



Making a difference...together

**Minutes of a Meeting of the Royal & McPherson Theatres Services Advisory Committee
Held Wednesday, September 07, 2022, in Room 488, 625 Fisgard St., Victoria, BC**

Present: **Directors:** K. Murdoch (Chair), M. Alto (EP, 4:05 p.m.), S. Brice, C. Plant
Staff: N. Chan, CFO, C. Gilpin, Manager, Arts & Culture; N. More, Committee Clerk (recorder)
Also Present: C. Devlin (President), F. Lehrbass (Executive Director), N. Downer (Manager of Finance), M. Gibbons (Treasurer, EP), Royal & McPherson Theatres Society
Absent: S. Dubow

The meeting was called to order at 4:00 pm.
Chair Murdoch gave the Territorial Acknowledgement.

1. Approval of Agenda

MOVED by Director Brice, **SECONDED** by Director Plant,
That the agenda be approved as circulated.

CARRIED

2. Adoption of Minutes

MOVED by Director Brice, **SECONDED** by Director Plant,
That the minutes of the October 15, 2021, meeting be adopted as previously circulated.

CARRIED

3. Chair's Remarks

Chair Plant expressed a wish for a more fulsome discussion regarding the budget and for looking at it in a more strategic fashion. He remarked on looking to the incoming CRD Board after the election for discussion of the fixed amount. He thanked the Royal & McPherson Theatres Society (RMTS) Board members and staff present at the meeting.

Member Alto joined the meeting at 4:05 p.m.

4. Presentations/Delegations

**4.1 Presentation: Royal & McPherson Theatres: Update on Operations and Planning,
C. Devlin and F. Lehrbass**

F. Lehrbass and C. Devlin and made their presentation with the aid of PowerPoint slides, now on file at CRD Finance Administration. Main points included the following:

- 2021 was about maintaining key infrastructure and planning for the re-opening after the pandemic closures. The theatres opened to full capacity in February 2022.
- Subsidies and grants were accessed during the time they were offered between August 2021 and July 2022. Those funding sources have now ended.
- The purchasing power of annual CRD requisitions has declined.

- Capital projects, as well as organizational and asset management planning, are underway.
- The RMTS is the steward of the historic theatres; in order to preserve the assets for their long term functionality, renovations are required over the next 10 to 15 years at an estimated cost of \$40 million. Multiple funding streams will be pursued so that the participating jurisdictions will not carry all of the costs. Continued support is vital.

The presenters provided clarification to the Advisory Committee, including the following points:

- For the capital projects, almost half of the \$40M estimate is related to seismic upgrading for both theatres. Application could be made to the disaster mitigation fund.
- The brick-work project begins in summer 2023. Part of the planning is how to work with local theatre users on use of the theatre during capital projects.
- Indicators of success for theatre management can be approached from different angles, with metrics such as number of tickets sold but also degree of satisfaction and relationships with community presenters.

The Advisory Committee discussed transparency in the relationship between the participating jurisdictions and the Society, and the opportunities post-election for the Society to submit orientation material to the incoming councils, for example.

The Advisory Committee sought further clarification, and the presenters made the following points:

- The CRD bylaws for the theatre and playhouse account for both capital and operating requirements, with a combined CRD requisition amounting to about 11% of the overall budget. The funding has not kept up with inflation and does not provide enough either for operation or capital.
- Past reserved earnings, subsidies and grants makes up the rest of the funds.
- Through prudent management, the Society used surplus revenue to add to the reserve fund for use in emergencies such as earthquakes or the pandemic.
- Earnings may rise with increased audience size, but it depends on the kinds of shows, not just the number of shows.

The Advisory Committee expressed appreciation for the presentation and the work done by the Society to keep operating.

5. Committee Business

5.1. Update on the Performing Arts Facilities Select Committee (verbal)

C. Gilpin reported on the work of the Performing Arts Facilities Select Committee since the last meeting of the Advisory Committee. In summary, the matter has been referred to the incoming CRD Board as a topic for strategic planning in November, 2022. The topic would include not only time and costing of the process for establishing full participation of the region's jurisdictions, but the broader issue of how best to support regional performing arts facilities.

5.2. 2023 Budget for the Royal Theatre Service and the McPherson Playhouse Service

N. Chan remarked on the theatres services bylaws and the fixed funding amounts. Consideration of a regional service was referred to the next board when the currently proposed bylaws did not receive approval.

The Advisory Committee briefly discussed options, including the ability given in the current bylaw for the participating jurisdictions to ask for an increase via an amendment.

MOVED by Director Plant, **SECONDED** by Director Alto,
The Royal & McPherson Theatres Services Advisory Committee recommends to the Finance Committee to 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.

CARRIED

6. Adjournment

MOVED by Director Brice, **SECONDED** by Director Alto,
That the meeting be adjourned at 4:59 p.m.

CARRIED

CHAIR

RECORDER