

# Legacy Grant Report

Morris Theatre Cooperative  
12 East 6<sup>th</sup> Street  
Morris, MN 56267

Project Name: **Morris Theatre Cooperative Digital Projection Conversion**  
Project Start-End Dates: March 15, 2014 – June 1, 2014

Referencing:

2014 Minnesota Statutes

**3.303, Subd. 10. Constitutionally dedicated funding accountability.**

**129D.17 ARTS AND CULTURAL HERITAGE FUND.**



## I. Project Name: Morris Theatre Cooperative Digital Projection Conversion

### Project Description:

The Morris Theatre Co-operative purchased a digital projection system and successfully made the conversion to the new equipment in October 2012. However, unlike most movie theatres, the Morris Theatre is run as a cooperative owned by share-holding members. Our only paid employees are concession workers and projectionists and even those functions are filled by volunteers some nights. Because of our business structure, it was financially difficult to invest in a digital projection system. While doing so was necessary for the long-term survival of the Morris Theatre, in the short-term, it negatively impacted our financial situation by requiring us to take out a \$60,000 loan. This compounded the financial challenges we already faced including loans we've taken out to repair the exterior of the building and the need to raise money for interior repairs. The funds provided by the Arts and Cultural Heritage Fund allowed us to pay off part of the debt we incurred in order to purchase the new projection system and put us on a more secure financial footing.

### II. Morris Theatre Cooperative Board Members:

Daniel Mahoney, chair

Joel Tallaksen, vice chair

David Aronson, treasurer, funding recipient, [aronsond@morris.umn.edu](mailto:aronsond@morris.umn.edu)  
320-589-3191

David Ericksen, secretary

Bart Finzel,

Sheldon Giese

Sharon Martin

Renee Kannegiesser, accountant & board member

Kent Swenson

### III. Amount and source of funding & fiscal year of appropriation

\$27,027.00 from the Office of Grants Management, Legacy Fund, 2014  
Minnesota Session Law, Chapter 137, Article 4, Section 2, Subd. 6

### IV. The amount and source of any additional funding or leverage

The total project cost of the digital conversion was \$78,000. The cooperative board was able to allocate \$18,000 from our reserves toward the digital conversion project and received a \$60,000 loan to cover the cost of the digital conversion. \$60,000 loan from Bank of the West, PO Box 440, Morris, MN 56267, effective date: 11/16/2012.

### V. The duration of the projects

Project Start – End dates: March 15, 2014 – June 1, 2014

VI. The number of full time equivalents funded under the project.

This project was to replace a 35 mm projector with a new digital projector. There were no full time equivalents funded under the project.

VII. The direct expenses and administration costs of the project

The direct expenses of the project was \$78,000. The majority of this cost was to have Bright Star Systems, 7600 West 27<sup>th</sup> Street, Unit 223, Minneapolis, MN 55426, install the digital projector system. Some additional costs were incurred for local electricians (Kieffer Electric) and ventilation contractors (Mohr Plumbing & Heating) to provide the required electrical systems and appropriate ventilation for the digital projector.

There were no additional administrative costs.

VIII. Actual measured outcomes and evaluation of projects as required by statute

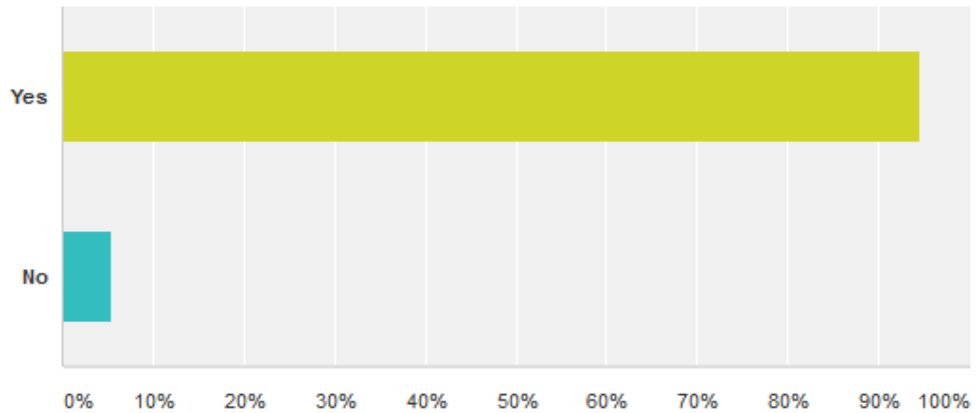
After conversion from the old 35 mm projector to the new digital projector our theatre staff spoke with theatre attendees about their theatre experience. Theatre attendees expressed appreciation for the significantly improved picture quality which was much brighter and sharper with no streaks in the picture. They also commented on the significantly improved sound quality. Another extremely important factor was reliability. With the old 35 mm system there were occasional breaks in the film which caused delays in the movies and sometimes forced cancelation with customers being sent home with rain checks. This caused considerable dissatisfaction as many times the customers were not able to reschedule their time to see the desired movie.

We also conducted a more formal survey of our theatre attendees/cooperative members. The results are listed in graphs below. Of those who attended movies while we were still 35mm less than 10% said they never experienced a problem, about 70% said they sometimes experienced problems and 20% said they frequently had problems. Asked if they have seen improvement in picture and sound quality since converting to digital about 97% responded they observed improved quality.

