



Making a difference...together

**ROYAL & MCPHERSON THEATRES SERVICES ADVISORY COMMITTEE**  
**Notice of Meeting on WEDNESDAY, OCTOBER 4<sup>TH</sup> at 4:00 p.m.**  
Room 488, 625 Fisgard Street, Victoria, BC, and Electronically

K. Murdoch (Chair)   S. Brice   J. Caradonna   K. Loughton   C. Plant

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**AGENDA**

1. Territorial Acknowledgement
2. Approval of Agenda
3. Adoption of Minutes of June 7, 2023

**Recommendation:** That the June 7, 2023, minutes of the Royal and McPherson Theatres Services Advisory Committee meeting be adopted.

4. Chair's Remarks
5. Presentations/Delegations

5.1. Royal and McPherson Theatres Society

**Attachment:** Royal & McPherson Power Point Presentation

6. Committee Business

6.1 2024 Budget for the Royal Theatre Service and the McPherson Playhouse Service

**Recommendation:** The Royal and McPherson Theatres Services Advisory Committee recommends the Finance Committee recommend to the Capital Regional District Board:

1. That the maximum allowable contribution amount of \$580,000 be approved for the Royal Theatre Service; and,
2. That the maximum allowable contribution amount of \$750,000 be approved for the McPherson Playhouse Service.

**Attachments:** Staff Report: 2024 Budget for the Royal Theatre Service and the McPherson Playhouse Service  
Appendix A: 2022 Financial Statements for the Royal & McPherson Theatres Society  
Appendix B: 2024 Budget for the Royal Theatre Service  
Appendix C: 2024 Budget for the McPherson Playhouse Service  
Appendix D: 2024 Community Needs Summary 2024 - Arts & Recreation

6.2 Update on the Status of Amending Bylaws for Royal Theatre and McPherson Playhouse

**Recommendation:** There is no recommendation. This report is for information only.

**Attachments:** Staff Report: Update on the Status of Bylaw No. 4560 and Bylaw No. 4561  
Appendix A: Bylaw No. 4560 (Royal Theatre Service)  
Appendix B: Bylaw No. 4561 (McPherson Playhouse Service)

7. Correspondence - none
8. New Business
9. Adjournment

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*To ensure quorum, please advise Heather Heywood at 250-360-3215, or [heywood@crd.bc.ca](mailto:heywood@crd.bc.ca) if you cannot attend.*



Making a difference...together

**Minutes of a Meeting of the Royal & McPherson Theatres Services Advisory Committee  
Held Wednesday, June 07, 2023, in Room 488, 625 Fisgard St., Victoria, BC**

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**Present: Directors:** K. Murdoch (Chair), S. Brice, J. Caradonna, C. Plant (EP),  
**Councillor:** K. Loughton

**Staff:** N. Chan, CRD CFO; C. Gilpin, Manager, H. Heywood, (recorder), CRD Arts & Culture

**Also Present:** F. Lehrbass (Executive Director), N. Downer, Finance Manager,  
Royal & McPherson Theatres Society

The meeting was called to order at 4:00 pm.

**1. Territorial Acknowledgement**

Chair Murdoch provided a Territorial Acknowledgement.

**2. Approval of Agenda**

**MOVED by Councillor Loughton, SECONDED by Director Caradonna,  
That the agenda be approved as circulated.**

**CARRIED**

**3. Adoption of Minutes**

**MOVED by Board Chair Plant, SECONDED by Director Caradonna,  
That the minutes of the May 3, 2023, meeting be adopted as previously circulated.**

**CARRIED**

**4. Chair's Remarks**

Chair Murdoch thanked members and guests for attending and invited F. Lehrbass to address the Committee.

**5. Presentations/Delegations**

**5.1 Presentation: Royal & McPherson Theatres Society**

F. Lehrbass advised members he met with staff to discuss modernizing the RMTS Bylaws and that he supports the recommendations. Going forward the RMTS will provide information as required.

**6. Committee Business**

**6.1 Policy Options for Modernizing the Bylaws of the Royal Theatre Service and  
McPherson Playhouse Service**

C. Gilpin provided an overview of the staff report, highlighting the amendments to the bylaws.

The Advisory Committee discussed the amendments, Service participation, and budgeting implications.

**MOVED by Board Chair Plant, SECONDED by Councillor Loughton, that  
The Royal and McPherson Theatres Services Advisory Committee directs staff to:**

1. **Draft an amending bylaw to the Royal Theatre Service (Bylaw No. 2587) that will:**
  - **Change the maximum requisition to the greater of \$580,000 or \$0.0059 per \$1,000 assessment;**
  - **Update the apportionment method of 50% population and 50% converted Land values from the inter-municipal formula of property values to the property assessment information provided by BC Assessment; and,**
  - **Remove restrictions on grant allocation to operating and capital purposes.**
  
2. **Draft an amending bylaw to the McPherson Playhouse Service (Bylaw No. 2685) that will:**
  - **Change the maximum requisition to the greater of \$750,000 or \$0.020 per \$1,000 assessment;**
  - **Add an apportionment method of 50% population and 50% assessed property values, based on the information provided by BC Assessment; and,**
  - **Remove restrictions on grant allocation to operating and capital purposes.**
  
3. **Bring a staff report with these amending bylaws to the July 2023 meeting of the Finance Committee with a recommendation that these bylaws are advanced to the CRD Board.**

**CARRIED**

Staff will send a copy of the previous draft bylaw to new members for their information.

**7. Correspondence**

7.1 Royal and McPherson Theatres Society - received for information

**8. New Business - none**

**9. Adjournment**

The meeting adjourned at 4:37pm.

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CHAIR

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RECORDER

# CRD RMTS ADVISORY COMMITTEE

OCTOBER 4, 2023



## VISION STATEMENT

Our community is enriched by sustainable theatres that bring people together to share in the wonder of performance experiences.

## MISSION STATEMENT

We connect artists and audiences, and provide professional stewardship of valued heritage theatres.

## OPERATING UPDATE

**The Royal and McPherson Theatres Society (RMTS) has recovered from the COVID-19 pandemic. Theatre production is once again operating to audience full capacity, and we are very busy. We continue to focus on mid and long-term considerations for ongoing sustainability.**

- Developed Strategic Framework and Tactical Plan
- Began implementing 2022 RMTS Green Plan
- Repaired, restored and maintained physical infrastructure of the theatres
- Ensured strong financial planning and management to support vital work
- Engaged in ongoing conversation with owners and participating municipalities
- Continue to retain and train professional employees to ensure a successful year of production
- Supported the arts and entertainment community through professional services
- Provided extra level of service to clients through our ticketing software consortium

## OPERATING REVIEW

From August 1, 2022 to July 31, 2023, a variety of events were staged at the Royal Theatre and McPherson Playhouse.

- 217 ticketed performances took place
- 83,088 tickets were issued
- 168,734 people attended (actual scanned tickets)
- 162,986 paid tickets
- User groups: 37 commercial, 14 non-profit, 12 educational



## COMMUNITY SUPPORT

### SUPPORT TO THE ARTS AND ENTERTAINMENT COMMUNITY

Proudly supporting local organizations, the Royal and McPherson Theatres Society facilitates and prioritizes the use of the Royal Theatre and McPherson Playhouse for the following non-profit groups:

- Ballet Victoria
- Canadian College of Performing Arts
- Community Living Victoria
- Dance Unlimited
- Dance Victoria
- Dansko Studios
- Elevate Dance Centre
- Intrepid
- Mountain Dream Productions
- Pacific Opera Victoria
- Passion and Performance Arts
- Protégé Dance Project
- Raino Dance
- The Salvation Army
- Shawnigan Lake School
- St. Michaels University School
- Veselka Ukrainian Dance Association
- Victoria Academy of Ballet
- Victoria Jazz Society
- VOS Musical Theatre
- Victoria Symphony
- Wonderheads

## COMMUNITY ENGAGEMENT

**The Royal and McPherson Theatres Society strives to find opportunities throughout the year to collaborate with local organizations to engage the community in new ways.**

### Community Opportunities Program

- Every holiday season the Salvation Army and the Naden Band host a Toy Drive Fundraiser at the Royal Theatre. In January 2024, Hockey Day in Canada will present a special community event at the McPherson Playhouse. The use of the theatres for these events is offered rent-free.

### Gallery at The Mac

- Twice a year the Victoria Arts Council showcases local artists in the McPherson Playhouse gallery. They are currently displaying an exhibition of print works by Indigenous artists.

### Mac Onstage and Royal Onstage

- Over the years both theatres have partnered with groups to offer local music and presentations. Most recently the Royal Theatre featured the National Geographic Live Speaker Series, providing ticket donations to staff, volunteers, and clients from several other non-profit groups in our community.

# 2024 PROVISIONAL OPERATING BUDGET

COMBINED THEATRES FINANCIAL BUDGET FOR THE YEAR ENDING DECEMBER 31, 2024

<b>REVENUE</b>	<b>\$ 3,663,000</b>
<b>DIRECT COSTS</b>	<b>1,930,800</b>
<b>GROSS PROFIT (LOSS)</b>	<b>1,732,200</b>
<b>COSTS &amp; EXPENSES</b>	<b>2,480,500</b>
<b>EARNINGS (LOSS) FROM OPERATIONS</b>	<b>(748,300)</b>
<b>OTHER INCOME</b>	
Grants from owner – McPherson Playhouse	<b>350,000</b>
Grants from owner – Royal Theatre	<b>100,000</b>
Other revenue	<b>127,400</b>
Interest	<b>89,000</b>
	<b>666,400</b>
<b>NET EARNINGS (LOSS) BEFORE PROJECTS</b>	<b>\$ (81,900)</b>
Special projects	<b>(104,800)</b>
<b>NET EARNINGS (LOSS)</b>	<b>\$ (186,700)</b>

## CAPITAL PROJECTS COMPLETED IN 2023

### MCPHERSON PLAYHOUSE:

- East stagehouse brick repair to address water ingress
- Scene loft repair
- Stage monitors replacement
- Restoration of terrazzo floor in the lobby
- Paging Touch Screens
- New event storage closet built in the mezzanine

### ROYAL THEATRE:

- ***HVAC upgrade***
- Main floor painting
- Stage monitors replacement
- Paging Touch Screens
- Dressing room upgrades

## CAPITAL PROJECTS UNDERWAY

### MCPHERSON PLAYHOUSE:

- Ongoing east stagehouse wall maintenance
- ***Roof ladder repair and upgrade***
- Task lighting in audience chamber and lobbies upgrade
- New Front of House directional and digital signage

### ROYAL THEATRE:

- Task lighting in audience chamber and lobbies upgrade
- ***Roof ladder repair and upgrade***
- Terracotta façade repair and protection

Both the Royal Theatre and the McPherson Playhouse are currently seeking proposals for an ongoing, multi-year project which will see all the exterior brickwork at both venues repointed and repaired/replaced as required.

## STRATEGIC PLANNING

### Strategic Framework

#### Vision

Our community is enriched by sustainable theatres that bring people together to share in the wonder of performance experiences.

#### Mission

We connect artists and audiences, and provide professional stewardship of valued heritage theatres.

#### Values

The People. The Place. The Experience.

#### Goal 1 Cohesive Team

**Strategic Priority 1.** We must prioritize people with a safe and supportive environment.

**Strategic Priority 2.** We must build trust to instill clarity, connection, and confidence.

#### Goal 2 Strong Community

**Strategic Priority 3.** We must proactively strengthen relationships to achieve mutual goals in the cultural life of our community.

**Strategic Priority 4.** We must engage with partners to further reconciliation, inclusion, and accessibility.

#### Goal 3 Effective Funding

**Strategic Priority 5.** We must develop a more sustainable, adaptable, diversified funding model.

**Strategic Priority 6.** We must work with partners to build a more compelling case for support.

#### Goal 4 Flourishing Venues

**Strategic Priority 7.** We must strive to maintain and improve our heritage buildings to meet evolving needs, being conscious of environmental sustainability.

**Strategic Priority 8.** We must take the lead in planning and implementing major capital projects, and seeking all sources of funding them.

