

REPORT NO. 300 of the
**SOCIAL DEVELOPMENT,
HEALTH & CULTURE STANDING COMMITTEE**
of its meeting held June 3, 2015

Present:
Councillor Ed Sleiman, Chair
Councillor Paul Borrelli
Councillor Rino Bortolin
Councillor John Elliott
Councillor Jo-Anne Gignac

That the following recommendation of the Social Development, Health and Culture Standing Committee **BE APPROVED** as follows:

Moved by Councillor Bortolin, seconded by Councillor Elliott,

THAT the Administrative report on the operating plan for the Expanded Museum **BE RECEIVED**; and

THAT City Council **DIRECT** Administration to proceed to implement the proposed plan for the operation of the museum in 2015 beginning with the opening of the expanded museum; and further

THAT Administration **PROVIDE** information on a 'City Card' that would entitle city residents to receive discounted rates at city facilities.

Carried.

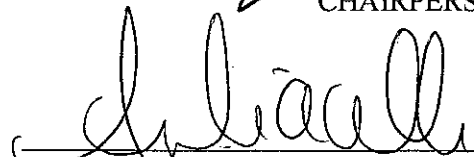
Councillor Gignac was absent at the time the vote was taken.

Clerk's Note: The administrative report authored by the Manager of Cultural Affairs dated April 10, 2015 entitled "*Operating Hours and Admission Fees at Expanded Museum 2015*" is attached as background information.

LiveLink 17737 SR2015

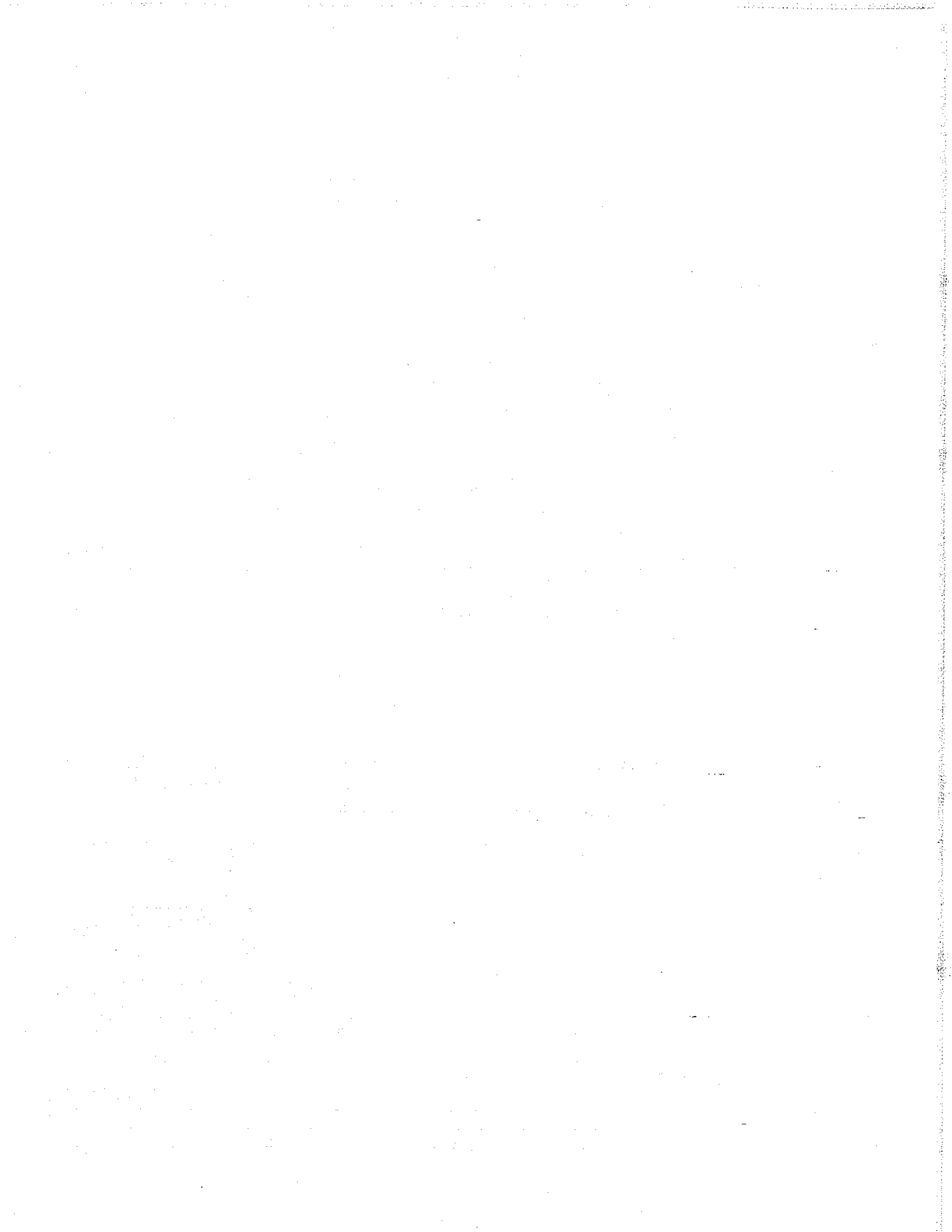


CHAIRPERSON



SUPERVISOR OF COUNCIL SERVICES

NOTIFICATION :				
Name	Address	Email Address	Telephone	FAX



THE CORPORATION OF THE CITY OF WINDSOR
Social Development, Health and Culture Standing Committee-
Administrative Report

**MISSION STATEMENT:**

"Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together."

