it at all. Let's be open to thinking outside of the box and in creative, non-traditional ways to solve this puzzle.

In closing I want to reiterate that I am eager, energetic and dedicated to improving the performance of the Sunrise Theatre with the primary goal being that it remains a gem for the City of Fort Pierce; an asset that contributes positively, productively and ultimately provides value to all members of our community.

Thank you for your time and consideration.

Kind Regards,

Luke A. Croghan