## ASSET MANAGEMENT PLANNING

The RMTS continues to grow its capacity to maintain and renew the civic assets of the Royal Theatre and the McPherson Playhouse. Through the Institute of Public Works Engineering Australasia, three RMTS staff members earned the Professional Certificate in Asset Management Planning.



The Asset Management Steering Committee has undertaken the responsibility of generating a Renovation Plan for both the Royal Theatre and the McPherson Playhouse.

Following this work, the RMTS plans to undertake a Capital Funding & Sustainability Plan.

## MOVING FORWARD

**The Royal Theatre and McPherson Playhouse connect artists and audiences, enabling us to enrich our community by sharing the wonder of performance experiences. We need support to maintain our theatres, both financially and operationally, so we can continue to offer a diversity of live art and entertainment at sustainable and valued heritage theatres.**

### **WITH YOUR CONTINUED SUPPORT, THE RMTS WILL:**

- Ensure strong financial planning and management
- Develop a more sustainable, adaptable, diversified funding model
- Lead in planning and implementing major capital projects, and seeking all sources of funding for them
- Support the ongoing needs of the arts and entertainment community through professional services
- Strengthen relationships to achieve mutual goals in the cultural life of our community
- Continue developing and implementing formal strategic planning, asset management planning

**REPORT TO THE ROYAL & MCPHERSON THEATRES SERVICES ADVISORY COMMITTEE  
MEETING OF WEDNESDAY, OCTOBER 04, 2023**

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**SUBJECT**     **2024 Budget for the Royal Theatre Service and the McPherson Playhouse Service**

**ISSUE SUMMARY**

The Royal and McPherson Theatres Services Advisory Committee (RMTSAC) oversees the operating and capital contributions provided to the Royal and McPherson Theatres Society for the Royal Theatre through service Bylaw No. 2587 and the McPherson Playhouse through service Bylaw No. 2685.

**BACKGROUND**

The bylaws governing the theatre services specify a contribution of up to \$580,000 for the Royal Theatre (supported by the participating jurisdictions Oak Bay, Saanich, and Victoria) and \$750,000 for the McPherson Playhouse (supported by the participating jurisdiction of Victoria). Historically the contribution to both theatres has been approved at the maximum amount.

The Capital Regional District (CRD) provides these contributions, along with management agreements, to the Royal and McPherson Theatres Society (RMTS), a non-profit organization of theatre management professionals established for the purpose of operating and leading building improvements for the Royal Theatre and McPherson Playhouse. Each year RMTS is required to provide audited financial statements to the CRD as part of their reporting requirements (Appendix A).

These recommendations are based on the current bylaws for these subregional services. Currently amending Bylaw No. 4560 for the Royal Theatre Service and amending Bylaw No. 4561 for the McPherson Playhouse Service have been distributed for council consent. The timeline for receiving the results of this process is unknown at this time, as it is dependent on when participating jurisdictions consider the matter at their respective councils and then notify the CRD of the results of their deliberations.

The RMTSAC reports to the Finance Committee, which does not meet before the consideration of the provisional budget on October 25. Input from RMTSAC on budget levels will flow through the Finance Committee to be considered as part for the final budget package.

**IMPLICATIONS**

*Financial Implications*

In addition to operational expenses, RMTS has also planned approximately \$1.2 million in building improvement capital expenses in 2024 for necessary repairs and upgrades. These improvements include building envelope repairs at the Royal Theatre and upgrades to the audio and lighting systems at the McPherson Playhouse (see Appendix B and C for full list of capital projects). RMTS collects a building improvement fee as part of its ticket sales and those proceeds also assist in funding capital projects.

Increasing support for these facilities is noted as a goal in the Community Needs Summary for CRD Arts and Recreation (Appendix D, page 11).

*Service Delivery Implications*

Notably, RMTS supported the presentation of the largest-ever production at the Royal Theatre in May 2023, the musical *Come From Away*, which sold out many shows and contributed to 39,568 total attendees in a single month (across both theatres), a record-high. This achievement demonstrates agile leadership and pent-up audience demand for high-quality presentations.

In 2024, high inflation continues to degrade the purchasing power of the fixed contribution amounts to the Royal Theatre and McPherson Playhouse. RMTS has indicated that it may need to program more commercial shows, which generate higher rental fees and shared revenue than community non-profit shows, to remain financially sustainable.

**CONCLUSION**

Annual funding of the Royal Theatre through Bylaw No. 2587 and for the McPherson Playhouse through Bylaw No. 2685 are part of the budget approval process. The Royal and McPherson Theatres Society has provided audited financial statements, and Five-Year capital plans for the Royal Theatre and McPherson Playhouse to provide more context and rationale for the CRD contribution levels.

**RECOMMENDATION**

The Royal and McPherson Theatres Services Advisory Committee recommends the Finance Committee recommend to the Capital Regional District Board:

1. That the maximum allowable contribution amount of \$580,000 be approved for the Royal Theatre Service; and
2. That the maximum allowable contribution amount of \$750,000 be approved for the McPherson Playhouse Service.

Submitted by:	Chris Gilpin, MPA, Manager, Arts & Culture Support Service
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENTS**

- Appendix A: 2022 Financial Statements for the Royal & McPherson Theatres Society
- Appendix B: 2024 Budget for the Royal Theatre Service
- Appendix C: 2024 Budget for the McPherson Playhouse Service
- Appendix D: 2024 Community Needs Summary 2024 - Arts & Recreation

Financial Statements of

**THE ROYAL AND MCPHERSON  
THEATRES SOCIETY**

And Independent Auditor's Report thereon

Year ended December 31, 2022



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Canada  
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## INDEPENDENT AUDITOR'S REPORT

*To the Members of The Royal and McPherson Theatres Society*

### Report on the Audit of Financial Statements

#### ***Opinion***

We have audited the financial statements of The Royal and McPherson Theatres Society (the Society), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Society as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our Auditor's report.

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada  
April 14, 2023

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,905,884	\$ 1,229,751
Accounts receivable	3,859	120,571
Due from Capital Regional District	134,301	132,086
Inventory	17,987	14,574
Prepaid expenses	100,959	77,948
	<u>3,162,990</u>	<u>1,574,930</u>
Investments (note 2)	5,617,691	4,534,879
Capital assets (note 3)	544,434	631,775
	<u>\$ 9,325,115</u>	<u>\$ 6,741,584</u>

## Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities	\$ 317,000	\$ 359,398
Deferred revenue (note 4b)	6,700	22,735
Deferred ticket sales	4,398,889	2,159,875
	<u>4,722,589</u>	<u>2,542,008</u>
Deferred contributions (note 4a)	401,450	386,301
Fund balances:		
Unrestricted:		
McPherson Playhouse Operating Fund	-	-
Royal Theatre Operating Fund	-	-
Invested in capital assets – capital asset fund	544,434	631,775
Internally restricted (note 5):		
McPherson Playhouse Operating Reserve Fund	113,140	195,119
Royal Theatre Operating Reserve Fund	875,567	563,782
McPherson Playhouse Capital Fund	117,965	74,524
Royal Theatre Capital Fund	2,549,970	2,348,075
	<u>4,201,076</u>	<u>3,813,275</u>
	<u>\$ 9,325,115</u>	<u>\$ 6,741,584</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Statement of Operations and Changes in Fund Balances

Year ended December 31, 2022, with comparative information for 2021

	McPherson Playhouse			Royal Theatre			Capital Asset Fund	Combined	
	Operating Fund	Reserve Fund	Capital Fund	Operating Fund	Reserve Fund	Capital Fund		Total 2022	Total 2021
Revenue (Schedule)	\$ 1,525,009	\$ -	\$ -	\$ 2,608,990	\$ -	\$ -	\$ -	\$ 4,133,999	\$ 1,668,690
Deferred contributions (note 4a)	-	-	128,591	-	-	46,260	-	174,851	68,850
Deferred revenue (note 4b)	-	-	-	-	-	16,035	-	16,035	55,265
Interest income	-	3,485	1,148	-	10,066	41,023	-	55,722	36,950
	1,525,009	3,485	129,739	2,608,990	10,066	103,318	-	4,380,607	1,829,755
Expenses (Schedule)	(1,555,619)	-	-	(2,130,855)	-	-	-	(3,686,474)	(2,160,569)
Amortization of capital assets	-	-	-	-	-	-	(112,580)	(112,580)	(112,419)
Building and equipment:									
Owner (note 4a) and externally funded (note 4b)	-	-	(128,591)	-	-	(62,295)	-	(190,886)	(124,115)
Society funded	-	-	(386)	-	-	(2,480)	-	(2,866)	(18,830)
	(1,555,619)	-	(128,977)	(2,130,855)	-	(64,775)	(112,580)	(3,992,806)	(2,415,933)
Excess (deficiency) of revenue over expenses	(30,610)	3,485	762	478,135	10,066	38,543	(112,580)	387,801	(586,178)
Fund balances, beginning of year	-	195,119	74,524	-	563,782	2,348,075	631,775	3,813,275	4,399,453
Funding capital improvements	-	-	(12,175)	-	-	(13,064)	25,239	-	-
Transfer of user fees to capital funds (note 5)	(54,854)	-	54,854	(176,416)	-	176,416	-	-	-
Transfer to (from) reserve funds (from) to operating funds (note 5)	85,464	(85,464)	-	(301,719)	301,719	-	-	-	-
Fund balances, end of year	\$ -	\$ 113,140	\$ 117,965	\$ -	\$ 875,567	\$ 2,549,970	\$ 544,434	\$ 4,201,076	\$ 3,813,275

See accompanying notes to financial statements.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 387,801	\$ (586,178)
Amortization of capital assets	112,580	112,419
Amortization of deferred contributions	(174,851)	(68,850)
Contributions received	190,000	192,000
Net change in non-cash working capital (note 6)	2,268,654	1,675,220
	2,784,184	1,324,611
Investing:		
Net change in investments	(1,082,812)	(791,877)
Purchase of capital assets	(25,239)	(110,082)
	(1,108,051)	(901,959)
Increase in cash and cash equivalents	1,676,133	422,652
Cash and cash equivalents, beginning of year	1,229,751	807,099
Cash and cash equivalents, end of year	\$ 2,905,884	\$ 1,229,751

See accompanying notes to financial statements.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2022

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The Royal and McPherson Theatres Society (the “Society”) operates and manages the McPherson Playhouse on behalf of the City of Victoria (the “owner”) and Royal Theatre on behalf of the Capital Regional District (the “owner”). The Society was incorporated under the Society Act of British Columbia on March 3, 1977 and transitioned into the new Societies Act (British Columbia) on June 28, 2017. The Society is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

### 1. Significant accounting policies:

#### (a) Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards including the standards for government not-for-profit organizations. The following is a summary of the significant accounting policies used in the preparation of the financial statements.

#### (b) Fund accounting:

Revenue and expenses related to operating the McPherson Playhouse are reported in the McPherson Playhouse Operating Fund. Revenue and expenses related to operating the Royal Theatre are reported in the Royal Theatre Operating Fund. The Capital Asset Fund reports the revenue and expenses on capital assets owned by the Society.

The McPherson Playhouse Capital Fund and the Royal Theatre Capital Fund report revenue and expenses related to capital expenses at the McPherson Playhouse and the Royal Theatre respectively. Building and other capital costs are not recorded as assets because the Society is the manager and not the owner of these venues. Fundraising amounts and capital expenses, relating to these facilities, are recorded as revenue and expenses in these funds.

The McPherson Playhouse Operating Reserve Fund and the Royal Theatre Operating Reserve Fund report assets held for the purpose of supporting day-to-day operations and managing risk associated with unforeseen shortfalls or disruption.

Donations are reported in the appropriate fund designated by the donor.