LiveLink REPORT #: 17737 SR2015	Report Date: April 10, 2015
Author's Name: Cathy Masterson	Date to Standing Committee: June 3, 2015
Author's Phone: 519 253-2300 ext. 2724	Classification #:
Author's E-mail: cmasterson@city.windsor.on.ca	

P&R 15-83

To: Social Development, Health and Culture Standing Committee

Subject: Operating Hours and Admission Fees at Expanded Museum 2015

1. RECOMMENDATION: City Wide: X Ward(s): _____

- A. **THAT** the Administrative report on the operating plan for the Expanded Museum **BE RECEIVED**; and further
- B. **THAT** City Council **DIRECT** Administration to proceed to implement the proposed plan for the operation of the museum in 2015 beginning with the opening of the expanded museum.

EXECUTIVE SUMMARY:

N/A

2. BACKGROUND:

CR234/2013, attached as Appendix A, was considered and endorsed at the November 18, 2013 Council Meeting. The Council Resolution states in part:

- K. **THAT** City Council **APPROVE IN PRINCIPLE** a baseline net annual operating budget for Windsor's Community Museum in 2015 of \$774,941, (this includes the original \$352,417 for the current Francois Baby House and the incremental increase of \$422,524 for the new Museum site) based upon the City operating model, with an expected staff complement total of 10.5 FTE positions (reflecting an incremental increase of 4.5 FTE positions), and resultant projections by Administration, subject to annual inflationary and other business adjustments.

The Report outlined the acceptance of the report submitted by Lord Cultural Resources along with the proposed slight variations recommended by Administration. Part of the Lord Report

summarized suggested operating hours, staffing levels and funding requirements to bring an expanded museum to fruition. Administration fine-tuned the Lord Report recommendations to better meet the fiscal realities of the City of Windsor.

3. DISCUSSION:

Student placements through the Odette School of Business, University of Windsor provided an opportunity for MBA students to research a business model for the museum. Attached as Appendix B is their report entitled "*Windsor Community Museum: Admission Structure Recommendations*". The students did a substantial amount of research on other like institutions, fee structures, and museum trends.

As the attached report indicates, there are a variety of business models related to admissions available for consideration. The option put forward by Administration is a hybrid model with a set number of free admission days to allow access to everyone in the City along with set membership, programming and ticket sales. Details of Administration's proposal are outlined below.

Operating Hours

The opening of 401 Riverside brings a total of three facilities operating under the umbrella of Museum Windsor. It is being proposed that each facility has unique operating hours. The budget was structured on this basis.

The Francois Baby House is located at 254 Pitt Street West. It is suggested that the existing operating hours remain in place. These hours are as follows: Tuesday through Saturday from 10 am until 5 pm year round and Sundays from May 1 through to the end of September from 2 pm until 5 pm.

The Duff-Baby Interpretation Centre is located at 221 Mill Street in Sandwich Town. It is on property owned by the Ontario Heritage Trust. Staff utilizes the Interpretation Centre for community outreach programs, local heritage meetings and other Sandwich Town community activities. The building is open infrequently based on staff programming the space. Staff recommend continuing this practice for this site.

It is suggested that the expanded museum located at 401 Riverside Drive will have hours that will support the activities taking place at Adventure Bay/WIATC and will partially align with the hours that the Art Gallery of Windsor (AGW) is currently scheduled to be open. Hours of operation are suggested as: Tuesday through Saturday from 10 am until 5 pm and on Sundays year round from 11 am until 5 pm. In addition, the expanded museum will be open one scheduled evening a month in partnership with the AGW to allow for enhanced programming to occur. Presently the AGW is open one Friday a month on a pre-determined schedule although that day of the week may change in the future. All efforts will be made to remain open the same night as the AGW. However should other opportunities arise administration may determine it would be more appropriate to open additional or other days. This would come into play if there was for example, an opportunity to support activities that were taking place at WIATC/Adventure Bay.

