

Fourth Session – Forty-Second Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Crown Corporations

Chairperson
Mr. Dennis Smook
Constituency of La Vérendyre

Vol. LXXVI No. 4 - 1:30 p.m., Thursday, January 13, 2022

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-Second Legislature

Member	Constituency	Political Affiliation
ALTOMARE, Nello	Transcona	NDP
ASAGWARA, Uzoma	Union Station	NDP
BRAR, Diljeet	Burrows	NDP
BUSHIE, Ian	Keewatinook	NDP
CLARKE, Eileen	Agassiz	PC
COX, Cathy, Hon.	Kildonan-River East	PC
CULLEN, Cliff, Hon.	Spruce Woods	PC
DRIEDGER, Myrna, Hon.	Roblin	PC
EICHLER, Ralph, Hon.	Lakeside	PC
EWASKO, Wayne, Hon.	Lac du Bonnet	PC
FIELDING, Scott, Hon.	Kirkfield Park	PC
FONTAINE, Nahanni	St. Johns	NDP
FRIESEN, Cameron, Hon.	Morden-Winkler	PC
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin, Hon.	Steinbach	PC
GORDON, Audrey, Hon.	Southdale	PC
GUENTER, Josh	Borderland	PC
GUILLEMARD, Sarah, Hon.	Fort Richmond	PC
HELWER, Reg, Hon.	Brandon West	PC
ISLEIFSON, Len	Brandon East	PC
JOHNSON, Derek, Hon.	Interlake-Gimli	PC
JOHNSTON, Scott	Assiniboia	PC
KINEW, Wab	Fort Rouge	NDP
LAGASSÉ, Bob	Dawson Trail	PC
LAGIMODIERE, Alan, Hon.	Selkirk	PC
LAMONT, Dougald	St. Boniface	Lib.
LAMOUREUX, Cindy	Tyndall Park	Lib.
LATHLIN, Amanda	The Pas-Kameesak	NDP
LINDSEY, Tom	Flin Flon	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Malaya	Notre Dame	NDP
MARTIN, Shannon	McPhillips	PC
MICHALESKI, Brad	Dauphin	PC
MICKLEFIELD, Andrew	Rossmere	PC
MORLEY-LECOMTE, Janice	Seine River	PC
MOSES, Jamie	St. Vital	NDP
NAYLOR, Lisa	Wolseley	NDP
NESBITT, Greg	Riding Mountain	PC
PEDERSEN, Blaine	Midland	PC
PIWNIUK, Doyle	Turtle Mountain	PC
REYES, Jon, Hon.	Waverley	PC
SALA, Adrien	St. James	NDP
SANDHU, Mintu	The Maples	NDP
SCHULER, Ron	Springfield-Ritchot	PC
SMITH, Andrew	Lagimodière	PC
SMITH, Bernadette	Point Douglas	NDP
SMOOK, Dennis	La Vérendrye	PC
SQUIRES, Rochelle, Hon.	Riel	PC
STEFANSON, Heather, Hon.	Tuxedo	PC
TEITSMA, James	Radisson	PC
WASYLIW, Mark	Fort Garry	NDP
WHARTON, Jeff, Hon.	Red River North	PC
WIEBE, Matt	Concordia	NDP
WISHART, Ian	Portage la Prairie	PC
WOWCHUK, Rick	Swan River	PC
<i>Vacant</i>	Fort Whyte	
<i>Vacant</i>	Thompson	

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON CROWN CORPORATIONS

Thursday, January 13, 2022

TIME – 1:30 p.m.

LOCATION – Winnipeg, Manitoba

**CHAIRPERSON – Mr. Dennis Smook
(La Vérendrye)**

**VICE-CHAIRPERSON – Mr. James Teitsma
(Radisson)**

ATTENDANCE – 6 QUORUM – 4

Members of the committee present:

Hon. Mrs. Cox

Messrs. Brar, Micklefield, Sala, Smook, Teitsma

APPEARING:

Mr. Dougald Lamont, MLA for St. Boniface

*Mr. Karl Loepf, Chairperson, Board of Directors,
Manitoba Centennial Centre Corporation*

*Mr. Rob Olson, Chief Executive Officer,
Manitoba Centennial Centre Corporation*

MATTERS UNDER CONSIDERATION:

*Annual Report of the Manitoba Centennial
Centre Corporation for the fiscal year ending
March 31, 2021*

* * *

Mr. Chairperson: Good afternoon, everyone. Will the Standing Committee on Crown Corporations please come to order.

This meeting has been called to consider the Annual Report of the Manitoba Centennial Centre Corporation for the fiscal year ending March 31st, 2021.

Are there any suggestions from the committee as to how long we should sit this afternoon?

Mr. Andrew Micklefield (Rossmere): I'd like to propose, Mr. Chair, that we sit for two hours, less five minutes to consider the question. I believe that's been agreed. I stand to be adjusted, if that is the case.

Mr. Chairperson: It has been suggested that we sit for two hours, less five minutes—the five minutes for the final passing of the report or whatever. Is that

agreed to by everyone, or does anybody—Mr. Lamont, were you lifting your hand up?