#### (c) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with terms to maturity of three months or less at the date of purchase.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2022

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### 1. Significant accounting policies (continued):

#### (d) Capital assets:

Purchased capital assets owned by the Society are recorded in the capital fund at cost. Contributed assets are recorded in the capital fund at estimated fair value at the date of the contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives. Pianos are amortized over 25 years, box office ticketing enterprise system and website over 10 years, furniture and equipment over 5 years and office leasehold improvements over 10 years. Building and leasehold improvements, including stage and front of house equipment, are shown as expenses within the appropriate capital fund and not capitalized, as the benefit of the asset accrues to the owner.

#### (e) Revenue recognition:

The Society follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from production recoveries, box office, and theatre rentals are recognized once the event has occurred.

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted investment income is recognized in the appropriate operating fund when earned.

#### (f) Allocations:

Certain operations of the operating funds are conducted jointly. Revenue and expenses, which are not directly attributable to either operating fund, are allocated equally between the funds.

#### (g) Contributed services:

The Society receives certain benefits from volunteers. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

#### (h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to record any financial instruments at fair value.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2022

### 1. Significant accounting policies (continued)

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of estimates include amortization of capital assets, valuation of gift certificate liabilities and the collectability of accounts receivable. Actual results could differ from these estimates.

### 2. Investments:

Investments consist of bankers' acceptances and term deposits bearing interest at rates varying between 0.80% and 4.50% and maturity dates varying between 90 days and up to three years. It is the Society's intention to hold these assets on a long-term basis.

### 3. Capital assets:

	2022		
	Cost	Accumulated amortization	Net book value
Furniture and equipment	\$ 657,495	\$ 604,859	\$ 52,636
Box office ticketing enterprise system and website	967,059	681,973	285,086
Pianos	188,568	126,700	61,868
Office leasehold improvements	241,418	96,574	144,844
	<u>\$ 2,054,540</u>	<u>\$ 1,510,106</u>	<u>\$ 544,434</u>

	2021		
	Cost	Accumulated amortization	Net book value
Furniture and equipment	\$ 632,256	\$ 568,179	\$ 64,077
Box office ticketing enterprise system and website	967,059	637,753	329,306
Pianos	188,568	119,164	69,404
Office leasehold improvements	241,418	72,430	168,988
	<u>\$ 2,029,301</u>	<u>\$ 1,397,526</u>	<u>\$ 631,775</u>

The above tables only reflect those capital assets owned by the Society. Any building and other capital costs incurred by the Society are recorded as expenses in either the McPherson Playhouse Capital Fund or Royal Theatre Capital Fund in the year incurred.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2022

### 4. Deferred contributions and revenue:

- (a) Deferred contributions, received from the owners and reported in the McPherson Playhouse Capital Fund and the Royal Theatre Capital Fund, pertain to restricted contributions for each building.

The changes for the year in the deferred contributions balances reported in the McPherson Playhouse Capital Fund and the Royal Theatre Capital Fund are as follows:

	McPherson Playhouse Capital Fund	Royal Theatre Capital Fund	Total
Balance, December 31, 2020	\$ 195,726	\$ 67,425	\$ 263,151
Contributions	92,000	100,000	192,000
Amounts recognized to revenue	(22,874)	(45,976)	(68,850)
Balance, December 31, 2021	264,852	121,449	386,301
Contributions	88,000	102,000	190,000
Amounts recognized to revenue	(128,591)	(46,260)	(174,851)
Balance, December 31, 2022	\$ 224,261	\$ 177,189	\$ 401,450

- (b) Deferred revenue, received externally and reported in the McPherson Playhouse Capital Fund and the Royal Theatre Capital Fund, pertain to restricted revenues for each building.

The changes for the year in the deferred revenue balances reported in the McPherson Playhouse Capital Fund and the Royal Theatre Capital Fund are as follows:

	McPherson Playhouse Capital Fund	Royal Theatre Capital Fund	Total
Balance, December 31, 2020	\$ -	\$ 44,000	\$ 44,000
Contributions	34,000	-	34,000
Amounts recognized to revenue	(34,000)	(21,265)	(55,265)
Balance, December 31, 2021	-	22,735	22,735
Contributions	-	-	-
Amounts recognized to revenue	-	(16,035)	(16,035)
Balance, December 31, 2022	\$ -	\$ 6,700	\$ 6,700

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2022

### 5. Internally restricted fund balances:

The Society levies a user fee for all patrons attending performances at each theatre. The Board has internally restricted these resources to be expended subject to certain restrictions. These funds are transferred from the operating funds to the corresponding capital fund. In 2022, the Society transferred user fees totaling \$54,854 (2021 - \$8,930) to the McPherson Playhouse Capital Fund and \$176,416 (2021 - \$35,872) to the Royal Theatre Capital Fund respectively.

In 2019, the Society formally established the McPherson Playhouse Operating Reserve Fund and the Royal Theatre Operating Reserve Fund. The purpose of these Funds is to hold sufficient reserves to help ensure the operational stability and resilience of the Society. The Board has internally restricted these funds to be expended subject to certain restrictions. In 2019, the Society transferred \$505,202 from the McPherson Playhouse Operating Fund and \$1,131,211 from the Royal Theatre Operating Fund to establish the Reserve Fund balances. In 2022, the Society transferred \$85,464 (2021 - \$117,010) from the McPherson Playhouse Reserve Fund to the McPherson Playhouse Operating Fund and \$301,719 from the Royal Theatre Operating Fund to the Royal Theatre Reserve Fund (2021 - \$385,975 from the Royal Theatre Reserve Fund to the Royal Theatre Operating Fund.)

### 6. Net change in non-cash working capital:

	2022	2021
Accounts receivable decrease (increase)	\$ 116,712	\$ (40,216)
Due from Capital Regional District decrease (increase)	(2,215)	(24,861)
Inventory decrease (increase)	(3,413)	(8,505)
Prepaid expenses decrease (increase)	(23,011)	(39,734)
Accounts payable and accrued liabilities increase (decrease)	(42,398)	173,124
Deferred revenue increase (decrease)	(16,035)	(21,265)
Deferred ticket sales increase (decrease)	2,239,014	1,636,677
	<u>\$ 2,268,654</u>	<u>\$ 1,675,220</u>

### 7. Financial risks and concentration of credit risk:

It is management's opinion that the Society is not exposed to significant interest, currency or credit risks.

Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they become due. The Society uses budgets to monitor actual and forecasted cash flows to ensure operations are within resources available and sufficient cash is generated to sustain operations. Liquidity risk is mitigated in part by maintaining adequate working capital and sufficient fund balances. It is management's opinion that the exposure to liquidity risk has reduced from 2021.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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## 8. Pension plan:

The Society and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2021, the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 30 contributors from the Society.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024 with the results available in 2025.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Society paid \$141,216 (2021 - \$106,739) for employer contributions to the Plan in fiscal 2022.

## 9. Remuneration paid to Directors, Employees and Contractors:

Under the British Columbia Societies Act, the Society is required to disclose in the annual financial statements all remuneration paid to directors and the annual remuneration paid to employees and contractors receiving greater than \$75,000.

For the fiscal year ending December 31, 2022, the Society paid total remuneration of nil (2021 - nil) to directors. The Society paid \$931,659 to 10 employees (2021 - \$379,326 to four employees) for services, each of whom received total annual remuneration of \$75,000 or greater. No contractors were paid a total annual remuneration of \$75,000 or greater in either 2022 or 2021.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

Notes to Financial Statements

Year ended December 31, 2022

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## 10. Commitments:

The Society is committed to an operating lease agreement for office premises from April 2019 to March 2024, with an option to renew for a further term of five years. Future minimum lease payments until renewal are as follows:

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2023	\$ 48,166
2024	12,119

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## 11. Government COVID-19 subsidies

The Society received the following subsidies which have been included in revenue of the McPherson Playhouse and Royal Theatre Operating funds:

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	2022	2021
Canada Emergency Wage Subsidy (CEWS)	\$ -	\$ 381,911
Canada Emergency Rent Subsidy (CERS)	-	43,129
Tourism and Hospitality Recovery Program (THRP) Wage Subsidy	234,612	76,184
Tourism and Hospitality Recovery Program (THRP) Rent Subsidy	13,682	4,824
	<hr/> \$ 248,294	<hr/> \$ 506,048

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# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2022

### 12. Statement of Operations and Fund Balances comparative information:

The comparative information for the McPherson Playhouse and Royal Theatre operating funds is presented in the Schedule of Operating Fund Revenue and Expenses. The comparative information for the other funds is as follows:

	2021 McPherson Playhouse		2021 Royal Theatre		2021
	Reserve	Capital	Reserve	Capital	Capital
	Fund	Fund	Fund	Fund	Asset
					Fund
Revenue:					
Deferred contributions (note 4a)	\$ -	\$ 22,874	\$ -	\$ 45,976	\$ -
Deferred revenue (note 4b)	-	34,000	-	21,265	-
Interest income	1,843	1,058	5,607	28,442	-
	1,843	57,932	5,607	95,683	-
Expenses:					
Amortization of capital assets	-	-	-	-	(112,419)
Building and equipment: Owner (note 4a) and externally funded (note 4b)	-	(56,874)	-	(67,241)	-
Society funded	-	(2,972)	-	(15,858)	-
	-	(59,846)	-	(83,099)	(112,419)
Excess (deficiency) of revenue over expenses	1,843	(1,914)	5,607	12,584	(112,419)
Fund balances, beginning of year	310,286	122,755	944,150	2,354,454	634,112
Funding capital improvements	-	(55,247)	-	(54,835)	110,082
Transfer of user fees to capital funds (note 5)	-	8,930	-	35,872	-
Transfer of operating funds to reserve fund (note 5)	(117,010)	-	(385,975)	-	-
Fund balances, end of year	\$ 195,119	\$ 74,524	\$ 563,782	\$ 2,348,075	\$ 631,775

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Schedule of Operating Fund Revenue and Expenses

Year ended December 31, 2022, with comparative information for 2021

	McPherson Playhouse Operating Fund	Royal Theatre Operating Fund	Total 2022	McPherson Playhouse Operating Fund	Royal Theatre Operating Fund	Total 2021
<b>Revenue:</b>						
Production recoveries	\$ 274,820	\$ 832,795	\$ 1,107,615	\$ 46,770	\$ 166,381	\$ 213,151
Grants from owners	350,000	100,000	450,000	350,000	100,000	450,000
Box office charges	410,190	410,190	820,380	85,198	85,198	170,396
Rental income	109,160	501,945	611,105	23,515	90,763	114,278
User fee charges (note 5)	54,854	176,416	231,270	8,930	35,872	44,802
Concession sales	91,426	353,085	444,511	19,803	85,414	105,217
OnStage revenue	14,360	14,360	28,720	-	-	-
Interest income	23,025	23,025	46,050	2,225	2,225	4,450
Government COVID-19 subsidies (note 11)	124,147	124,147	248,294	253,024	253,024	506,048
Other	73,027	73,027	146,054	30,174	30,174	60,348
	1,525,009	2,608,990	4,133,999	819,639	849,051	1,668,690
<b>Expenses:</b>						
<b>Administration:</b>						
Salaries, contracts and benefits	464,603	464,603	929,206	353,006	353,006	706,012
Office	137,452	137,452	274,904	107,714	107,714	215,428
Professional fees	16,844	16,844	33,688	14,264	14,264	28,528
Conventions, conferences and travel	3,077	3,077	6,154	122	122	244
Administration and management fees	12,810	12,810	25,620	12,663	12,663	25,326
Bad debt expense (recovery)	-	(330)	(330)	-	-	-
Production expenses	295,495	678,120	973,615	109,547	191,101	300,648
Box office operations	279,238	279,238	558,476	170,007	170,007	340,014
Building operations	118,751	172,504	291,255	91,869	201,869	293,738
Building maintenance	140,951	166,469	307,420	74,701	106,669	181,370
Concession operations	60,172	169,738	229,910	19,102	44,849	63,951
OnStage expenses	24,860	24,860	49,720	-	-	-
Community services	1,366	5,470	6,836	-	5,310	5,310
	1,555,619	2,130,855	3,686,474	952,995	1,207,574	2,160,569
Excess of revenue over expenses	(30,610)	478,135	447,525	(133,356)	(358,523)	(491,879)
Transfer of user fees to capital funds (note 5)	(54,854)	(176,416)	(231,270)	(8,930)	(35,872)	(44,802)
Change in operating funds before transfer from operating reserve funds (note 5)	\$ (85,464)	\$ 301,719	\$ 216,255	\$ (142,286)	\$ (394,395)	\$ (536,681)

# **CAPITAL REGIONAL DISTRICT**

## **2024 BUDGET**

### **Royal Theatre**

#### **Royal and McPherson Theatres Services Advisory Committee Review**

October 2023

Service: 1.290 Royal Theatre

Committee: Finance

**DEFINITION:**

The function of purchasing, maintaining, equipping, operating and selling the Royal Theatre in Victoria to the Capital Regional District. The function is for the purpose of pleasure, recreation and community use and includes all facilities and concessions associated with the Royal Theatre and a parking lot. Local Services Establishment Bylaw No. 2587, March 25, 1998.

