

Fishers Island Community Theater Operations Overview
November 15, 2010

The FI Community Theater is owned and operated under the purview of the Fishers Island Ferry District, which is further owned and operated under the purview of the Town of Southold, NY. The theater falls under the jurisdiction of the Ferry District which was created by The Enabling Act of 1947, Chapter 699 of the Laws of 1947 by the State of New York Legislature.

For approximately 50 years, the theater has provided movies to the island population during the months of July, August and September, typically beginning at the end of June, (more lately after 4th of July) and ending on or before Labor Day weekend.

Sadly, the demand for and attendance at movies has dropped markedly in the past three years due to the advent of the mail order film industry (Netflix, Blockbuster, etc), shorter release time of films from theater to DVD, streaming of films to home, fewer people on the island, etc. Expenses have risen and the economic crash in 2008 helped contribute to the movie houses being less willing to lease films for "one night stands". Availability of first and second run films was very difficult during the summer of 2010. The predominant form of film is now digital. FI Theater utilizes film prints on reels.

The future of the theater has been debated from time to time over the past 15 years or so by the Commissioners, with concerned citizens coming forth from time to time expressing concern for the disrepair, etc. Prior to that in 1993-1995, private funds were raised by a committee headed up by Tom Doherty, Jeannie Calhoun, and others, providing major renovations of the interior paint, replacement of seats (500), stage curtains and other items. The most successful venue ever held in the theater was The Temptations concert, a result of their efforts.

The theater NEVER operates in the black, only increasingly in the red. By keeping the theater open, the District provides film entertainment to the public, along with a wholesome gathering place for young people who "meet, greet and hang out" under the marquee. Additionally, the candy and popcorn concession has been run by Fishers Island School "seniors-to-be" each summer, with the funds going entirely to their classes for their senior trips, etc. Due to the low population of Island students and lack of interest, the PTO has taken over the concession fund raising venue.

With the current economic climate, it is clear a decision about continuing to operate the theater will have to be made by the Ferry District in the near future. The possible interest by the new theater renovation committee is welcome and timely.

Through no fault of their own, the public does not realize the labor intensive and comprehensive effort entailed in keeping the doors open, the theater staffed, films coming in, maintenance (minimum at best due to lack of funds), accounts payable, Civil Service requirements, etc. It is hoped this report and interest by the new committee will enlighten interested parties and encourage a possible new life for the theater, which would involve highly concerted fund raising and rehabilitation efforts to preserve it and cover subsequent maintenance and operating expenses.

Some of the suggestions for use of the building have been a performing arts center, originally considered (very early on) as a site for the Community Center, restaurant, affordable housing, rehabilitated movie theater, etc.

PERSONNEL

As it stands now, the assistant manager of the business office (Civil Service Billet : “Assistant Manager”) of the Ferry District, in addition to assisting the manager of the Ferry District in all aspects of the ferry operation and its “holdings” (ferry operation, airport, rental properties, finances, human resources, business administration) is responsible for employees, payroll, accounts payable, depositing film proceeds and general coordination of the various fiscal and business facets of the theater, along with scheduling annual maintenance and storage of the projection equipment. It is important to note that the employees of the Ferry District are all required to be non-competitive civil service employees, which entails particular qualifying procedures and red tape, even for the simplest, seasonal jobs.

The theater itself requires a business manager (Civil Service Billet: “Clerk”) who books films, sells tickets, mans the theater during show time, is accountable for reconciliation of funds and ticket sales and submission to the Ferry Business Office for deposit after each showing, cleans after each showing (that includes seasonal opening and closing), disposes of refuse and picks up and delivers films to and from the freight office. Current payroll is \$200.00 biweekly (approx. 8-10 weeks) plus \$15.00 per hour for cleaning one hour after each film and approximately ten hours to open and close for the season.

The theater also requires an experienced projectionist (Civil Service Billet: “Recreation Aide”), currently hired at \$125.00 per film. A typical season has about 20-25 showings. “Experienced” is the key word here. The equipment is such that it requires someone who can splice reel to reels and repair a film, replace a bulb, etc. in the blink of an eye while the audience hoots and hollers and boos. Others have willingly run the projectors under the oversight of the experienced projectionist, but do not have the experience to cope with breakdowns as well. The projectionist also assists New England Theater when they come out to perform maintenance, required twice a year at a minimum.