# Morris Theatre Survey Graphs

**Did you attend a movie at the Morris Theatre prior to digital conversion in October, 2012?**

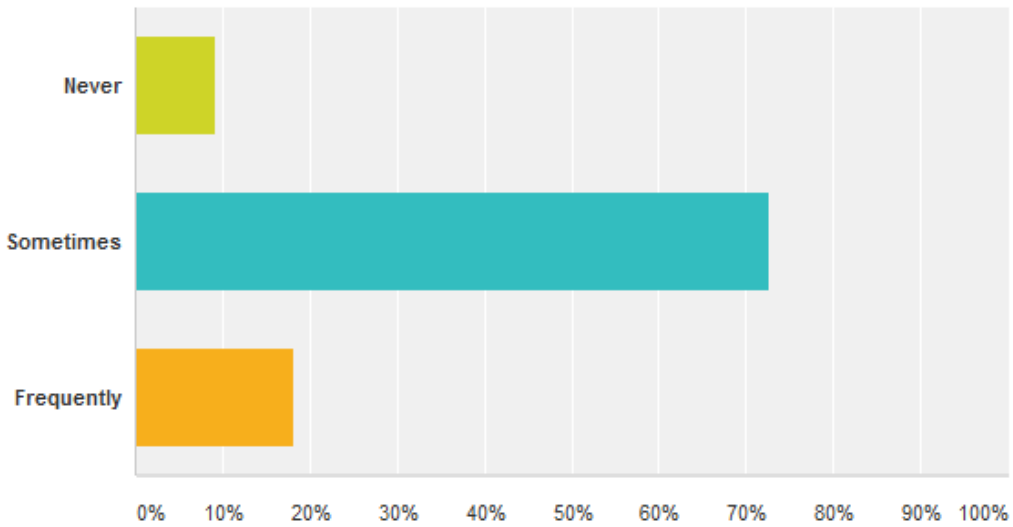
Answered: 37 Skipped: 0



| Answer Choices | Responses |
|----------------|-----------|
| Yes            | 94.59% 35 |
| No             | 5.41% 2   |
| Total          | 37        |

**If you did attend a movie while the theatre still had 35mm film, did you ever have a less than satisfactory experience due to poor picture quality (streaks etc.), poor sound, broken film or other issues? (if you didn't, please leave this blank)**

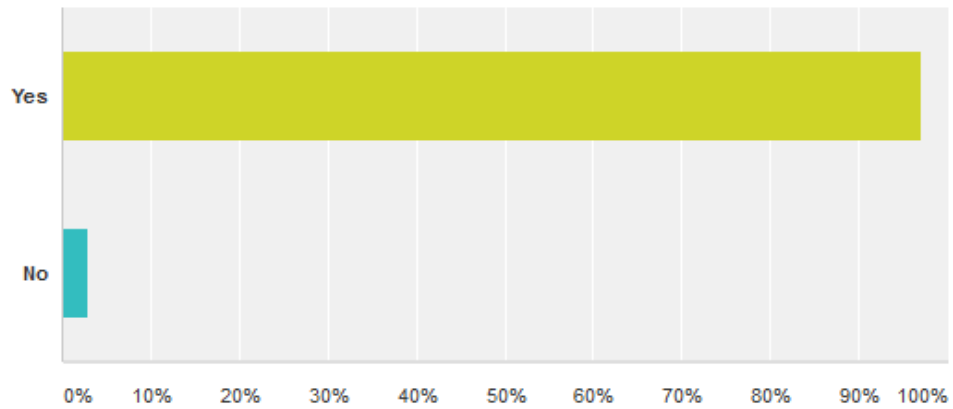
Answered: 33 Skipped: 4



| Answer Choices | Responses |
|----------------|-----------|
| ▼ Never        | 9.09% 3   |
| ▼ Sometimes    | 72.73% 24 |
| ▼ Frequently   | 18.18% 6  |
| Total          | 33        |

**If you have attended a 35mm film and digital film, have you observed improvement in the quality of the picture and audio since the change in digital? (leave blank if you have not seen both 35 mm film and digital)**

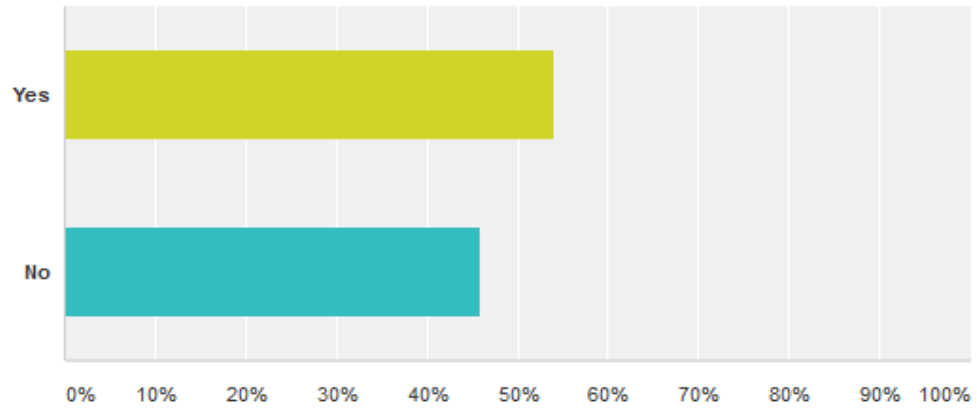
Answered: 35 Skipped: 2



| Answer Choices | Responses |
|----------------|-----------|
| Yes            | 97.14% 34 |
| No             | 2.86% 1   |
| Total          | 35        |

## Are you a member of the Morris Theatre Cooperative?

Answered: 37 Skipped: 0



| Answer Choices | Responses |
|----------------|-----------|
| Yes            | 54.05% 20 |
| No             | 45.95% 17 |
| Total          | 37        |