**SERVICE DESCRIPTION:**

This is a service to provide funding for the support of the Royal Theatre in the City of Victoria as a community centre of art and education. Ownership was transferred to the CRD in 1998. The service operates under an agreement with the Royal and McPherson Theatres Society Board who manage the theatre in return for financial support.

**PARTICIPATION:**

City of Victoria, District of Saanich, and District of Oak Bay, apportioned 50% on converted value of land and improvements and 50% on the basis of population (see bylaw for details).

**MAXIMUM LEVY:**

Capital Expenditures	\$480,000
Annual Operating Expenditures	\$100,000

Note: Grants in Lieu of Taxes paid to the Regional District will be held to the credit of the participant.

**MAXIMUM CAPITAL DEBT:**

NIL

**COMMISSION:**

Royal and McPherson Theatre Society reporting to a sub-committee of the Finance Committee.

**FUNDING:**

ROYAL THEATRE			BUDGET REQUEST				FUTURE PROJECTIONS			
	2023 BOARD BUDGET	2023 ESTIMATED ACTUAL	2024 CORE BUDGET	2024 ONGOING	2024 ONE-TIME	2024 TOTAL	2025 TOTAL	2026 TOTAL	2027 TOTAL	2028 TOTAL
<u>OPERATING COSTS:</u>										
Third Party Payment	37,653	37,653	37,535	-	-	37,535	34,945	32,236	29,408	26,441
Insurance Costs	44,800	44,800	44,300	-	-	44,300	46,510	48,830	51,260	53,820
Internal Allocation	16,947	16,947	17,565	-	-	17,565	17,945	18,334	18,732	19,139
Operating Cost - Other (Interest)	600	600	600	-	-	600	600	600	600	600
<b>TOTAL OPERATING COSTS</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	-	-	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
*Percentage Increase		0.00%	0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
<u>CAPITAL / RESERVE</u>										
Capital Equipment Purchase	101,000	101,000	105,000	-	-	105,000	105,000	105,000	109,000	109,000
Transfer to Capital Reserve Fund	379,000	379,000	375,000	-	-	375,000	375,000	375,000	371,000	371,000
<b>TOTAL CAPITAL / RESERVES</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>	-	-	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>
Debt Charges	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL COSTS</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>	-	-	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>
<b>TOTAL COSTS</b>	<b>580,000</b>	<b>580,000</b>	<b>580,000</b>	-	-	<b>580,000</b>	<b>580,000</b>	<b>580,000</b>	<b>580,000</b>	<b>580,000</b>
<u>FUNDING SOURCES (REVENUE)</u>										
Estimated balance C/F from current to Next year										
Balance C/F from Prior to Current year										
Revenue - Other	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REQUISITION</b>	<b>(580,000)</b>	<b>(580,000)</b>	<b>(580,000)</b>	-	-	<b>(580,000)</b>	<b>(580,000)</b>	<b>(580,000)</b>	<b>(580,000)</b>	<b>(580,000)</b>

**CAPITAL REGIONAL DISTRICT**  
**FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2024 to 2028**

<b>Service No.</b>	<b>1.290</b>	<b>Carry Forward from 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>TOTAL</b>
	<b>Royal Theatre</b>							

**EXPENDITURE**

Buildings	\$0	\$867,000	\$2,337,000	\$93,000	\$0	\$0	\$3,297,000
Equipment	\$0	\$0	\$462,000	\$44,000	\$0	\$16,500	\$522,500
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$867,000</b>	<b>\$2,799,000</b>	<b>\$137,000</b>	<b>\$0</b>	<b>\$16,500</b>	<b>\$3,819,500</b>

**SOURCE OF FUNDS**

Capital Funds on Hand	\$0	\$0	\$112,000	\$0	\$0	\$0	\$112,000
Debenture Debt (New Debt Only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	\$0	\$0	\$680,000	\$0	\$0	\$0	\$680,000
Donations / Third Party Funding	\$0	\$350,000	\$1,055,000	\$0	\$0	\$0	\$1,405,000
Reserve Fund	\$0	\$517,000	\$952,000	\$137,000	\$0	\$16,500	\$1,622,500
	<b>\$0</b>	<b>\$867,000</b>	<b>\$2,799,000</b>	<b>\$137,000</b>	<b>\$0</b>	<b>\$16,500</b>	<b>\$3,819,500</b>

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2024 - 2028

Service #: 1.290

Service Name: Royal Theatre

Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	PROJECT BUDGET & SCHEDULE											
				Total Project Budget	Asset Class	Funding Source	Carryforward	2024	2025	2026	2027	2028	5 - Year Total		
20-03	New	Add Balcony & Pit Railings	Add railings to ensure patron safety and comfort	\$ 75,000	B	Res			\$ 75,000						\$ 75,000
21-12	Renewal	Repair Building Envelope	Repairing building envelope of the 1914 structure	\$ 2,293,000	B	Res		\$ 350,000	\$ 375,000	\$ 93,000					\$ 818,000
	Renewal	Repair Building Envelope	Repairing building envelope of the 1914 structure		B	Other		\$ 350,000	\$ 375,000						\$ 725,000
21-13	Renewal	Plan, Rebuild and Expand Orchestra Pit	Plan, Rebuild and expand orchestra Pit to allow increased physical distancing of musicians and performers	\$ 115,000	B	Cap			\$ 112,000						\$ 112,000
24-01	Replacement	Repour and refinish concrete main floor and replacement of seats and aisle light	Repour and refinish concrete main floor and replacement of seats and aisle lights	\$ 700,000	B	Other			\$ 280,000						\$ 280,000
	Replacement	Repour and refinish concrete main floor and replacement of seats and aisle light	Repour and refinish concrete main floor and replacement of seats and aisle lights.		B	Grant			\$ 280,000						\$ 280,000
	Replacement	Repour and refinish concrete main floor and replacement of seats and aisle light	Repour and refinish concrete main floor and replacement of seats and aisle lights.		B	Res			\$ 140,000						\$ 140,000
24-02	Replacement	Replace Orchestra Shel	Replace 40 year old orchestra she	\$ 750,000	B	Other			\$ 300,000						\$ 300,000
	Replacement	Replace Orchestra Shel	Replace 40 year old orchestra shel		E	Grant			\$ 300,000						\$ 300,000
	Replacement	Replace Orchestra Shel	Replace 40 year old orchestra shel		E	Res			\$ 150,000						\$ 150,000
24-03	Defer	Emergency Repairs	Unforeseen emergency repairs	\$ 50,000	B	Res		\$ 50,000							\$ 50,000
24-04	Renewal	Wardrobe Department Upgrad	Upgrade wardrobe departmer	\$ 83,000	B	Res		\$ 83,000	\$ 100,000						\$ 183,000
24-05	Renewal	Restore Stage Surface	Deep restoration and refinish of stage surfac	\$ 9,000	B	Res		\$ 9,000	\$ 50,000						\$ 59,000
24-06	New	Install Loading Bay Safety Lightin	Install new loading bay safety lightin	\$ 25,000	B	Res		\$ 25,000							\$ 25,000
25-01	Replacement	Replace Seats and Aisle Lights in balcon	Replace 20 year old seats in balcon	\$ 250,000	B	Other			\$ 100,000						\$ 100,000
	Replacement	Replace Seats and Aisle Lights in Balcon	Replace 20 year old seats in balcony		B	Grant			\$ 100,000						\$ 100,000
	Replacement	Replace Seats and Aisle Lights in Balcon	Replace 20 year old seats in balcony		B	Res			\$ 50,000						\$ 50,000
25-02	Replacement	Replace APs and UPS	Replace wireless access points and back up batteri	\$ 12,000	E	Res			\$ 12,000						\$ 12,000
26-01	Replacement	Replace Switches	Replace network switche	\$ 44,000	E	Res				\$ 44,000					\$ 44,000
28-01	Replacement	Replace SRST	Replace Cisco phone communications syster	\$ 16,500	E	Res							\$ 16,500		\$ 16,500
															\$
			<b>GRAND TOTAL</b>	<b>\$ 4,422,500</b>				<b>\$</b>	<b>\$ 867,000</b>	<b>\$ 2,799,000</b>	<b>\$ 137,000</b>	<b>\$</b>	<b>\$ 16,500</b>	<b>\$</b>	<b>\$ 3,819,500</b>

Service:

1.290

Royal Theatre

Project Number 20-03

Capital Project Title Add Balcony & Pit Railings

Capital Project Description Add railings to ensure patron safety and comfort

Project Rationale The addition of railings will ensure patron safety and comfort while moving to and from seats in the balcony area of the theatre.

Project Number 21-12

Capital Project Title Repair Building Envelope

Capital Project Description Repairing building envelope of the 1914 structure.

Project Rationale Flagged as immediate priority in Royal Theatre – Building Envelope Assessment Report prepared for the CRD Dec. 8, 2020 by Stantec Architecture Ltd. Repairing building envelope will ensure the 1914 structure will remain stable and will reduce energy consumption

Project Number 21-13

Capital Project Title Plan, Rebuild and Expand Orchestra Pit

Capital Project Description Plan, Rebuild and expand orchestra Pit to allow increased physical distancing of musicians and performers

Project Rationale Plan, rebuild and expand orchestra pit to align with professional standards of performing arts organizations.

Project Number 24-01

Capital Project Title Repour and refinish concrete main floor and replacement of seats and aisle lights

Capital Project Description Repour and refinish concrete main floor and replacement of seats and aisle lights

Project Rationale Repouring and refinishing concrete main floor for improved safety, hygiene and cleaning protocols. Replacing the seats and lights for patrons comfort and safety. New seating will improve cleaning protocols. Current seats reaching end of useful life.

Service:

1.290

Royal Theatre

Project Number 24-02

Capital Project Title Replace Orchestra Shell

Capital Project Description Replace 40 year old orchestra shell

Project Rationale Replace 40 year old inappropriate orchestra shell with custom designed shell for professional symphony orchestra to provide the best quality product for patrons and clients.

Project Number 24-03

Capital Project Title Emergency Repairs

Capital Project Description Unforeseen emergency repairs.

Project Rationale Capital funds to accommodate any emergency repairs to the building.

Project Number 24-04

Capital Project Title Wardrobe Department Upgrade

Capital Project Description Upgrade wardrobe department

Project Rationale Upgrade wardrobe department with electrical upgrade, extensive plumbing upgrades, dropped ceiling and drywall to accommodate two more stacked washers and dryers in order to meet clients' requirements.

Project Number 24-05

Capital Project Title Restore Stage Surface

Capital Project Description Deep restoration and refinish of stage surface

Project Rationale Deep restoration and refinish of stage surface to return to fixed level.

**1.290 Royal Theatre  
Asset and Reserve Summary  
2024 - 2028 Financial Plan**

**Asset Profile**

**Royal Theatre**

Assets held by the Royal Theatre service consist of land, Royal Theatre built in 1913 as well as various equipment. Royal Theatre was renovated in 2003 and 2005.