EQUIPMENT

According to Bob Peterson, the owner of New England Theater, who maintains our equipment, the two Century projectors, with Simplex sound heads, strong Lumex lamp houses, and Ultra stereo sound systems are the old workhorses of the industry, the best ever made. All the components have been upgraded over time as much as practical, most recently about 5 years ago at a cost of approximately \$2500-\$3000. At the time the decision was made, the District was told by New England Theater that this upgrade should hold until: either the theater goes digital in the future or it is closed. However, it is old technology and will be obsolete in 3-5 years. If the building is to remain a movie theater, a move to a digital system will be required at that time. The cost has come down substantially to less than half when first introduced at \$130,000. A ‘2210’ digital package runs around \$60,000 currently and is dropping. The development of a business plan would be wise to ascertain what is required to support the investment in such a system for this very low volume residential area. Reel to reel prints will no longer be main stream in 3-5 years. The screen should be replaced.

PHYSICAL PLANT

That brings us to the condition of the physical plant. The theater is a lovely building dating back to 1932 when silent films were still in vogue. (A few years ago, a couple world-renowned for their revival of the music that accompanied silent films and who give concerts used the theater for a presentation. They indicated it had the best acoustics of any facility in which they had ever performed!) That in itself should be enough motivation to preserve the physical plant.

Preservation is a worthy cause; the major difficulty posed is that there is no heat. The old furnace was removed years ago (cost-cutting measure - the expense in heating a non-insulated, old, empty building prohibitive). The integrity of improvements is corrupted over time by the lack of heat and propensity of cold, damp air. An environmental study was done by a professional firm sometime early in the 2000's affirming the presence of mildew, but reiterating that there is just as much mold in the air on Fishers Island as there is inside the theater. The theater was cleared for public use. It would be prudent for some form of air quality study to be performed before and after renovations, along with structural inspections (performed from time to time) and other necessary inspections and pest and rodent control.

The Fishers Island School held annual musical performances and graduations in past years up until the mildew problem surfaced. Other community members and entities (Nature Days, independent film showings, piano recitals, etc.) have utilized the building over the years.

The stage is adequate, but the backstage area has no dressing room or set storage capabilities. It is a miracle any productions were staged there at all. Obviously, the integrity of every part is under duress from age, weather, conditions. Without going in to full detail here, it is obvious to the naked eye the brick needs to be sealed, repairs done, specialty acoustic draperies replaced, bathrooms (2) remodeled, etc, etc. A full building inspection and condition report should be performed in order to ascertain future uses.

Painting of the exterior trim, marquee and some repair to windows, etc. were accomplished at the end of summer, 2010.

DAILY OPERATION DURING MOVIE SEASON

First, the commissioners must resolve to "re-hire" the personnel for the theater with approval from the Town Board sometime in late May and the business office must process that paperwork.

The industry publication "BOXOFFICE" magazine is provided to the theater manager to keep up on movies being made, released and other industry trends. Approximately some time in early spring, the manager begins to compile a wish list of films that appeal to different age groups and that are age appropriate. The District maintains a strict policy that any restrictions on films are enforced and if there is any question of a patron's age not being appropriate to view a film, permission from a parent or parent accompaniment is required. This becomes a public relations problem when the theater is viewed by some as a "babysitting" service for their children while attending functions.

Ideally, sometime in late May, early June, film bookings begin to be made for the season. First run films are most desirable, with older films filling in the gaps, as not all first run films are available to us. As stated earlier, it is more and more difficult to obtain first runs, and of late, the premiums to obtain them are just too costly. A calendar of films and show dates is then produced by the theater manager and published by the business office (ideally a few weeks in advance). A telephone credit card is provided to the theater manager for use in ordering films, etc.

Sources for film bookings are the major movie houses: Paramount, Twentieth Century Fox, Walt Disney Studios, Sony Classics, to name just a few. The film industry and contact information continually change. From one year to the next, sometimes one month to the next, the revolving door of the film industry goes round. Just when you think you've got an "in" with an individual, or established a consistency over time, they are no longer there. This underscores one of many "juggling" acts necessary to keep the movies coming.

