

**REPORT TO THE ROYAL & McPHERSON THEATRES SERVICES ADVISORY COMMITTEE
MEETING OF TUESDAY, APRIL 23, 2019**

SUBJECT Bylaw No. 4299: Royal Theatre Local Service Area Establishment Bylaw No 1, 1998, Amendment Bylaw No. 1, 2019

ISSUE

The Royal and McPherson Services Advisory Committee (RMTSAC) requested draft amendments to Bylaw 2587 to update the apportionment method from a) the use of the Inter-Municipal formula to the use of BC Assessments, and b) define the maximum requisition as the greater of either \$580,000, or funds raised based on 0.00790 per \$1000 assessment.

BACKGROUND

At their March 12, 2019 meeting the RMTSAC directed staff to provide a draft amendment to Bylaw 2587 that would:

- a) update the apportionment method from the use of the Inter-Municipal formula to the use of BC Assessments, and
- b) define the maximum requisition as the greater of either a)\$580,000, or b) funds raised based on 0.00790 per \$1000 assessment.

The rate of 0.00790 would raise \$580,000 based on 2019 assessments and, assuming growth in assessments, will provide the potential for increased funding of the Royal Theatre going forward.

Following a discussion the RMTSAC requested two versions of the amending bylaw, both containing the above amendments, with:

- version 1 to contain spending restrictions, in the current ratio, on operating and capital
- version 2 to omit restrictions on operating and capital

The intent of version 1 is to maintain capital needs as part of the bylaw. Version 2 would enable funding but leave decisions on the allocation of operating and capital to the budget process.

In their research, staff were advised by CRD Legislative Services that amending a bylaw to include such provisions as proposed in version 1 would not conform to current practice, as such decisions are integral to the planning and budget processes. Concerns related to responsibility for capital maintenance and improvement of the Royal Theatre are detailed in the management contract between the CRD and The Royal & McPherson Theatres Society, effective through December 2023.

In consideration of the above information, only version 2 of the amended bylaw, incorporating the requested changes and without restrictions on operating and capital, is provided for the consideration of the RMTSAC.

ALTERNATIVES

Alternative 1

That the Royal and McPherson Theatre Society Advisory Committee recommend to the Governance and Finance Committee:

That the Governance and Finance Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4299, Royal Theatre Local Service Area Establishment Bylaw No 1, 1998, Amendment Bylaw No. 1, 2019, be read a first, second, and third time.
2. That staff be directed to commence a consent approval process with the participants.

Alternative 2

That this report be received for information.

IMPLICATIONS

Financial

2020 is the first year the amendment will come into effect. There is no financial impact in 2020 as both clauses of the maximum requisition will raise \$580,000. The potential requisition will increase in subsequent years if assessments increase. Regardless of the potential requisition, actual funding is dependent on Committee approval within the budget process.

CONCLUSION

This bylaw amendment fulfils the request of the RMTSAC and provides flexibility in the potential level of funding available for the support of the Royal Theatre by:

1. updating the apportionment method from the Inter-Municipal Formula to the use of BC Assessments
2. changing the maximum requisition to the greater of \$580,000 or a potential amount based on assessments using a factor per \$1000/assessments.

Accountability for capital maintenance is addressed in the management contract between the CRD and RMTS.

RECOMMENDATION

That the Royal and McPherson Theatre Society Advisory Committee recommend to the Governance and Finance Committee:

That the Governance and Finance Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4299, Royal Theatre Local Service Area Establishment Bylaw No 1, 1998, Amendment Bylaw No. 1, 2019, be read a first, second, and third time.
2. That staff be directed to commence a consent approval process with the participants.

Submitted by:	James Lam, Manager, Arts and Culture
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Kevin Lorette, P.Eng., MBA, A/Chief Administrative Officer

JL:nm

Attachments: Appendix A, Bylaw No. 4299
Appendix B, Bylaw No. 2587

**REPORT TO THE ROYAL & McPHERSON THEATRES SERVICES ADVISORY COMMITTEE
MEETING OF TUESDAY, APRIL 23, 2019**

SUBJECT **Bylaw No. 4300: McPherson Playhouse Local Service Area Establishment
Bylaw No 1, 1999, Amendment Bylaw No. 1, 2019**

ISSUE

The Royal and McPherson Services Advisory Committee (RMTSAC) requested a draft amendment to Bylaw 2685 that would provide an apportionment method, using BC Assessments, to enable the estimation of cost sharing for potential new participants to the service.

BACKGROUND

At their March 12, 2019, meeting the RMTSAC directed staff to provide draft amendments to Bylaw 2685 to:

- provide an apportionment method that would allow the estimation of cost sharing for potential new participants in the Service.

Although there is a City of Victoria initiative to encourage additional participants in the McPherson Playhouse Service, the current Bylaw contains no apportionment method and therefore no means by which to calculate cost sharing for a jurisdiction wishing to join the Service. Amending the Bylaw as proposed provides this means. The maximum requisition remains unchanged at Seven Hundred and Fifty Thousand (750,000) Dollars.

Staff noted that the existing Bylaw currently contains restrictions on the use of funds as it relates to operating and capital. CRD Legislative Services has advised that amending a bylaw that included such restrictions would not conform to current practice as such allocations are typically determined within planning and budget processes.

If the priority is to enable the estimation of cost sharing by potential new partners then the amendment provides this ability. Allocation of operating and capital expenses remains under the oversight of the RMTSAC, Governance & Finance Committee, and the CRD Board through the budget approval process.

If the priority is to maintain restrictions on operating and capital within the Bylaw then the existing Bylaw can be maintained.

ALTERNATIVES

Alternative 1

That the Royal and McPherson Theatre Society Advisory Committee recommend to the Governance and Finance Committee:

That the Governance and Finance Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4300, McPherson Playhouse Local Service Area Establishment Bylaw No 1, 1999, Amendment Bylaw No. 1, 2019, be read a first, second, and third time.
2. That staff be directed to commence a consent approval process with the participants.

Alternative 2

That this report be received for information.

IMPLICATIONS

Financial

There is no change to the maximum requisition. Amendments would leave the allocation of operating and capital costs to the budget approval process.

CONCLUSION

This bylaw amendment fulfills the request of the RMTSAC by:

- providing a method to estimate cost sharing for the service using BC Assessments.

The amendment maintains the current maximum requisition of \$750,000; however, in accordance with current practice the amendment does not include restrictions on operating and capital allocation, leaving these decisions to be addressed within the budget process.

RECOMMENDATION

That the Royal and McPherson Theatre Society Advisory Committee recommend to the Governance and Finance Committee:

That the Governance and Finance Committee recommend to the Capital Regional District Board:

1. That Bylaw No. 4300, McPherson Playhouse Local Service Area Establishment Bylaw No 1, 1999, Amendment Bylaw No. 1, 2019, be read a first, second, and third time.
2. That staff be directed to commence a consent approval process with the participants.

Submitted by:	James Lam, Manager, Arts and Culture
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Kevin Lorette, P.Eng., MBA, A/Chief Administrative Officer

Attachment: Appendix A, Bylaw No. 4300
Appendix B, Bylaw No. 2685