**Capital Reserve Fund Schedule**

**Reserve Fund: 1.290 Royal Theatre Capital Reserve Fund (Bylaw No. 2855)**

**Cost Centre: 101607 (PLO)**

**Capital Reserve Fund**

**Projected year end balance**

**Beginning Balance**

**Planned Capital Expenditure (Based on Capital Plan)**

**Transfer from Operating Budget**

**Interest Income\*\***

**Total projected year end balance**

	<b>Est Actual</b>	<b>Budget</b>				
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Beginning Balance	1,235,072	737,072	602,072	25,072	259,072	630,072
Planned Capital Expenditure (Based on Capital Plan)	(927,000)	(517,000)	(952,000)	(137,000)	-	(16,500)
Transfer from Operating Budget	379,000	375,000	375,000	371,000	371,000	371,000
Interest Income**	50,000	7,000				
<b>Total projected year end balance</b>	<b>737,072</b>	<b>602,072</b>	<b>25,072</b>	<b>259,072</b>	<b>630,072</b>	<b>984,572</b>

\*\* Interest should be included in determining the estimated ending balance for the current year. Interest in planning years nets against inflation which is not included.

# **CAPITAL REGIONAL DISTRICT**

## **2024 BUDGET**

### **McPherson Theatre**

#### **Royal and McPherson Theatres Services Advisory Committee Review**

**Service:** 1.295 McPherson Theatre

**Committee:** Finance

**DEFINITION:**

A local service established for the purpose of purchasing, maintaining, equipping and operating the McPherson Playhouse in Victoria, British Columbia. Local Services Establishment Bylaw No. 2685, March 10, 1999.

**SERVICE DESCRIPTION:**

This is a service to provide funding for the support of the McPherson Theatre in the City of Victoria. The building is owned by the City of Victoria. The service operates under an agreement with the Royal and McPherson Theatres Society Board who manage the theatre in return for financial support. This building operation was transferred to the CRD for ease of administration with the Royal & McPherson Theatres Society and to recognize the benefits of one organization operating the two theatres (one ticket system, ability to move acts between if financially beneficial, etc.)

**PARTICIPATION:**

The City of Victoria is the only participant.

**MAXIMUM LEVY:**

The maximum amount that may be requisitioned under section 816(1) of the Municipal Act (Section 803 of the Local Government Act) for the annual cost of the local service will be:

- (a) for capital expenditures including but not limited to, the renovation, reconstruction or rebuilding of a performing arts theatre, machinery and equipment, reserve fund transfer and annual debt servicing payments. The maximum amount will be \$400,000.
- (b) for annual operating expenditures which may also include expenditures of a nature referred to in (a) above, the maximum amount will be \$350,000.

**MAXIMUM CAPITAL DEBT:**

None

**COMMISSION:**

Royal and McPherson Theatre Society reporting to a sub-committee of the Finance Committee.

**FUNDING:**

McPHERSON THEATRE			BUDGET REQUEST				FUTURE PROJECTIONS			
	2023 BOARD BUDGET	2023 ESTIMATED ACTUAL	2024 CORE BUDGET	2024 ONGOING	2024 ONE-TIME	2024 TOTAL	2025 TOTAL	2026 TOTAL	2027 TOTAL	2028 TOTAL
<u>OPERATING COSTS:</u>										
Third Party Payments	307,342	307,342	306,765	-	-	306,765	305,886	304,988	304,070	303,133
Internal Allocations	41,947	41,947	42,524	-	-	42,524	43,403	44,301	45,219	46,156
Interest Charge	300	300	300	-	-	300	300	300	300	300
<b>TOTAL OPERATING COSTS</b>	<b>349,589</b>	<b>349,589</b>	<b>349,589</b>	-	-	<b>349,589</b>	<b>349,589</b>	<b>349,589</b>	<b>349,589</b>	<b>349,589</b>
*Percentage Increase	0.00%	0.00%	0.00%			0.00%	0.00%	0.00%	0.00%	0.00%
<u>CAPITAL / RESERVE</u>										
Capital Equipment Purchases	88,000	88,000	90,000	-	-	90,000	90,000	90,000	94,000	94,000
Transfer to Reserve Fund	348,233	348,233	346,233	-	-	346,233	346,233	346,233	342,233	342,233
<b>TOTAL CAPITAL / RESERVES</b>	<b>436,233</b>	<b>436,233</b>	<b>436,233</b>	-	-	<b>436,233</b>	<b>436,233</b>	<b>436,233</b>	<b>436,233</b>	<b>436,233</b>
<b>TOTAL COSTS</b>	<b>785,822</b>	<b>785,822</b>	<b>785,822</b>	-	-	<b>785,822</b>	<b>785,822</b>	<b>785,822</b>	<b>785,822</b>	<b>785,822</b>
<u>FUNDING SOURCES (REVENUE)</u>										
Estimated balance C/F from current to Next year		-	-	-	-					
Balance C/F from Prior to Current year	-	-								
Grants In Lieu of Taxes	(35,822)	(35,822)	(35,822)	-	-	(35,822)	(35,822)	(35,822)	(35,822)	(35,822)
<b>TOTAL REVENUE</b>	<b>(35,822)</b>	<b>(35,822)</b>	<b>(35,822)</b>	-	-	<b>(35,822)</b>	<b>(35,822)</b>	<b>(35,822)</b>	<b>(35,822)</b>	<b>(35,822)</b>
<b>REQUISITION</b>	<b>(750,000)</b>	<b>(750,000)</b>	<b>(750,000)</b>	-	-	<b>(750,000)</b>	<b>(750,000)</b>	<b>(750,000)</b>	<b>(750,000)</b>	<b>(750,000)</b>
*Percentage increase over prior year requisition		0.0%	0.00%			0.00%	0.00%	0.00%	0.00%	0.00%

**CAPITAL REGIONAL DISTRICT**  
**FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2024 to 2028**

<b>Service No.</b>	<b>1.295</b>	<b>Carry Forward from 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>TOTAL</b>
	<b>McPherson Theatre</b>							

**EXPENDITURE**

Buildings	\$0	\$270,000	\$300,000	\$238,000	\$190,000	\$0	\$998,000
Equipment	\$0	\$57,000	\$15,000	\$55,000	\$0	\$16,500	\$143,500
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$327,000</b>	<b>\$315,000</b>	<b>\$293,000</b>	<b>\$190,000</b>	<b>\$16,500</b>	<b>\$1,141,500</b>

**SOURCE OF FUNDS**

Capital Funds on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture Debt (New Debt Only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment Replacement Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants (Federal, Provincial)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$327,000	\$315,000	\$293,000	\$190,000	\$16,500	\$1,141,500
	<b>\$0</b>	<b>\$327,000</b>	<b>\$315,000</b>	<b>\$293,000</b>	<b>\$190,000</b>	<b>\$16,500</b>	<b>\$1,141,500</b>

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2024 - 2028

Service #: 1.295

Service Name: McPherson Theatre

				PROJECT BUDGET & SCHEDULE										
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward	2024	2025	2026	2027	2028	5 - Year Total	
21-13	Renewal	Repair Building Envelope and Restore Façade	Repair building envelope and restore façade	\$ 1,163,000	B	Res		\$ 110,000	\$ 300,000	\$ 238,000	\$ 190,000		\$ 838,000	
22-06	Renewal	Recoating of Fibreglass Façade	Recoating of fibreglass façade	\$ 26,000	B	Res		\$ 26,000					\$ 26,000	
22-07	Renewal	Repair Stand-alone canopie	Repair stand-alone canopie	\$ 5,000	B	Res		\$ -					\$ -	
24-01	Defer	Emergency Repairs	For Unforeseen Emergency Repair	\$ 50,000	B	Res		\$ 50,000					\$ 50,000	
24-02	Replacement	Replace Architectural Detail Lightin	Replace tungsten and quartz architectural lights with LED technolog	\$ 20,000	B	Res		\$ 20,000					\$ 20,000	
24-03	New	Install Loading Bay Safety Lightin	Intall new loading bay safety lightin	\$ 24,000	B	Res		\$ 24,000					\$ 24,000	
24-04	New	Wireless Microphone Expansion Projec	Expand wireless microphone inventor	\$ 57,000	E	Res		\$ 57,000					\$ 57,000	
24-05	Replacement	Remove Concrete Canopie:	Remove concrete canopie:	\$ 40,000	B	Res		\$ 40,000					\$ 40,000	
25-01	Replacement	Replace APs and UPS	Replace wireless access points and back up batterie	\$ 15,000	E	Res			\$ 15,000				\$ 15,000	
26-01	Replacement	Replace Switches	Replace network switches	\$ 55,000	E	Res				\$ 55,000			\$ 55,000	
28-01	Replacement	Replace SRST	Replace Cisco phone communications system	\$ 16,500	E	Res						\$ 16,500	\$ 16,500	
			<b>GRAND TOTAL</b>	<b>\$ 1,471,500</b>			<b>\$ -</b>	<b>\$ 327,000</b>	<b>\$ 315,000</b>	<b>\$ 293,000</b>	<b>\$ 190,000</b>	<b>\$ 16,500</b>	<b>\$ 1,141,500</b>	

Service:

1.295

McPherson Theatre

**Project Number** 21-13

**Capital Project Title** Repair Building Envelope and Restore Façade

**Capital Project Description** Repair building envelope and restore façade

**Project Rationale** Flagged as immediate priority in McPherson Playhouse – Building Envelope Assessment Report prepared for the CRD Dec. 8, 2020 by Stantec Architecture Ltd. Repairing building envelope will ensure the 1913 structure will remain stable and will reduce energy consumption. Restoring the 1913 façade will include point work on the bricks, gutter replacement and refinishing the fiberglass stonework around the historic wooden doors.

**Project Number** 22-06

**Capital Project Title** Recoating of Fibreglass Façade

**Capital Project Description** Recoating of fibreglass façade

**Project Rationale** Flagged as immediate priority in McPherson Playhouse – Building Envelope Assessment Report prepared for the CRD Dec. 8, 2020 by Stantec Architecture Ltd. Recoating the fibreglass façade will reduce shredding and breaking down.

**Project Number** 22-07

**Capital Project Title** Repair Stand-alone canopies

**Capital Project Description** Repair stand-alone canopies

**Project Rationale** As indicated in the 2022 McPherson Playhouse Detailed Seismic Assessment by Stantec Consulting Ltd., develop plan to remove concrete roof slabs and replace with a lightweight steel structure which will reduce seismic weight of the canopies by 80%.

**Project Number** 24-01

**Capital Project Title** Emergency Repairs

**Capital Project Description** For Unforeseen Emergency Repairs

**Project Rationale** Capital funds to accommodate any emergency repairs to the building.

Service: 1.295 McPherson Theatre

Project Number 24-02

Capital Project Title Replace Architectural Detail Lighting

Capital Project Description Replace tungsten and quartz architectural lights with LED technology

Project Rationale Replace tungsten and quartz architectural lights with LED fixtures for reduced heat load, reduced electrical consumption and brighter, higher quality of light for patron comfort and safety in the audience chamber

Project Number 24-03

Capital Project Title Install Loading Bay Safety Lighting

Capital Project Description Install new loading bay safety lighting

Project Rationale Install new safety lighting for loading and unloading to the McPherson stage. The City of Victoria bike lane install has altered the location that the majority of the stage crew work when loading trucks and there is no safety lighting in this area.

Project Number 24-04

Capital Project Title Wireless Microphone Expansion Project

Capital Project Description Expand wireless microphone inventory

Project Rationale Expanding the inventory of wireless microphones to meet the service level requirements of clients.

Project Number 24-05

Capital Project Title Remove Concrete Canopies

Capital Project Description Remove concrete canopies

Project Rationale As indicated in the 2022 McPherson Playhouse Detailed Seismic Assessment by Stantec Consulting Ltd., the current concrete canopies are deficient under current seismic loads and will become a safety risk. In preparation of replacing with a lightweight steel structure, the concrete roof slabs must be removed.

Service: 1.295 McPherson Theatre

Project Number 25-01

Capital Project Title Replace APs and UPS

Capital Project Description Replace wireless access points and back up batteries

Project Rationale Replace APs and UPS to update the network infrastructure as required by CRD Information Technology replacement plan.