Mr. Dougald Lamont (St. Boniface): No, I just wanted to say, I'm not sure that the MLA for Rossmere is wearing appropriate dress for a committee, to be recognized.

Mr. Micklefield: I'm wearing a whatever it's called. I have actually checked with the clerks, but if there's any concern, I have a jacket right here that I can put on, but it's actually not required for committees. I had to check that myself but that's—yes, neither jacket nor tie nor collar are required for committees, and I believe the clerks can adjust that—correct me on that if I'm incorrect but I do believe I'm correct. I did ask that question earlier this week at a different committee.

Mr. Chairperson: Okay, I believe Mr. Micklefield is correct now.

We have on the floor agreements for sitting. Now, it has been suggested that we sit for two hours, less five minutes. Is that agreeable to everyone? [*Agreed*]

Does the honourable minister wish to make an opening statement, and would she please introduce the officials in attendance.

Hon. Cathy Cox (Minister of Sport, Culture and Heritage): I'm going to be very brief in my introductory comments.

I would like to introduce Karl Loepf, who is the chair of the board of directors of M-triple-C; Rob Olson, who is the chief executive officer. Also joining us is my deputy minister, Jeff Hnatiuk, and special [*inaudible*] 2022.

You know, we all understand that the past few years have been extremely challenging, to say the very least, but it really is my hope that 2022 will bring us hope and optimism for a brighter future.

I also want to extend to my colleagues, all of my colleagues, especially the members from the opposition, my sincere condolences on the tragic loss of our colleague Danielle Adams. My thoughts and prayers are—remain with the family, the friends and all of us. She will be sorely missed and every day I think of her and her family.

I'd also like to say thank you to Karl and to Rob and the entire team, and the board of directors for their dedication and their diligence to ensure the sustainability of M-triple-C throughout the pandemic. The arts and culture sector has been most impacted by the pandemic, first to close. And so, you know, I realize and I recognize that it's been very challenging for them and I appreciate the dedication that you've put forward.

So, with that, we will just move forward to the committee and questions.

Thank you.

Mr. Chairperson: We thank the honourable minister for her statement.

Does the critic for the official opposition have an opening statement?

Mr. Diljeet Brar (Burrows): Yes, Mr. Chair, I do.

Mr. Chairperson: Mr. Brar.

Mr. Brar: Thank you, Mr. Chair, and thanks, everybody, for being here. It's my pleasure today to consider the annual report for the Manitoba Centennial Centre Corporation.

I'm happy to discuss these matters with the CEO, board chair and the Minister for Sport, Culture and Heritage. We all understand that, all of us, we have been struggling with this pandemic and all the organizations have suffered, have been impacted a lot due to the pandemic. I would like to know more and understand more about this struggle for this organization, which is Manitoba Centennial Centre Corporation, and what could lie ahead and how we plan to manage the future challenges.

Also, I would like to discuss the capital plan and plans to change the governance of this corporation. I understand that this corporation hasn't been before the committee for some time, and I'm looking forward to have a discussion today.

Thanks, one and all, once again.

Mr. Chairperson: We thank the member for his statement.

Do the representatives from the Manitoba Centennial Centre Corporation wish to make an opening statement? Who? Mr. Loepp?

Mr. Karl Loepp (Chairperson, Board of Directors, Manitoba Centennial Centre Corporation): First of all, thank you to the committee for having us today. Unfortunately, we can't be there in person to present,

but we'll do our best here, through the process that we're all coming accustomed to of Zoom calling.

We've prepared a package of information that hopefully addresses many of the items that we've been dealing with over the last year, and number of years. Of course, as it's been brought up, COVID has impacted many of us, in so many different ways, and our organization being in the arts and cultural business of serving Manitobans, it's been exceptionally difficult.

But I want to compliment our team here. Rob Olson and his staff have done a tremendous job of managing through the difficulties of running the organization, controlling costs, and really keeping the doors open when we can to provide for the much-needed performances that our community relies on.

So, maybe as part of the process of going through this, I think it would be beneficial for a bit of an introduction about the organization, where we came from and we can get into any of the information that anybody wants to discuss from our annual report to the financials and so-on.

So Rob's done a really good job at putting a package together and I'd like to hand it over to Rob Olson, our CEO, at this point.

Mr. Rob Olson (Chief Executive Officer, Manitoba Centennial Centre Corporation): Thank you, Karl.

I want to thank the committee first of all, for hosting us. This is our first committee meeting to the Crown corporation. We are a Crown, as you know. We're one of the oldest Crown corporations in the province, probably next to Manitoba Hydro. And this is where some of the educational process, I think—just to give you a brief history of who we are.

So we were initially incorporated in 1963 with the task of developing an arts centre for the Province of Manitoba to coincide with the centennial of the country and the centennial of the province in 1970. So our corporation was first founded as a development agency, and from raising funds to the construction process, the ultimate outcome was the Centennial Centre for the arts that you see here on Main Street right now.