Film studios have lengthy contracts, requirements, restrictions and instructions, many of which do not apply to our little theater and we have been able to avoid, i.e., numbers of showings, trailers, ads, previews, etc. One example of a lengthy contract is Sony's. The fact that the theater is owned by a municipal corporation (Ferry District, Town of Southold) makes doing regular business a nightmare. Municipal accounting and business accounting are two different animals. Not only do many ask for personal guaranty signatures (obviously not possible), but they will not accept credit cards. Many require upfront advances before shipping a film, anywhere from \$150-\$250 per film.

Because the Comptroller of the Town of Southold is the financial officer for the District and writes all the checks, the District has no check-writing capability of its own. Checks can only be written from approved warrants every two weeks. Keeping a consistent flow of payments and advances for timely delivery of movies is a challenge. Movie houses do not accept credit cards.

Arrangements for advances must be made or films that do not require advances are utilized. Due to the nature of the industry, the time frame between a film booking and advance payment deadline is short...sometimes two to three days. Obviously, supply and demand plays a large part. This requires use of overnight services to get the funds out, most often all the way to California. Anyone familiar with living on Fishers Island understands that "overnight" delivery is not necessarily guaranteed overnight via the post office OR Fedex if it leaves FI later than the noon boat.

Films are rented on several bases: flat fee, minimum vs. percentage of the gross, etc. The typical percentage is 30-35% of the gross. Minimums run from \$150.00 to \$200.00. Flat fees \$100-\$200.00. If an advance has been sent, that is applied to the amount due. A blockbuster may gross \$1400.00, or a dud, \$40.00, when the minimum isn't even met. (The highest grossing films ever were "Finding Nemo" in 2007 at \$1402.00. "March of the Penguins" grossed \$2142.00-very rare-part of "Nature Days".)

Films arrive via courier to the New London Terminal and are then shipped over on the Ferry. The theater manager is responsible to make sure they arrive and get returned promptly. There are instances when a movie fails to arrive, the wrong movie arrives, etc. Sometimes it requires a second-showing of a film already shown, juggling of the schedule or no showing at all.

Ticket prices were raised in 2009 from \$6.00/Adults and \$4.00/Children to \$8.00/Adults and \$5.00/Children. From 1999 through 2008, one film per night was shown on Tuesday, Wednesday, Friday and Sunday. In 2009, Fridays were dropped due to low attendance. Total movies shown in the late 90's were 36-40 (per season); in recent years more like 20-26. Attendance from 2005-2010 is charted on the attached form. A ledger book is kept to manually record grosses, ticket sales, etc. However this could be easily computerized.

A written box office report is required by each house for every film, listing adult and child ticket numbers, counts, prices and grosses. (See sample attached). Box office must be called in after every showing, then hard-copied/emailed to the movie house. From the box office report, the movie house calculates the amount due for each film. A voucher is prepared and the payment is made via Town of Southold checks payable by warrant every two weeks. Film companies typically expect payment immediately, so this presents another obstacle.

Related expenses other than payroll, utilities, etc are: delivery and pick up fees on every film from independent couriers (Technicolor, Filmtrans, etc.) ranging from \$25-\$50 per pickup/delivery and postage, Fedex, and other courier fees for sending advances. Example: 26 movies @ approximately \$25.00 per delivery/pickup works out to \$1300.00/year). Overnight fees run anywhere from \$14.00-\$30.00 per use.

In summary, there are most likely more efficient and cost-effective ways to show films, but the building certainly lends itself to consideration for other uses. Could it be considered and rehabilitated for multiple family housing? A cultural arts center? Does it qualify as a historic landmark building which would generate grant money?

The location, size, parking area, etc. all lend itself to a higher calling. What is feasible and the highest and best use of the building and land, especially considering the dwindling Fishers Island population, is what needs to be determined.

I have attached the following informational items to this report:

Revenue/Expenditure Comparison-2005-2009

Attendance Chart-2005-2010

Sample Box Office Reports, Invoices

Respectfully submitted,

Nina Schmid
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