Project Number 26-01

Capital Project Title Replace Switches

Capital Project Description Replace network switches

Project Rationale Replace switches in the network infrastructure as required by CRD Information Technology replacement plan.

Project Number 28-01

Capital Project Title Replace SRST

Capital Project Description Replace Cisco phone communications system

Project Rationale Replace Cisco phone communications as required by CRD Information Technology replacement plan.

**1.295 McPherson Theatre  
 Asset and Reserve Summary  
 2024 - 2028 Financial Plan**

**Asset Profile**

**McPherson Theatre**

Assets held by the McPherson Theatre service consist of new upgrades to McPherson Theatre built in 1914 as well as various equipment.

**Capital Reserve Fund Schedule**

**Reserve Fund: 1.295 McPherson Playhouse Capital Reserve Fund (Bylaw No. 3270)**

Cost Centre: 101899 (PLO)

**Capital Reserve Fund**

Projected year end balance

	Est Actual	Budget				
	2022	2023	2024	2025	2026	2027
<b>Beginning Balance</b>	2,390,503	2,220,736	2,341,969	2,373,202	2,426,435	2,582,668
<b>Planned Capital Expenditure (Based on Capital Plan)</b>	(618,000)	(327,000)	(315,000)	(293,000)	(190,000)	(16,500)
<b>Transfer from Operating Budget</b>	348,233	348,233	346,233	346,233	346,233	342,233
<b>Interest Income*</b>	100,000	100,000				
<b>Total projected year end balance</b>	<b>2,220,736</b>	<b>2,341,969</b>	<b>2,373,202</b>	<b>2,426,435</b>	<b>2,582,668</b>	<b>2,908,401</b>

\* Interest should be included in determining the estimated ending balance for the current year. Interest in planning years nets against inflation which is not included.

# 10 Arts & Recreation



Residents have access to appropriate and affordable arts and recreation opportunities that enhance quality of life

## 01 Strategy

### STRATEGIES & PLANS

- › [Panorama Recreation Strategic Plan](#) › [CRD Arts & Culture Support Service Strategic Plan](#)
- › [SEAPARC Strategic Plan](#)

### CORPORATE PLAN GOALS

- 10a Support, promote & celebrate the arts
- 10b Sustain & enhance arts throughout the region
- 10c Affordable recreation opportunities that improve livability

## 02 Contacts

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Melanie Alsdorf, SEAPARC	@ <a href="#">email</a>	T. 250.642.8009

### 03 Operating Context

#### ACHIEVEMENTS IN 2023

1. CRD Arts and Culture hosted the Arts Champions Summit on May 17, 2023 at the Baumann Centre, which gathered over 100 arts leaders and supporters to celebrate sector innovations, spark new collaborations, and collect sector feedback on community needs and opportunities.
2. After an extensive public engagement process, the CRD Arts Commission approved a new strategic plan for the Arts & Culture Support Service with a refreshed Mission and Vision for 2024-27.
3. Panorama Recreation received the BC Recreation and Parks Association's Facility Excellence Award for facilities under \$3 million, for the Jumpstart Multi Sport Court.
4. SEAPARC completed a 20-year capital plan to support asset management.

#### FACTORS THAT WILL AFFECT OUR OPERATIONS IN 2024 AND BEYOND

##### Arts

- Sustaining and increasing investment in the arts is strongly tied to local and global economic trends that affect municipalities' ability and desire to provide support.
- Many arts and cultural organizations have also demonstrated tremendous resilience, adaptability, and innovation throughout the pandemic with 84.3% of surveyed Operating and Project Grant recipients developing alternative programming, relying heavily on digital formats such as live-streaming and virtual gatherings.
- Statistics Canada reports that, on a provincial level, arts and culture work is a fast-growing economic sector. From 2010-21, the number of culture jobs in British Columbia increased by 28% and the culture sector GDP per capita increased by 7%, both are the fastest increases in Canada in those respective measures (adjusted for population growth and inflation).

##### Panorama Recreation

- COVID-19 impact on services has diminished. Registered programs have returned to pre-pandemic levels, and drop-in programs are at 91% of pre-pandemic levels as of June 2023.
- A competitive job market throughout the region continues to challenge operations and may impact service delivery.
- The Panorama Strategic Plan 2022-2026 sets the direction for the future of our services by prioritizing several infrastructure investments that will result in increased capacity and require staffing adjustments.
- Planning is underway for the construction of a covered multi-sport box in Central Saanich. This new facility will provide year-round space for lacrosse, pickleball, roller hockey, and recreation programming. Construction is expected to be complete in Winter 2025.
- Management and operations planning has begun for Panorama Recreation to assume the operation of recreation facilities for partnering areas. This may include tennis courts, pickleball courts, sports fields and programming spaces for North Saanich, Central Saanich and Sidney.
- Design work and cost analysis has begun for enhancements to arena dressing rooms and adjacent support spaces to modernize them, with a focus on equity and functionality.

### Sooke and Electoral Area Parks and Recreation (SEAPARC)

- The SEAPARC aquatic and arena facilities are aging. Financial impacts of new infrastructure to support a growing community and plans for renewal/replacement need to be balanced in the capital plan to ensure service continuity. A long-term asset management plan has been completed to inform financial planning. Climate goal considerations for recreational facilities will also have financial implications on the capital plan.
- A competitive job market throughout the region continues to challenge operations.
- Projected population growth within the District of Sooke and Juan de Fuca (JdF) Electoral Area will increase demand for recreational programs and services.
- SEAPARC will undertake a new strategic plan in 2024 to provide direction for 2025-2035.
- SEAPARC is participating in a regional initiative, under the umbrella of The Village Initiative, to improve access to local programs and opportunities for youth to assist in the prevention of crime and vandalism, while strengthening regional service coordination.

### OPERATIONAL STATISTICS

#### Arts

1. In 2022, the CRD Arts and Culture delivered **six granting intakes for five different granting programs**: Operating Grants, Projects Grants (two intakes), IDEA Grants, Equity Grants, and Incubator Grants.
2. In 2022, the six granting intakes received a combined total of **119 applications**, which are reviewed by staff and adjudicated through assessment teams of the Arts Advisory Council.
3. In 2022, a record-high **95 of these applicants received funding** through these grant programs.
4. In terms of outreach capacity, in 2022, the CRD Arts and Culture e-newsletter grew to over **800 subscribers** who receive information about launches of grant programs, information sessions, and other notifications about opportunities in the arts sector in the capital region.
5. Performance, in terms of outcomes, is measured against social and economic indicators as outlined in Section 6.

## 04 Services

The services listed below rely on the support of several corporate and support divisions to operate effectively on a daily basis. More information about these services is available in the Corporate Services and Government Relations Community Need Summaries.

### Arts

#### SERVICE BUDGET REFERENCES<sup>1</sup>

- › 1.297 Arts Grants and Development
- › 1.290 Royal Theatre
- › 1.295 McPherson Theatre

#### 1. ARTS & CULTURE SUPPORT SERVICE

##### Description

Supports, champions and develops arts and cultural activities for the benefit of the community through funding programs and outreach activities.

##### What you can expect from us

- ▶ Deliver five granting programs: Operating Grants, Project Grants, IDEA (Innovate, Develop, Experiment, Access) Grants, Equity Grants, and Incubator Grants.
- ▶ Provide support to organizations on not-for-profit structure, governance, and capacity development in general and as it relates to Arts Service programs.
- ▶ Provide support to Arts Commission by maintaining accountable processes for allocation of program budgets.
- ▶ Respond to inquiries on funding (CRD and other sources) within three business days.
- ▶ Collect data about trends and impact of arts and culture for internal use and for dissemination to arts communities.
- ▶ Manage publically available online database of regional public art.
- ▶ Connect and facilitate dialogue within the regional arts community and with CRD through biennial summit, social media presence, e-newsletter, and funding application workshops.

##### Staffing Complement

Arts & Culture Support Service: **2.8 FTE (includes 0.8 FTE Manager and 1 FTE Administrative Support)**

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<sup>1</sup> Service budget(s) listed may fund other services

### 2. THE MCPHERSON PLAYHOUSE SERVICE

#### Description

Contribution agreement for the municipal support of the theatre.

#### What you can expect from us

- ▶ Provides capital and operational support for pleasure, recreation and community uses related to the McPherson Playhouse Theatre

#### Staffing Complement

Arts & Culture Support Service: **0.1 FTE (Manager only)**

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### 3. THE ROYAL THEATRE SERVICE

#### Description

Contribution agreement for the municipal support of the theatre.

#### What you can expect from us

- ▶ Provides capital and operational support for pleasure, recreation and community uses related to the Royal Theatre.

#### Staffing Complement

Arts & Culture Support Service: **0.1 FTE (Manager only)**

## Panorama Recreation

### SERVICE BUDGET REFERENCES<sup>2</sup>

- › 1.44X Panorama Recreation Centre

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### 3. PENINSULA RECREATION

#### Description

Provides recreational programming and maintains recreational facilities in North Saanich. Peninsula Recreation also operates satellite locations, including Greenglade Community Centre, Central Saanich Cultural Centre and North Saanich Middle School. Greenglade Community Centre has become a valuable asset for the delivery of recreation programs and services.

#### What you can expect from us

For Panorama Recreation Centre, administration of the delivery of programs and services for:

- ▶ Two arenas
- ▶ An indoor swimming pool and indoor leisure pool with the tallest, wheelchair-accessible waterslide in the region
- ▶ Four indoor tennis courts, two outdoor tennis courts and squash and racquetball courts
- ▶ Weight room and fitness studio
- ▶ Three small multi-purpose rooms
- ▶ A 13,200 square foot outdoor Jumpstart Multi Sport Court

For Greenglade Community Centre, amenities include:

- ▶ Gymnasium
- ▶ Activity rooms for program use
- ▶ Pottery studio
- ▶ Weight and fitness room, mind and body studio and dance studio
- ▶ Teen lounge and sports fields
- ▶ Licensed childcare
- ▶ Community Garden

For North Saanich Middle School, operating agreement with Saanich School District 63 for the use of facility spaces outside of school hours to deliver programs and services:

- ▶ Gymnasium
- ▶ Multipurpose room
- ▶ Multipurpose dance/fitness studio
- ▶ Foods and textiles room

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<sup>2</sup> Service budget(s) listed may fund other services

For Central Saanich Cultural Centre, operating agreement with Central Saanich for the use of:

- ▶ Two activity rooms for program use

### Staffing Complement

Panorama Recreation: **36.85 FTE (includes Manager and Administrative Support)**

## SEAPARC

### SERVICE BUDGET REFERENCES<sup>3</sup>

- › 1.40X SEAPARC – Facilities & Recreation

## 4. SEAPARC

### Description

Provides recreational programming and maintains recreational facilities with a focus on the citizens of the District of Sooke and the JdF Electoral Area.

### What you can expect from us

Administration of:

- ▶ Ice arena/dry floor
- ▶ Aquatic center
- ▶ Community recreation programs
- ▶ Facility and grounds maintenance
- ▶ Program, multi-purpose and boardroom spaces
- ▶ Slo-pitch field and baseball diamond
- ▶ Bike park
- ▶ Skateboard park
- ▶ Joint Use Agreement with School District 62
- ▶ Community Events
- ▶ Multi-use trail
- ▶ DeMamiel Creek golf course
- ▶ Fitness studio and programs
- ▶ Weight Room
- ▶ Outdoor sport box

### Staffing Complement

SEAPARC: **19.1 FTE (includes Manager and Administrative Support)**

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<sup>3</sup> Service budget(s) listed may fund other services

## 05 Initiatives

Below are the initiatives listed in the [Capital Regional District 2023-2026 Corporate Plan](#) and the related initiative business cases (IBCs), including financial and staffing impacts, proposed for 2024. The financial impacts reflect full program costs, including cost of staffing.