It is standard industry practice for museums to close on Mondays as Mondays are traditionally a very slow day and the expense of opening and staffing a museum outweighs the value of the site being opened. There are occasional exceptions for some of the stat holidays which are evaluated on a day by day basis with the museum opening should it be warranted. Programming at all

three facilities will continue to occur outside of the public open hours as bookings for programming, special events and tours transpire. Administration will monitor the demand for visitation at the Baby House to determine if the Sunday hours should match the Sunday hours at 401 Riverside Drive.

Admission Rates

Currently, Windsor's Community Museum operates without admission fees. The business case and proposed operating budget put forward for Council's consideration in November 2013 did include revenue generated through a fee schedule. It is suggested that the fee schedule adopted through this report be added to the Schedule of Fees on a go forward basis each year as Council determines the entire fee schedule for the corporation.

The Francois Baby House currently does not charge a fee for admittance and administration supports the continuation of this practice. There will be two permanent exhibits in the building along with archival materials and artefact storage. Archival and programming fees are established within the Schedule of Fees approved by Council and administration recommends the continuation of this practice. Should Council direct administration to charge admission fees at this site, there will likely be an increase in the operating budget as a staff person will be required to fulfill this function.

Administration considers the following fee schedule with all fees to include HST where applicable for admission to the expanded museum at 401 Riverside Drive:

Adults	\$5
Students 3-24 age with student card	\$4
Seniors	\$4
Family - using existing Family definition in fee schedule	\$15
School children pre-booked visit	\$3
School children pre-booked program min. 15 students required per booking	\$5
School children pre-booked double program min. 15 students required per booking	\$7.50
Joint School visit/Starlight pre-booked visits to museum + Adventure Bay min. 15 students required per booking	\$13.50
Joint Student weekend program pre-booked museum + Adventure Bay min. 15 students required per booking	\$16.50
Adult pre-booked group min. 15 adults required per booking	\$4
Adult pre-booked group program min. 15 adults required per booking	\$6
Joint Adult visit/Starlight pre-booked visit to museum + Adventure Bay min. 15 adults required per booking	\$13.50
Joint weekend program pre-booked museum + Adventure Bay min. 15 adults required per booking	\$16.50
Family membership to include a companion pass that can be used with visiting grandparent/cousin/friend	\$50
Individual membership	\$15

All fees would be approved on an annual basis through the Schedule of Fees process. For comparative purposes, Appendix B pages 34 and 35 illustrate comparative rates of other museums.

Membership programs are frequently found within museums. Membership privileges will include: free admission to the museum, a potential discounted ticket price should a large travelling exhibit be on display, advance notification of new exhibit openings, discounted pricing for registered programming activities and purchases at the gift shop.

Membership and all ticketed activities will be electronically tracked through the current CLASS booking system.

The AGW is presently re-assessing its fee schedule. Once they have determined their fee structure, administration will investigate the opportunity to have a joint admission ticket and membership program with the AGW. Additionally future partnership opportunities will be explored to develop market ready tourism packages.

As the Odette School of Business MBA students noted, many museums retain free admissions in order to be accessible to the entire community. Administration is suggesting that staff be permitted to schedule up to twelve free admission days per year dependent on activities taking place within the community. This would allow the 401 Riverside Drive museum site to participate in events such as Doors Open and Culture Days—both are two day community events that require free admission to properties. In addition potential free admission on significant dates such as: Heritage Day in February, the City of Windsor's Birthday in May, International Museum Day in May, Aboriginal Awareness Day of June 21 or Franco-Ontarian Day in September could be scheduled to enhance and support community activities. Staff will ensure the free admission dates will vary on days and times in order to allow the community to participate.

Windsor's Community Museum already recognizes and provides reciprocal free admission members of organizations such as: the Ontario Museums Association, the Canadian Museums Association, the Museum Volunteer Group, recent Canadian Citizens and the regional heritage committee called South Western Ontario Heritage Council. It is suggested that admission remain free to members of these organizations provided they produce proof of membership at the time of their entrance into the enhanced museum. Outside of the Museum Volunteers, very few people (less than ten) utilize this service on an annual basis however the perception of supporting these memberships is significant.

Windsor's Community Museum is currently a non-admission fee site. On completion of the research provided by the MBA students, some museums are moving back to a by-donation admission. The operating budget for the expanded museum was provided to Council in Report 16844 and was based on a fee schedule. Should Council wish to continue to provide no fee admission, there would be an adjustment to the operating budget moving forward. Administration recommends implementation of the above fee schedule. Should Council direct staff to eliminate a fee schedule at this time, it may be more difficult to implement a fee based program in the future.

4. RISK ANALYSIS:

Resource Risks: Should Council determine to waive the admissions fees or extend the hours of operation, there will be budgetary pressures that will need to be addressed in the 2016 budget. A funding source will need to be determined for Q4 of 2015. This will have an on-going impact to the Corporation's bottom line.

Community Impact Risks: The residents of Windsor are looking forward to experiencing the enhanced museum. A perceived reduction in hours open will have a negative impact on the Corporations reputation within the community.

