



July 23, 2024

To: **City of Courtenay (City) -- Director of Financial Services, Adam Langenmaier**
Recreation Community and Cultural Services Director, Susie Saunders

Dear Adam, Susie,

Further to your recent meeting regarding the Sid Williams Theatre Society (SWTS) borrowing up to \$100,000 from the City towards the cost to complete a major capital project between August and September of 2024, we would like to suggest the following options for consideration:

GENERAL TERMS

- Up to \$100,000cdn funds would be available to SWTS as of September 3, 2024,
- *Final amount of loan TBD until project is closer to completion,*
- SWTS would repay \$2,500 per month commencing November 4, 2024, until the full amount is repaid UNLESS the special terms below are agreed upon,
- The maximum length of term for repayment would be 4 years/48 months,
- Interest would be at the following rate _____ ,

KEY CONSIDERATIONS

When this project (Motorized Lighting Grid Installation) is complete, the SWTS will have made a \$600,000 improvement to the theatre, \$500,000 of which has been funded by SWTS reserves and grant funding. The completed project combines professional services with new infrastructure. This system also represents a substantial safety improvement, not only for personnel and performers, but also for the building itself because an engineering assessment and reinforcement of the roof over the stage was part of our project. Under the terms of our agreements with the City, the City will own these assets, which we believe would be counted as revenue for the City in this fiscal year. Our finance office or external accountants can provide a detailed statement of the value of these assets at a later date.

The SWTS has additional cash assets (over and above the costs of the project) sufficient to act as security for the loan; however, we wish to retain a prudent cash reserve to protect society operations from a negative market event, and to be able to respond to temporary ebbs and flows in theatre operations/volume of business. This is the main rationale behind us seeking to borrow funds. We are making a request to borrow the funds from the City based not only on past practices of the City for such projects being conducted by partner entities, but also because we would anticipate an interest savings from the City, which could then be returned to theatre operations rather than paid out to an external lender.

SPECIAL TERMS

The SWTS respects and values our partnership with the City in both providing the best theatre services and programming that we can, and in improving the facility on an ongoing basis. In the spirit of this long-standing partnership we are asking that the City consider the following options:

- The loan as noted above could be provided interest free,
- The City may consider forgiving part of the loan as part of future capital budgets during the 4 year repayment period.



July 23, 2024

SPECIAL TERMS CONTINUED

Our Board Finance Committee (or a designate) and our General Manager would be very happy to meet with you to discuss any of the above items. Please do not hesitate to let us know if you require additional information.

Sincerely,

A blue ink signature of Deborah Renz, consisting of stylized initials and a surname, written above a horizontal line.

Deborah Renz – General Manager SWTS

A blue ink signature of Richard Clarke, consisting of stylized initials and a surname, written above a horizontal line.

Richard Clarke – President SWTS