Initiative	Implementation year(s)	Impacts in 2024	
10a-1 Develop and implement a revised Arts & Culture Support Service Strategic Plan	2023-2026	-	-
10b-1 Scale up regional participation in the CRD Arts & Culture Support Service	2026	-	-
10b-2 Scale up regional support for performing art facilities within the region	2026	-	-
10c-1 Consider service expansions to address gaps and opportunities, as they emerge	Ongoing	-	-
▶ <b>NEW IBC 10c-1.1</b> Peninsula Recreation – Management and Operations Planning	2024-ongoing	\$27K requisition	Auxiliary
▶ <b>NEW IBC 10c-1.2</b> Peninsula Recreation – Facility Maintenance Supervisor	2024-ongoing	\$30K fee-for-service	0.9 New Ongoing
10c-2 Regularly monitor and review services to determine appropriate types of recreational programming and recovery rates to meet Community Needs	Ongoing		
▶ <b>FUTURE IBC 10c-2.1</b> SEAPARC – Maintain Reception Staffing	Planned for 2025	\$ - cost offset	0.5 Auxiliary Converted
▶ <b>NEW IBC 10c-2.2</b> SEAPARC – Manager of Operations	2024-ongoing	\$157K fee-for-service	1 New Ongoing
10c-3 Develop and implement a long-term strategic plan for SEAPARC	2024	\$50K Fee-for-service	-
10c-4 Undertake a review of youth-focused programming at SEAPARC	2023-2025	-	-

## 06 Performance

### GOAL 10A: SUPPORT, CHAMPION & DEVELOP THE ARTS

#### Targets & Benchmarks

Through funding programs and other activities, the Arts & Culture Support Service amplifies the contribution that arts organizations make to economic sustainability, community vitality and quality of life across the region and their role in providing a wide range of activities for citizens and visitors.

#### Measuring Progress

Ref	Performance Measure(s)	Type	2022 Actual	2023 Forecast	2024 Target	Desired trend
<b>Social Contributions</b>						
1	Total number of CRD-funded events <sup>1</sup>	Quantity	11,000	12,000	12,500	↗
2	Total attendees at CRD-funded arts events <sup>2</sup>	Quantity	3,000,000	3,300,000	3,500,000	↗
3	Total number of grants distributed <sup>3</sup>	Quantity	95	93	100	↗
4	First-time grant recipients <sup>4</sup>	Quantity	15	13	16	↗

<sup>1-4</sup> Data from 2021 Arts & Culture Progress Report

#### Economic Contributions

5	Total funding invested (via CRD grants) in grant recipients <sup>5</sup>	Quantity	\$2,601,270	\$2,684,670	\$2,778,000	↗
6	Total culture GDP (\$M) generated in CRD <sup>6</sup>	Quantity	\$800.0	\$820.0	\$840.0	↗
7	Total culture jobs generated in CRD <sup>7</sup>	Quantity	10,000	10,500	11,000	↗

<sup>5</sup> Data from 2021 Arts & Culture Progress Report

<sup>6-7</sup> Data from Statistics Canada based on forecasts from Cultural Satellite Account

#### Discussion

##### Social Contributions

1. The number of events and workshops rose sharply in 2022, due to the restarting of in-person events in 2022 after COVID-19 restrictions were lifted in late 2021.
2. 2022 saw pent-up demand for in-person attendance increasing as soon as event and gathering restrictions were loosened.

3. In 2022, the number of grants distributed was similar to the previous year, which was an all-time high.
4. CRD Arts and Culture conducts promotion of its programs and targeted outreach to eligible organizations, all in an effort to enlarge the pool of grant applicants. Funding more first-time applicants is an effective method of diversifying the variety of arts projects activated and audiences engaged.

### Economic Contributions

5. Total arts grant funding has remained consistent throughout the pandemic and continues to have modest increases in 2023.
6. The most recent GDP data from Statistics Canada is from 2020, which shows the pandemic pullback in activity. With the restart of arts activities in 2021 and 2022, it is expected that GDP will rebound to prior levels at minimum.
7. The most recent jobs data from Statistics Canada is from 2020, which shows the impact of the COVID-19 pullback in economic activity. The long-term trend, however, has been a continued increase in culture jobs.

## GOAL 10B: SUSTAIN & ENHANCE ARTS THROUGHOUT THE REGION

### Targets & Benchmarks

1. To scale up participation in the Arts and Culture Support Service will require new jurisdictions to join this service.
2. To scale up support for performing arts facilities would require more funding, which could be pursued through multiple methods, including through existing services.

### Measuring Progress

Ref	Performance Measure(s)	Type	2022 Actual	2023 Forecast	2024 Target	Desired trend
1	Increase the number of participants in the Arts and Culture Support Service <sup>1</sup>	Quantity	9	9	10	↗
2	Increase the support available for performing arts facilities (\$M)	Quantity	\$1.33	\$1.33	\$1.38	↗

<sup>1</sup> Currently there are nine participating jurisdictions in this service.

### Discussion

1. The ability to add participants to this service is dependent on external factors, namely the interest level of willingness of non-participating jurisdictions to join the service through the council consent process.
2. The ability to increase support to the Royal Theatre and McPherson Playhouse is also dependent on external factors, namely that current participants support amending bylaws to remove the current fixed maximum contribution amount.

## GOAL 10C: AFFORDABLE RECREATION OPPORTUNITIES THAT IMPROVE LIVABILITY – PANORAMA RECREATION

### Targets & Benchmarks

The metrics reflect attendance and overall success of programs and services, which show that what is offered to the community meets its needs and is affordable.

### Measuring Progress

Performance Measure(s)	Service	Type	2022 Actual	2023 Forecast	2024 Target
<b>1 Offer programs that meet community need</b>	Program success rate <sup>1</sup>	Quality	85%	88%	85%
	Program participation rate <sup>2</sup>	Quantity	83%	86%	85%
<b>2 Maximize participation levels in drop-in recreation programs and services <sup>3</sup></b>	Aquatics	Quantity	121,474	170,487	194,869
	Arena during ice season	Quantity	8,577	11,931	13,392
	Fitness classes	Quantity	21,039	29,574	33,147
	Weights	Quantity	98,762	148,557	187,206
	Sports	Quantity	2,084	6,252	8,025
	Community Recreation	Quantity	4,239	4,271	4,280
<b>3 Increase new program offerings and maximize revenue <sup>4</sup></b>	New program offerings <sup>5</sup>	Quality	45	30	35
	Registered programs revenue <sup>6</sup>	Quantity	\$1,833,424	\$1,988,967	\$1,910,850
	Admissions – single admission <sup>7</sup>	Quantity	\$352,050	\$417,288	\$346,812
	Admissions – punch pass <sup>8</sup>	Quantity	\$724,918	\$943,318	\$1,172,045

<sup>1</sup> Proportion of registered programs offered to the public that proceed, as minimum registration levels have been met. Calculated by programs that run divided by programs offered. Data from recreation software Activity Registration Summary.

<sup>2</sup> Average participation rate of courses, as a percentage of maximum course capacity reached, on average across all programs. Calculated by number of participants registered divided by the maximum capacity of the program. Data from recreation software Activity Registration Summary.

<sup>3</sup> Total annual visitors to drop-in reservable programs given capacity and staffing limitations; data from recreation software Daily Attendance Report – Date Range.

<sup>4</sup> Data from recreation software General Ledger, Activity Registration report and program coordinators.

<sup>5</sup> New program is defined as a program not offered in the prior year.

<sup>6</sup> Revenue generated by registration in programs.

<sup>7</sup> Revenue generated by single admission purchase.

<sup>8</sup> Revenue generated by punch pass and timed pass purchases.

### Discussion

**Metric 1:** Course participation has been added as an additional benchmark for Metric 1. Course participation reflects how full courses are on average, based on the number of participants registered relative to the total spaces available.

A target participation rate of 85% represents service delivery, which balances diversity of programming, alignment with community need, and financial sustainability.

**Metric 2:** Attendance continues to recover to pre-pandemic levels. June 2023 attendance is at 91% of June 2019, up from 77% in 2022.

**Metric 3:** The Lifesaving Society Swim for Life program was adopted in 2022 to replace the Canadian Red Cross program, which was phased out across Canada in 2022. The implementation of this program in 2022 led to a higher number of new programs than anticipated.

Licensed childcare program revenue is reduced from 2022 and 2023 as a result of increased funding from Child Care Operating Fund (CCOF) for Fee Reduction Initiative which directly reduces the fees paid by the public. The decrease in program revenue is reflected in a comparable increase in grant funding revenue. Projected CCOF funding for 2024 is \$229,270.

## GOAL 10C: AFFORDABLE RECREATION OPPORTUNITIES THAT IMPROVE LIVABILITY – SEAPARC

### Targets & Benchmarks

The metrics reflect attendance and overall success of programs and services, which show that what is offered to the community meets its needs and is affordable.

### Measuring Progress

Performance Measure(s)	Service	Type	2022 Actual	2023 Forecast	2024 Target
<b>1 Deliver fitness programs and service that meet community need and recover operation investment <sup>1</sup></b>	Fitness/Weights admissions	Quantity	\$22,838	\$57,000	-
	Membership sales	Quantity	\$289,258	\$431,000	-
<b>2 Manage user funding at approximately 30% <sup>2</sup></b>	-	Quality	30.6%	32%	35%
<b>3 Increase Community Recreation program revenue by each year <sup>3</sup></b>	-	Quantity	\$180,378	\$216,000	-
<b>4 Offer programs that meet community need</b>	Program offering success rate <sup>4</sup>	Quality	73%	75%	78%
<b>5 Maximize participation levels in drop-in recreation programs and services <sup>5</sup></b>	Aquatics	Quantity	74,170	78,000	82,000
	Arena	Quantity	10,401	12,000	12,250
	Fitness classes	Quantity	4,449	6,500	6,800
	Weights	Quantity	26,421	45,000	47,250
	Golf	Quantity	18,800	22,000	22,500
	Community Recreation	Quantity	1,024	1,900	2,000
<b>6 Increase new program offerings and maximize revenue</b>	New program offerings <sup>6</sup>	Quality	24	17	15
	Registered programs revenue <sup>7</sup>	Quantity	\$346,524	\$472,000	\$522,000
	Admissions – single admission <sup>8</sup>	Quantity	\$226,600	\$364,000	\$400,500
	Membership revenue - general <sup>9</sup>	Quantity	\$219,796	\$350,000	\$399,250
	Membership revenue – golf <sup>10</sup>	Quantity	\$69,462	\$81,000	\$85,000

<sup>1</sup> Fitness & weight room admission revenue and revenue from all membership sales.

<sup>2</sup> User funding or tax investment (without debt).

<sup>3</sup> Total registered programs revenue (gross revenue) generated by registration in community recreation programs; data from recreation software General Ledger

<sup>4</sup> Proportion of registered programs offered to the public that proceed, as minimum registration levels have been met. Calculated by programs that run divided by programs offered. Data from recreation software Activity Registration Summary.

<sup>5</sup> Total annual visits to drop-in programs by program area. Data from Membership Pass Scan report, Drop-in Sales report and Activity Registration Summary report.

<sup>6</sup> Data from recreation software General Ledger, Activity Registration report and program coordinators. New program is defined as a program not offered in the prior year.

<sup>7</sup> Total revenue generated by registration in programs. Data from General Ledger.

<sup>8</sup> Revenue generated by single admission purchase, including golf. Data from General Ledger.

<sup>9</sup> Revenue recognized from SEAPARC membership pass sales (excludes golf). Data from General Ledger.

<sup>10</sup> Revenue recognized from golf membership pass sales. Data from General Ledger.

### Discussion

**Metric 1:** The weight room and fitness classes have returned to drop-in operations post-COVID and fitness class offerings have increased. This has resulted in a trend of increased admissions and membership pass sales. Membership sales increase may also be supported by population growth. These metrics will be discontinued in 2024 and replaced with Metrics 5 & 6.

**Metric 2:** The projected increase in membership sales will contribute to an increase in proportion of user funding as there is generally only a small increase in expense associated with drop-in services.

**Metric 3:** A return of the licensed preschool program in 2022 and continuing through 2023 is the main factor in the increase in community recreation revenue.

**Metric 4:** The goal is to be responsive to community needs by offering desired programs, contributing to a high success rate. Each season program coordinators evaluate the success of programs and discontinue or adjust those that have a pattern of being cancelled and try out new programs based on feedback.