5. FINANCIAL MATTERS:

As identified in the Background Section, CR234/ 2013, attached as Appendix A, was considered and endorsed at the November 18, 2013 Council Meeting. The recommended operating hours and admission fees are consistent with the revenue and expenditure projections in the budget that went before Council.

6. CONSULTATIONS:

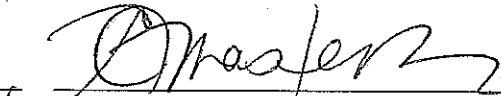
Manager Operating Budget Control & Financial Administration
Financial Planning Administrator, Recreation and Culture

7. CONCLUSION:

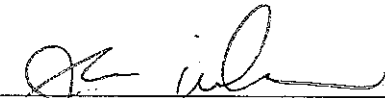
The Cultural Affairs team is working to promote an approach to community building and economic development that will attract residents, visitors and investment by assisting our community to create a positive image and identity. Windsor's Community Museum will become an integral part of how the City re-invents itself making Windsor an affordable and attractive place to live.



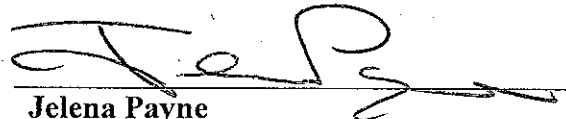
Madelyn DellaValle,
Curator, Cultural Affairs



Cathy Masterson
Manager of Cultural Affairs



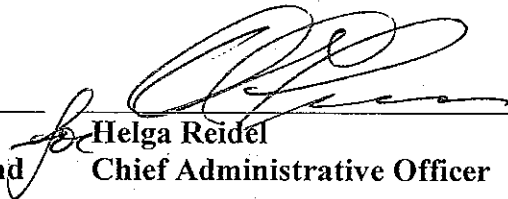
Jan Wilson
Executive Director, Recreation and
Culture



Jelena Payne
Community Development and Health
Commissioner and Corporate Leader Social
Development, Health, Recreation and
Culture



Onorio Colucci
Chief Financial officer/City Treasurer and
Corporate Leader Finance and
Technology



Helga Reidel
Chief Administrative Officer

cfm

APPENDICES:

Appendix A— CR234/2013

Appendix B— Windsor Community Museum Admission Structure Recommendations

DEPARTMENTS/OTHERS CONSULTED:

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NOTICE OF COUNCIL DECISION

Windsor City Council adopted the following resolution at its meeting held November 18, 2013

CR234/2013

- A. **THAT** the report of the Manager of Cultural Affairs responding to M150-2013 regarding the recommendations of Lord Cultural Resources' Museum Feasibility Development Study **BE RECEIVED AND**;
- B. **THAT** City Council **APPROVE** Proposal B (Table 4) with an upset capital funding limit for new museum development at 401 Riverside Drive West in the amount of \$6,180,642; to **BE FUNDED** as follows: \$2,400,321 to be requested from the Canada Cultural Spaces Fund; \$405,000 from 2013 pre-approved funding, \$3,272,856 from the Bequest of Joseph Chimczuk and the remaining \$102,465 as a precommitment to the 2015 capital budget **AND**;
- C. **THAT** City Council **CONFIRM** their direction to the Executive Director of Recreation and Culture to apply to the Canada Cultural Spaces Fund to request up to 50% of the museum development's eligible capital expenses **AND**, as required by the Grant guidelines;
- D. **THAT** City Council **COMMIT** to funding all capital costs associated with the museum development not funded through the Canada Cultural Spaces Fund **AND**;
- E. **THAT** Administration **BE AUTHORIZED** to take any other steps as may be required to bring effect to these resolutions, and that the CAO and City Clerk **BE AUTHORIZED** to execute any required documents for that purpose, subject to legal approval by the City Solicitor, financial approval by the City Treasurer, and technical approval by the Community Development and Health Commissioner; **AND**
- F. **THAT** any such steps taken **BE REPORTED** to City Council as soon as is practical following the action **AND**;
- G. **THAT** the Purchasing Manager **BE AUTHORIZED** to issue an RFP - Consulting Services for Architectural Services and Exhibition Planning Services pursuant to the Purchasing Bylaw to a combined upset limit of \$607,000 **AND**; subject to the results falling within those parameters;

- H. **THAT** the City Clerk and Chief Administrative Officer **BE AUTHORIZED** to award and execute an Agreement with the successful architectural services and exhibition planning services proponent(s) subject to technical content satisfactory to the Executive Director of Recreation and Culture and the Executive Director of Parks and Facilities, in form to the City Solicitor, and in financial content to the City Treasurer, with a Communication Report to Council to follow **AND**;
- I. **THAT** Parks and Facilities **BE AUTHORIZED** to issue a tender for scope of work developed by the consultants and approved by the Executive Director of Recreation and Culture and the Executive Director of Parks and Facilities **AND**;
- J. **THAT** the results of the tender and a Project Charter **BE BROUGHT BACK** to City Council for approval **AND**;
- K. **THAT** City Council **APPROVE IN PRINCIPLE** a baseline net annual operating budget for Windsor's Community Museum in 2015 of \$774,941, (this includes the original \$352,417 for the current Francois Baby House and the incremental increase of \$422,524 for the new Museum site) based upon the City operating model, with an expected staff complement total of 10.5 FTE positions (reflecting an incremental increase of 4.5 FTE positions), and resultant projections by Administration, subject to annual inflationary and other business adjustments.

