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**REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, SEPTEMBER 08, 2021**

SUBJECT Adding Non-Participating Jurisdictions to the Arts and Culture Support Service at Group 2 Membership Level

ISSUE SUMMARY

The Arts Commission has requested supplementary information detailing implications of adding non-participating jurisdictions at the Group 2 membership level for the Arts and Culture Support Service through a regional alternative approval process.

BACKGROUND

The nine current participants in the Arts and Culture Support Service contribute as either “Group 1” or “Group 2” members (see Table 1 for list), with apportionment based on 50% population and 50% converted assessments. Group 2 member participation is a lower level of contribution and is calculated as 30% of the Group 1 membership level.

Table 1. Participation by Membership Level in the Arts and Culture Support Service

Group 1 Participants	Group 2 Participants	Non-Participants
Esquimalt	Highlands	Central Saanich
Oak Bay	Metchosin	Colwood
Saanich	Sooke	Juan De Fuca
Victoria	Southern Gulf Islands	Langford
View Royal		North Saanich
		Salt Spring Island
		Sidney

On July 28, 2021, the Arts Commission received the staff report, “Outcomes of Board Initiative 12a-1 to Explore Partnerships to Support 100% Participation in the CRD Arts Function”, which included “Appendix A: Simulation for adding all regional members as participants to Group 1 Membership”. The Arts Commission clarified to staff that it would continue to support Board initiative 12a-1 through amendments to the establishing bylaw that would keep existing participants at their current membership levels and add non-participating jurisdictions at the Group 2 membership level. The Arts Commission requested a supplementary report and financial simulation to reflect this approach.

There were motions arising at the July 28, 2021, Arts Commission meeting as follows:

The Arts Commission recommends to the Capital Regional District Board:

1. That staff be directed to prepare amendments to the establishing bylaw to gain full regional participation in the Arts and Culture Support Service, with non-participating electoral areas and municipalities added as Group 2 Participating Areas;
2. That the Board proceed by way of a regional alternative approval process; and
3. That staff include a report with the removal of the 2-year exit clause and include additional service requisition scenarios that reflect 30% participation for new members and a general increase to the service budget.

ALTERNATIVES

Alternative 1

1. That staff be directed to prepare amendments to the establishing bylaw to gain full regional participation in the Arts and Culture Support Service, with non-participating electoral areas and municipalities added as Group 2 Participating Areas; and
2. That staff include a report with the removal of the 2-year exit clause and include additional service requisition scenarios that reflect 30% participation for new members and a general increase to the service budget.

Alternative 2

The Arts Commission recommends to the Capital Regional District Board:

1. That staff be directed to prepare amendments to the establishing bylaw to gain full regional participation in the Arts and Culture Support Service, with non-participating electoral areas and municipalities added as Group 2 Participating Areas;
2. That the Board proceed by way of a regional alternative approval process; and
3. That staff include a report with the removal of the 2-year exit clause and include additional service requisition scenarios that reflect 30% participation for new members and a general increase to the service budget.

Alternative 3

That this report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

By adding the seven non-participating jurisdictions at the Group 2 membership level, the requisition (and additional service funding) for the Arts and Culture Support Service budget would increase by approximately \$365,000 or 13% (see Supplemental Appendix A for full simulation). These funds would be available through the five granting programs detailed below.

The nine existing participants of the service would continue to contribute at their current level. The average cost per household to the seven newly added participants (calculated based on average residential assessment) ranges from \$4.45 to \$7.29, depending on jurisdiction, with the median average cost estimated at \$5.71.

Service Delivery Implications

The Arts and Culture Support Service delivers five granting programs: Operating Grants, Project Grants, IDEA Grants, Incubator Grants, and Equity Grants. Non-profit organizations within participating jurisdictions are eligible to apply to these programs to fund arts activities.

Currently, non-profit organizations based in Central Saanich, Colwood, Langford, North Saanich, Sidney, Juan De Fuca, and Salt Spring Island are not eligible to apply because these are non-participating jurisdictions. A preliminary scan of arts groups in these jurisdictions by staff indicates that there are at least 27 non-profit organizations with an arts and culture mandate that could be

eligible for grants, as well as several more non-profits that do not have an arts and culture mandate but may produce arts and culture activities and may also be eligible for certain grants.

Alignment with Board & Corporate Priorities

This initiative is aligned to Board Initiative 12a-1 in the 2019-2022 Corporate Plan:

“Facilitate a discussion of the region’s art facility needs & explore partnerships to support 100% participation in the CRD arts functions.”

Legislative Implications

Choosing an electoral approval process requires that the bylaw, or amendments to the bylaw, are prepared and presented to the CRD Board for consideration. This initiative has not yet reached that stage. Before the amendments to the bylaw creating a full regional service can be adopted, they must receive approval of the electors and the Inspector of Municipalities. The *Local Government Act (LGA)* provides ways to obtain approval, in the form of referendum, alternative approval process, or consent by municipal councils with alternative approval processes in electoral areas.

If the CRD Board directs staff to prepare amendments to the establishing bylaw, then those amendments would be brought back to the CRD Board with a staff report on options for selecting an electoral approval process.

CONCLUSION

The Arts Commission at their meeting on July 28, 2021, requested more information accompany their recommendations to the CRD Board. This information includes a new financial simulation that shows current participating jurisdictions at their existing contribution level and adds non-participating jurisdictions at the Group 2 membership level. The approach in these recommendations would increase the budget of the Arts and Culture Support Service by approximately \$365,000 or 13%. The next steps, if approved, would be for staff to draft the amendments to the current bylaw, making this a fully regional service.

RECOMMENDATION

1. That staff be directed to prepare amendments to the establishing bylaw to gain full regional participation in the Arts and Culture Support Service, with non-participating electoral areas and municipalities added as Group 2 Participating Areas; and
2. That staff include a report with the removal of the 2-year exit clause and include additional service requisition scenarios that reflect 30% participation for new members and a general increase to the service budget.

Submitted by:	Chris Gilpin, MPA, Manager, Arts and Culture Division
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Acting Chief Administrative Officer

ATTACHMENT(S)

Supplemental Appendix A: Updated Simulation for Adding All Non-Participating Regional Members at Group 2 Membership