**Metric 5 & 6:** This metric reflects current trends with increased admission, membership and registered program revenue, as well as increased fees as approved in the fees & charges bylaw. The trend is particularly strong with the weight room and fitness, with quickly increasing demand for these services.

## 07 Business Model

### Arts

<b>PARTICIPANTS</b>	Arts & Culture Support Service: Saanich, Victoria, Oak Bay, Esquimalt, View Royal, Metchosin, Highlands, Sooke, and Southern Gulf Islands.  The McPherson Playhouse Service: Victoria  The Royal Theatre Service: Saanich, Victoria, Oak Bay
<b>FUNDING SOURCES</b>	Requisitions
<b>GOVERNANCE</b>	Arts & Culture Support Service: <a href="#">Arts Commission</a>  Theatres: <a href="#">Royal and McPherson Theatres Services Advisory Committee</a>

### Panorama Recreation

<b>PARTICIPANTS</b>	Sidney, Central Saanich and North Saanich
<b>FUNDING SOURCES</b>	Requisitions, grants, sponsorships, donations and non-tax revenue
<b>GOVERNANCE</b>	<a href="#">Peninsula Recreation Commission</a>

### SEAPARC

<b>PARTICIPANTS</b>	Sooke and JdF EA
<b>FUNDING SOURCES</b>	Requisition (75% Sooke, Juan de Fuca Electoral Area 25%), grants, sponsorships, donations, non-tax revenue
<b>GOVERNANCE</b>	<a href="#">Sooke and Electoral Area Parks and Recreation Commission</a>

**REPORT TO ROYAL AND MCPHERSON THEATRES SERVICES ADVISORY COMMITTEE  
MEETING OF WEDNESDAY, OCTOBER 04, 2023**

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**SUBJECT**     **Update on the Status of Bylaw No. 4560 and Bylaw No. 4561**

**ISSUE SUMMARY**

At the direction of the Royal and McPherson Theatre Services Advisory Committee (RMTSAC), amending bylaws have been advanced to modernize the Royal Theatre Service (Bylaw No. 4560) and the McPherson Playhouse Service (Bylaw No. 4561). This report provides an update on the status of these amending bylaws at this stage of the legislative process.

**BACKGROUND**

On June 7<sup>th</sup>, 2023, the RMTSAC directed staff to draft amending bylaws to the Royal Theatre Service and McPherson Playhouse Service that would modernize the bylaws and create greater budget flexibility. Staff were directed to bring forward the amending bylaws to the next Finance Committee meeting. These changes including modifying the maximum requisition amount to increase 3.5% in the first year of adoption and increase with assessment values over time; updating the apportionment method in the Royal Theatre Service to remove the inter-municipal formula; adding a cost apportionment method to the McPherson Playhouse Service; and removing restrictions on operating and capital allocation.

On July 5<sup>th</sup>, 2023, the Finance Committee reviewed Bylaw No. 4560 (Appendix A) to amend the Royal Theatre Service and Bylaw No. 4561 (Appendix B) to amend the McPherson Playhouse Service. They were approved with no changes and recommended to the Capital Regional District (CRD) Board.

On July 12<sup>th</sup>, 2023, the CRD Board approved 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> readings of Bylaw No. 4560 and Bylaw No. 4561.

On August 22, 2023, staff sent Bylaw No. 4560 to Oak Bay, Saanich, and Victoria and Bylaw No. 4561 to Victoria. Bylaws were accompanied by the CRD staff report, a letter outlining the purpose of the amending bylaw(s), and requested a response by September 27<sup>th</sup>, 2023.

As of October 4<sup>th</sup>, 2023, no responses have been received from Oak Bay, Saanich, or Victoria.

To advance to the next stage of the legislative process, bylaws require at least two thirds of participating jurisdictions to provide council consent. If this approval is achieved, bylaws are sent to the Inspector of Municipalities at the Province of British Columbia for review. If they receive approval from the Inspector of Municipalities, then they advance to the CRD Board for adoption.

**IMPLICATIONS**

*Financial Implications*

If Bylaw No. 4560 is adopted by the CRD Board before the end of January 2024, then an additional \$20,300 would be available to recommend as part of budget 2024 for the Royal Theatre Service.

If Bylaw No. 4561 is adopted by the CRD Board before the end of January 2024, then an additional \$26,250 would be available to recommend as part of budget 2024 for the McPherson Playhouse Service.

**CONCLUSION**

The Royal and McPherson Theatres Services Advisory Committee, responding to a request from the Royal and McPherson Theatres Society, directed staff to draft amending bylaws that would modernize the Royal Theatre Service and McPherson Playhouse Service. These amending bylaws have received approval from the CRD Board and have been distributed to participating jurisdictions for council review and deliberation.

**RECOMMENDATION**

There is no recommendation. This report is for information only.

Submitted by:	Chris Gilpin, MPA, Manager, Arts & Culture
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer

**ATTACHMENTS**

- Appendix A: Bylaw No. 4560 (Royal Theatre Service)
- Appendix B: Bylaw No. 4561 (McPherson Playhouse Service)

**CAPITAL REGIONAL DISTRICT  
BYLAW NO. 4560**

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**A BYLAW TO AMEND BYLAW NO. 2587, ROYAL THEATRE  
LOCAL SERVICE AREA ESTABLISHMENT BYLAW NO. 1, 1998**

\*\*\*\*\*

**WHEREAS:**

- A. Under Bylaw No. 2587, "Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998", the Regional Board established a service for the purpose of purchasing, maintaining, equipping, operating, and selling the Royal Theatre;
- B. The Board wishes to amend Bylaw No. 2587 to modernize the bylaw and provide greater budgeting flexibility to ensure the Royal Theatre can be maintained, equipped, and operated in a way that promotes the long-term sustainability and usefulness of the facility; and
- C. Pursuant to section 349 of the *Local Government Act (LGA)*, an establishing bylaw may be amended with the consent of at least 2/3 of the participants and, pursuant to section 346 of the *LGA*, a municipal council may give consent on behalf of a municipal participating area.

**NOW THEREFORE**, the Capital Regional District Board in open meeting assembled hereby enacts as follows:

1. Bylaw No. 2587, "Royal Theatre Local Service Area Establishment Bylaw No. 1, 1998", is hereby amended as follows:

(a) By deleting Sections 4, 5 and 6 in their entirety and substituting the following:

**Cost Recovery**

- 4. The annual cost of providing the service shall be recovered pursuant to Section 378 of the *Local Government Act* by one or more of the following:
  - a) property value taxes imposed in accordance with Division 3 [*Requisition and Tax Collection*] of Part 11 of the *Local Government Act*;
  - b) fees and charges imposed under Section 397 of the *Local Government Act*;
  - c) revenues raised by other means authorized under the *Local Government Act* or another Act; or
  - d) revenues received by agreement, enterprise, gift, grant or otherwise.

**Maximum Requisition**

- 5. In accordance with Section 339(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the service is the greater of:
  - a) five hundred and eighty thousand (\$580,000); or
  - b) an amount equal to the amount that could be raised by a property value tax rate of \$0.00590 per One Thousand Dollars (\$1,000) that, when applied to the net taxable value of land and improvements in the Service Area, will yield the maximum amount that may be requisitioned for the service.

**Apportionment**

6. a) The annual costs for the service, net of grants and other revenues, shall be apportioned among the participating areas, as follows:
  - i. fifty (50) per cent of the costs on the basis of the population of the participating areas; and
  - ii. fifty (50) per cent of the costs on the converted value of land and improvements in the participating areas.
- b) Population, for the purpose of this section, is the population estimate as determined annually by the Regional Planning department of the Capital Regional District.

(b) By deleting the paragraph under the heading "Grants in Lieu of Taxes" and substituting the following:

7. For the purpose of Section 389 of the *Local Government Act* funds paid to the Regional District in respect of the service will be held to the credit of the participant making the payment.

(c) By deleting Section 8 in its entirety and substituting the following:

**Committee and Operation**

8. a) The Board of the Regional District may maintain, operate, equip and sell the Royal Theatre in accordance with the applicable provisions of the *Local Government Act*.
- b) The Board of the Regional District may by bylaw provide for the establishment of a committee for the purpose of managing the administration and operation of the Royal Theatre and may, in relation to the committee, delegate the powers of the Regional Board under section 263 of the *Local Government Act*.



CAPITAL REGIONAL DISTRICT  
BYLAW NO. 4561

\*\*\*\*\*

A BYLAW TO AMEND BYLAW NO. 2685, MCPHERSON PLAYHOUSE  
LOCAL SERVICE AREA ESTABLISHMENT BYLAW NO. 1, 1999

\*\*\*\*\*

**WHEREAS:**

- A. Under Bylaw No. 2685, "McPherson Playhouse Local Service Area Establishment Bylaw No. 1", 1999, the Regional Board established a local service for the purpose of purchasing, maintaining, equipping, and operating the McPherson Playhouse;
- B. The Board wishes to amend Bylaw No. 2685 to modernize the bylaw and provide greater budgeting flexibility to ensure the McPherson Playhouse can be maintained, equipped, and operated in a way that promotes the long-term sustainability and usefulness of the facility; and
- C. Pursuant to section 349 of the *Local Government Act (LGA)*, an establishing bylaw may be amended with the consent of at least 2/3 of the participants and, pursuant to section 346 of the *LGA*, a municipal council may give consent on behalf of a municipal participating area.

**NOW THEREFORE**, the Capital Regional District Board in open meeting assembled hereby enacts as follows:

1. Bylaw No. 2685, "McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999", is hereby amended as follows:

(a) By deleting Sections 4, 5, 6 and 7 in their entirety and substituting the following:

**Cost Recovery**

- 4. The annual cost of providing the Local Service shall be recovered pursuant to Section 378 of the *Local Government Act* by one or more of the following:
  - a) property value taxes imposed in accordance with Division 3 [*Requisition and Tax Collection*] of Part 11 of the *Local Government Act*;
  - b) fees and charges imposed under Section 397 of the *Local Government Act*;
  - c) revenues raised by other means authorized under the *Local Government Act* or another Act;
  - d) revenues received by agreement, enterprise, gift, grant or otherwise.

**Maximum Requisition**

- 5. In accordance with Section 339(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the Local Service is the greater of:
  - a) seven hundred and fifty thousand (\$750,000); or
  - b) an amount equal to the amount that could be raised by a property value tax rate of \$0.020 per One Thousand Dollars (\$1,000) that, when applied to the net taxable value of land and improvements in the Service Area, will yield the maximum amount that may be requisitioned for the Local Service.

**Apportionment**

- 6. a) If there is more than one participating area, then the annual costs for the Local Service, net of grants and other revenues, shall be apportioned among the participating areas, as follows:
  - i. fifty (50) per cent of the costs on the basis of the population of the participating areas; and
  - ii. fifty (50) per cent of the costs on the converted value of land and improvements in the participating areas.
- b) Population, for the purpose of this section, is the population estimate as determined annually by the Regional Planning department of the Capital Regional District.

**Committee and Operation**

- 7. a) The Board of the Regional District may maintain, operate and equip the McPherson Playhouse in accordance with the applicable provisions of the *Local Government Act*.
- b) The Board of the Regional District may by bylaw provide for the establishment of a committee for the purpose of managing the administration and operation of the McPherson Playhouse and may, in relation to the committee, delegate the powers of the Regional Board under section 263 of the *Local Government Act*.

2. This bylaw may be cited for all purposes as "McPherson Playhouse Local Service Area Establishment Bylaw No. 1, 1999, Amendment Bylaw No. 1, 2023".

READ A FIRST TIME THIS	th	day of	2023
READ A SECOND TIME THIS	th	day of	2023
READ A THIRD TIME THIS	th	day of	2023
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	th	day of	2023
APPROVED BY AT LEAST TWO-THIRDS OF PARTICIPANTS THIS	th	day of	2023
ADOPTED THIS	th	day of	2023

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS \_\_\_\_\_ day of \_\_\_\_\_ 2023.