Carried.

Councillor Halberstadt voting nay.

Report Number 16844 APR/10168 10

Windsor Community Museum Admission Structure Recommendations



**Brittany Adamic
Sam Adeyemi
Taylor Brydges
Gopinath Kandasamy
Jill Peters
Jaismee Sandhu**

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Executive Summary

The Windsor Community Museum is a cultural landmark in Windsor and represents an integral piece of the area's history. The current Windsor Community Museum is located in the Francois Baby House. It has outgrown the space available at the Francois Baby house and is expanding to a second location at 401 Riverside Drive West. The new location plans to display an array of artifacts, provide interactive exhibits for children, and facilitate education about the Windsor-Essex community.

Currently, admission to the Francois Baby house is free, and an admission structure needs to be developed for the new location. The purpose of this report is to analyze and recommend an admission structure for the 401 Riverside Drive West location.

Research has been conducted regarding different types of admission structures, such as free admission, donation, exit fee, and entry fee. Also, differentiating means of pricing, such as aged based pricing, memberships, family pricing, resident/non-resident pricing, as well as bundling, have been considered. Admission structures at comparable institutions are also presented. Industry analysis, as well as trends in the industry are outlined to provide further depth.

A financial model has been created and various possible admission structures have been analyzed in accordance with this model. A range of possibilities are outlined and projected revenues are compared to budget. Based on the model as well as qualitative factors affecting visitor attendance, an optimal pricing structure has been recommended. Each aspect of the optimal pricing structure is then justified based on the research and analysis. Finally, long term considerations are outlined.

Research Question

What admission structure should the City of Windsor implement at the new museum location and why?

In answering the primary research question, the following secondary research questions will also be addressed.

What admission policy do other comparable museums undertake?

What are the possible options for admission at the museum?

How many visitors can the museum expect to attract?

Purpose and Scope

The purpose of this project is to deliver a recommended admission structure for the new Windsor Community Museum to the Corporation of the City of Windsor, and support the recommendation through research.

The scope of this project will take into consideration the new location of the Windsor Community Museum on 401 Riverside Drive West only. Recommendations will not be provided for the other location, the Francois Baby House.

Industry Analysis:

The museum industry is in a perpetual plateau stage, forcing museums to adapt by implementing innovative measures in order to remain sustainable. In addition to competing with other museums, museums also compete with other sources of entertainment and educational institutions.

Bargaining Power of Suppliers

The bargaining power of suppliers is weak, as the functioning of museums rarely requires suppliers for regular operations. However, an exception to this exists in museums that book travelling exhibits, the bargaining power of the supplier is strong in these scenarios. Travelling exhibit suppliers control when their exhibit is free and what cost will be charged to be booked. Typically, travelling exhibits occupy a niche market, making them rare which further increases the bargaining power of suppliers.

Bargaining Power of Consumers

The bargaining power of consumers is strong. Consumers include residents of the area, as well as visiting tourists. Local residents contribute to community museums via taxes which gives them power. In addition, due to the high level of industry competition consumers are able to fulfill their needs elsewhere if they are unsatisfied by the services offered at museums.

Threat of New Entrants

The threat of new entrants is low because there are only a few types of museums. Often, if a given location has a community museum or an art museum, others are unlikely to be developed in the same region.

Threat of Substitutes

The threat of substitutes is high and presents a challenge to museums. Alternative sources of entertainment and educational institutions act as museum substitutes. For example, entertainment may be found through theatres, outdoor activities, television, among others sources. Educational institutions such as the library, the Science Center and universities may also act as museum substitutes.

Political

The ever changing political environment heavily influences museum operations. Policy changes result in fluctuating resources which affect operations. Museums often depend on grants and funds provided by governments. This situation leads museums to look to a steady source of income generated by admission fees, in order to sustain operations.

Environmental

The environment demonstrates a moderate influence on museum operations. Seasonal weather changes moderately affect museum visitations. This seasonal variation creates a corresponding fluctuation in admission revenue. Additionally, seasonal changes affect the interior atmosphere of museums such as lighting, temperature, and humidity which must be tightly controlled in order to preserve the artifacts, as well to provide a comfortable ambience for visitors.

Social

Changing population demographics highly affect museums. The increasing number of retiring baby boomers may positively affect museums, as their interest in cultural institutions and their need for social interactions are high. Retirees are also a valuable source of museum volunteers. Children are potentially the most important museum consumers as cultural interest often develops at a young age. Due to recent social trends surrounding increased electronic usage, younger consumers demand interactive exhibits. The middle-aged population are the most difficult population to attract as their entertainment and educational needs often do not align with the services provided by museums.

Technological

Technological advancements moderately influence museums as they cause changes to museum operations, such as tracking visitor attendance and means of advertising. Most recently, internet advancements have led visitors to look to the internet to gather information about the museum before visiting. This has created an opportunity for museums to display their exhibits and to create museum awareness. On the contrary, some consumers are satisfied by visiting the online website and viewing the pictures, videos, and the information available online, that they do not come for a personal visit.

Economic

The economy moderately affects museums. Museums often depend on grants and funds provided by regional, provincial and national governments. Economical changes affect government ability to allot funds. The economic trend in society also influences the volume of consumer visits, when society is undergoing an economic downturn, people reduce disposable income spending. When museums experience low finances operational spending is rearranged. For example, special exhibits are a popular but costly investment that museums often cut back on.

Legal

Legal factors moderately influence museums, as per any other business. A commonly discussed legal issue affecting museums surrounds intellectual property and copyright laws. Museum artifacts do not always belong to the museum which affects how they can be displayed. Additionally, museums must also adhere to regular business laws surrounding taxes, employment and competition.

Methodology

In order to answer the question, "What admission structure should the City of Windsor implement at the new museum location and why?" a number of crucial steps were taken. Site visits were made, secondary research was conducted and financial forecasts were developed to propose an admission structure for the new museum located at 401 Riverside Drive West.

The project began with a visit to the Windsor Community Museum, located at the Francois Baby House, followed by a visit to 401 Riverside Drive West, the location of the museum expansion. These visits served to provide an understanding of the current situation at the Francois Baby House, the types of artifacts that will be displayed at the new museum, as well as determining the potential of the new location.

After visiting the museum spaces, secondary research was performed in order to collect data on the potential types of admission structures that could be implemented,

ways in which admission structures could be differentiated, admission structures used by comparable museums and factors that influence consumer interest in attending museums. This research served to assist in determining the options which were most appropriate for the Windsor Community Museum. The literature reviewed was unrestricted geographically to ensure that museum data from across the globe was explored. Additionally, the literature reviewed presented data on art and historical museums, as well as community and national museums.

Reviewing the alternative admission structures provided a starting point for conducting financial forecasts. The Museum Feasibility Development Study was also reviewed to determine how the projections and recommendations made by Lord Cultural Resources were constructed. A financial model was then developed to project revenues from the alternative admission structures.

Andrew Daher, manager of operating budget control and financial administration at the City of Windsor, was consulted to determine the annual operating budget at the new museum location. The revenue projections for each of the admission structure alternatives were integrated into the annual budget to determine how the bottom line would be affected by implementing different admission structures.

The final admission structure recommendation was decided based on quantitative and qualitative data. The financial projections made, in combination with the literature reviewed, which presented successes and failures of the alternate admission structures, lead to the proposed admission structure outlined in this report.

Research Conducted

Museums, are important cultural services, which have many different goals beyond economic efficiency. Additional goals include "creating educational value, financial revenue, attracting donors, and gaining international or local prestige" (Frey & Steiner, 2012). Museums are also seen as promoting "heritage tourism: as they determine the image and the overall tourism product of a destination" (Sharifi-Tehrani, Verbic, & Chung, 2013). Museums are sometimes supported by governments, as well as by private enterprises. Additionally, they depend on investments and earnings from operations (Riewe, 2009). In 2012, museums and other preservation sites generated 63 per cent of the culture industry's revenue. Revenues generated from admission prices at Canadian museums in 2007 and 2009, were 13 percent and 14 percent respectively (Euromonitor International, 2013). This suggests an increasing trend towards these sites generating more revenue from admissions and "becoming less dependent on public and private support" (Euromonitor International, 2013). Museums in all countries must continue to promote accessibility while increasing revenues. This research report serves to explore the alternative admission structures that museums offer.

Riewe (2009) indicates that there are several factors that need to be considered when adopting an admission structure. Riewe (2009) states that each museum has different ideals and values, and therefore must adopt a unique policy based on the factors most influential to their location. This research report will also explore the primary factors that influence museum attendance.

This report serves as considerations for the City of Windsor in implementing an admission structure at the 401 Riverside Drive West Museum.

Admission Structure

Free Entry

Research indicates that there is a growing trend in the museum industry to offer free admission to patrons. The main argument in support of not charging an admission

fee is to increase accessibility. A charge excludes those that are unable to pay the admission, and therefore does not help advance the mission of museums.

As public institutions, museums exist to serve their communities (Cortell, 2011). Several arguments exist for instituting free admission. Frey (2010) expresses that it is considered to be "social" to offer free admission as people of lower socioeconomic classes do not have to pay a fee for entrance into the museum, which creates a positive image on behalf of the museum. Also, Frey (2010) concludes that free entry increases the number of visitors, and therefore conveys cultural prestige across museums. According to Cortell (2011), museums are transforming into a role as an educational institution. Providing free access encourages education across communities. Cortell (2011) presents two main arguments in favour of free admission. Firstly, it is stated that museums are considered a public good, and positive externalities result from museums. Therefore, it makes sense to pay for them with tax dollars and additional charges should not be levied. The second argument is that museums have high fixed costs, and marginal costs are close to zero. The cost of an additional visitor is zero, and in economic terms it is most efficient to charge the marginal cost.

Many museums have now been offering limited free time. In this context, this means that the museums are providing hours where there is no charge levied, and other times where a charge is levied. Often, museums will offer a free day. McFelter (2006) says that regardless of what most museums charge for admission, they offer at least one free day per month where access to the permanent galleries is free. By offering occasional free admission to the infrequent visitor, the museum can more easily justify charging an entrance fee on a regular basis. This provides museums an opportunity to make a contribution to the community while implementing an admission fee.

McFelter (2006) argues that although free entry is usually effective in bringing in new audiences, there are significant drawbacks, including security and maintenance issues, and concerns of lost revenue. Also, some museum professionals believe that the perceived value of the museum experience is lowered, when an admission fee is not administered. These factors must be considered if implementing no charge for entry.

Donations (Pay what you can)

A donation structure is another form of admission that can be charged in order to allow visitors to pay what they can or what they feel necessary. In 2010, the Children's Museum of Tacoma was noticing that 50% of their visitors were coming for free or at a reduced price, whether on free days or because they were using special passes (Simon, 2013). After noticing this issue, the museum decided to implement a "pay as you will" model. This model was put into place in hopes of encouraging visitors to become mini-philanthropists. "Charging admission is a means test, and they want everyone to be able to pass" (Simon, 2013). This pay as you will model has become a major factor in the jump of attendance from 40,000 to 120,000 since the switch. Membership has also doubled and attendance by low-income families has increased (Simon, 2013).

A pay as you can model may have a few intangible returns as well. Vergeront (2013) mentioned that the Children's Museum of Tacoma noticed that individuals who paid between \$30 and \$40 did so joyfully as they were the ones deciding how much to give. The pay as you can model has also helped the museum's stature to respond to and serve the community. The decision to adapt this model was based on their motivation to allow easy access for all families to the museum.

Another successful implementation of pay as you can model comes from Mainse (2014), the executive director of the Arthur Child Heritage Museum who says "we have

charged admissions for a decade with modest revenue generation. In 2009, we ceased and our revenue from Admission by Donation has more than doubled and continues to increase year over year. For us it has been a far more successful model.”

There have been problems with pay as you can admission models in the past. The most publicized would be the admission rates at the Metropolitan Museum of Art's (Met) in New York. The Met recently won a lawsuit stating they were cleverly charging an admission price to visitors even though recommended was written very small near the prices. “It's easy to read the board listing prices for adults and children without seeing the small front saying ‘Recommended’” (Thompson, 2013).

Another aspect of the pay what you can admission model can be seen at The Children's Museum of Tacoma. They noticed that even though the average amount paid by non-members has decreased by almost half (roughly \$6 to \$3) the rise in attendance has offset this problem thus, resulting in an overall revenue gain (Simon, 2013). A pay what you can model could become risky for any institution as admission revenue can fluctuate greatly and may or may not be offset by an increase in visitors.

A pay as you can model can help museums fulfill their mission in serving its visitors, community, and itself. It is an easy system to implement into any type of attraction, it allows for all types of families to be able to attend and view the exhibits, and it gives individuals who do decide to make larger donations a joyful feeling. This type of model can also help museums to meet their financial goals.

Entry Fee

Admission fees are most often charged upon entry into a museum. The fee is explicitly stated and paid prior to entry. However, entry fees vary widely as they can be uniform or differentiated. Differentiation may depend on factors such as the visitor's residential status, age, timing of visit, type of exhibits, among other factors. Admission differentiation is effective when demand is low; if demand is low admission fees should be minimal to encourage additional visitation (Frey & Steiner, 2012). If museum demand is high, price differentiation is unnecessary because those with the highest willingness to pay will still visit the museum.

Dickenson (1994) believes that it is necessary for museums to charge for entry due to increased economic pressure. Increased costs in the 1970's and 1980's have led museums that have historically offered free admission to charge patrons. Entry fees help maintain an audience in the long run by enhancing the quality of exhibits, the majority of visitors will understand that it is essential to charge a fee for financial well-being. Although admission fees may reduce attendance, Cortell (2011) argues that there are other ways to increase accessibility. Museums can make their collections available through multimedia sources, as well as their website. This allows those who otherwise would be unable to access the collections an opportunity to view the museum's collections and galleries. Additionally, Cortell (2011) argues that if a higher general admissions price is charged, this can help subsidize lower income groups, expand hours, and even increase outreach programs.

An example of an entry fee structure is displayed below. Guelph Civic Museum implements the following entry fee structure (Hours, Admissions & Directions, 2014):

\$4.00 - Adult

\$3.00 - Senior (65+), Student (15 years to College/University), Child (2 to 14 years)

\$10.00 – Family (2 adults & 3 children maximum)

Guelph's entry fees are primarily differentiated based on visitor age, and offer family discounts. This is one of many combinations of entry fees implemented in museums.

Museums aim to maximize the net utility produced by the facility for society (Frey & Steiner, 2012). Therefore, visitors can only be charged a fee that equals satisfaction provided to the visitor. This is important to consider when developing an entry fee as visitors must perceive that they will achieve utility from their visit equal or greater than the cost of admission. If visitors do not perceive that they will achieve utility equal to the cost of admission, the admission fee will act as a barrier to entry.

Exit Fee

Most often when a fee is implemented for entry to a museum this fee is paid prior to entry. However, it has been suggested that the fee can be charged upon exiting the museum. Similar to entry fees, this cost may be uniform or differentiated. Differentiating exit fees may be based on the duration of the visit, customer demographics, or other factors that affect variable pricing such as the type of exhibit or the timing of the visit (Frey & Steiner, 2012).

Exit fees that are differentiated based on the duration of a customer's visit, charge visitors who spend longer periods in the museum more than visitors who spend shorter periods in the museum. This structure is thought to be correlated well with the customer's level of satisfaction (Frey & Steiner, 2012). Customers who are satisfied with their experience at the museum will stay longer than unsatisfied customers and also demonstrate an increased willingness to pay (Frey & Steiner, 2012).

To encourage longer visits a museum may decrease the admission rate as the duration of the visit increases. For example, a museum might charge \$2.00 for the first 15 minutes, \$1.75 for the following 15 minutes, \$1.25 for the next 15 minutes, and so on. Another option is to offer a free period at the beginning of visitation. For example, a museum might offer the first 15 minutes free of charge. Initial free admission allows visitors to leave the museum if they are dissatisfied (Frey & Steiner, 2012).

Admission Fee Differentiation

One of the concerns of museums everywhere is how to be accessible to a wide cross-section of the population they serve. Additionally, museums are concerned with remaining or becoming as efficient as possible. Therefore, it raises an important issue of pricing. In other words, what price or prices should be charged for visits, and how would they impact visits.

Using Contingent Valuation to assess willingness to pay for visits when there was free admission to museums, the data reveals that introducing admission fees led to a decline in visits to the museum particularly for lower income people (Lampi & Orth, 2008). In light of research, variable pricing is necessary for museums, considering the declining trend observed in regards to museum visitations as well as the decline in external available funding. Sources such as "endowment income, corporate contributions, individual donations, and foundation gift" (Dobrzynski, 2009) have been on the decline. Therefore, museums can implement variable admission structures in order to attract visitors and increase their revenues.

There are many ways to implement variable pricing admission structures. One of the ways is to add an extra charge for special exhibits. Furthermore, some museums have higher prices on weekends and lower prices on weekdays, which is similar to the airline industry (Dobrzynski, 2009). In addition, tickets bought online could carry a service fee as it prevents holders from having to wait in line in the museum. Another means of price variation involves charging a premium for those visiting during the first hour of operations (Dobrzynski, 2009). Although lower prices have been offered at times when the museum attracts fewer visitors, this strategy has been used primarily to control crowding. Other popular means of price variation include age based pricing, group pricing, family pricing, and resident vs. non-resident pricing. As a result, variable pricing is necessary for museums, as it enables museums to increase their revenue stream and make maximum use of their facility. Additionally, it helps promote accessibility to a wide cross-section of the population.

Age Based Pricing

There are many different museums throughout Ontario and Michigan that offer different admission charges to certain age groups. Museums that charge admissions always charge adults the highest rate, and typically offer discounts between 5% and 25% for seniors and students. This trend has been observed at comparable museums in Guelph, St. Catharines, Markham, London, and the Detroit. Age based pricing has been a popular means of admission differentiation for years in many different types of venues. Age based pricing assists services in attracting groups of visitors who otherwise may not have been inclined to visit these types of attractions.

There are museums across the country that allow children under the age of 12 visit for free, a policy that some say should be enshrined in law. On the other hand, the Royal Ontario Museum (ROM) has one of the highest admission rates in the country charging \$15 for children between the ages of 4 and 14, and \$19 for students between the ages of 15 and 17. These high prices can make it difficult for families to attend, even on half priced Friday's (Kingston, 2010).