In 1968, the government amended our mandate and transitioned us from a development corporation to a management corporation and so then, thus, we became the Manitoba Centennial Centre Corporation. And we were given a mandate at that time to directly

operate the concert hall and to provide facility support and maintenance of the Centennial Centre to the other tenants of the Centennial Centre.

And the other tenants of the Centennial Centre include the Manitoba Museum, the Manitoba theatre centre, Artspace which is a newly acquired centre under our purview, and then further down the line, the Manitoba Production Centre, which is Manitoba's only film and production studio. And we also were responsible for the development, and many might not know this, of the Winnipeg Art Gallery and the western centennial auditorium in Brandon. That all came under the purview of our corporation in the early '60s.

* (13:40)

So, where are we today? So, today we're an organization that supports arts and culture by providing the facilities and additional supports to various performing art sectors or art organizations. Predominantly, we have what are called the resident organizations of the Centennial Centre that include the ballet, the symphony, the opera, the Manitoba theatre centre, Artspace, as I mentioned, and the Manitoba Museum. Those are the principal tenants of the Centennial Centre for the arts. And we provide various supports to them as are required.

So that's a brief overview, and I don't want to spend too much time on that. You should know, as I mentioned earlier, we directly manage the concert hall, the operations of the concert hall. We directly manage the Manitoba Production Centre, which is Manitoba's only purpose-built film and television studio. And the centre, as I alluded to, includes the museum, the Royal Manitoba Theatre Centre, the warehouse theatre, Artspace, 11 Lily St., which is an ancillary building right behind us here in the concert hall, and four parking facilities.

So with that out of the way, if I may more or less jump into the annual report and give you a bit of a background on some of the challenges that we had to deal with in the fiscal year that we're talking about. So, in March—on March 11th, 2020, we held our last commercial concert inside the concert hall. On that day, which was a Wednesday, we started to hear about the impending coronavirus, or COVID-19, affecting the greater population, and there was a potential shutdown as a result of that.

On Friday, March 13th, which would have been our next scheduled performance inside the concert hall, the Winnipeg Symphony Orchestra, who was

scheduled to perform, decided that it was probably not in their interests nor in the interests of the public to host that live performance, and so we subsequently shut down. We have been shut down now for the better part of, well, the 20, 22 months, if you will, that the COVID virus is going on. But in this fiscal year, what happened was an immediate ceasing of cash flow to the organization.

For those who may not know, we are 65 per cent dependent. Our budget is 65 per cent dependent on earned revenue, and we receive an additional 35 per cent in support from the Province of Manitoba through the Department of Sport, Culture and Heritage in the form of an operating grant. So, immediately, that pipe flow, that cash flow of 65 per cent stopped, and we were forced to look at our operations from the perspective of, will we have enough cash to sustain ourselves for the fiscal year '20-21?

And in doing so we realized that we had reserves, which we were fortunate enough to accumulate, which would have allowed us to get through the year, but it would have forced us to burn through the \$1.2 million that we had in reserve cash. So we realized very early on that we were going to have to take drastic measures to try to reduce expenditures and to try to sustain that—those reserves for as long as possible.

So in March—maybe what I could start off by suggesting is in the 2020 year, '21 year, our earned revenue dropped by sixty-seven—76 per cent. To counteract that we reduced labour costs in that year by 33 per cent. We cut supplies and expenses by 28 per cent. We reduced our utility costs by 25 per cent. And to balance our fiscal year, we were very grateful and thankful to Minister Cox, through Sport and Culture, to receive a supplemental \$1-million additional support to our operating grant to make us whole for that last year. Without that \$1-million support, the Centennial Centre Corporation would have brought about an \$850,000 loss for fiscal year 2021.

We have a bit of a common phrase that we kick around here in the office that our strategy to contain costs and continue to make ourselves fiscally viable is a three-two-one formula. We lost \$3 million in revenue. We cut \$2 million in expenses. And, with the government's supplemental support of \$1 million, we were able to balance our budget for fiscal year 2021.

Having said that, just to reiterate a bit of what I just already articulated, compared to the previous

fiscal year, in the current fiscal year we're talking about we lost \$3.4 million in earned revenue. The provincial operating branch supported us with an extra million dollars and we cut expenses by \$2.1 million.

That also required us to get to that number to do something which I'm very—well, I'm very proud of our organization. We're actually initiating discussions with the Manitoba Government and General Employees' Union to open up our collective agreement, which didn't, at the time of the collective agreement the way the collective agreement was worded, didn't allow us to lay off staff. So we went back to the MGEU, we explained our situation from a fiscal perspective, and we were able to agree on a memorandum of understanding with the MGEU that'll allow us—allowed us to lay off 50 per cent of our workforce a month in advance of when any scheduled layoffs could have possibly happened.

And it's working with the MGEU and getting their buy-in that we feel, you know, particularly proud of, because we know many other organizations in the province may or may not have been able to get those concessions done at the MGEU. But we did, and we're thankful for that.

So I think—oh, the other concession that I want to bring forward, too, is we looked at all of our excluded staff and we just said we all have to take a piece of this pie. And I implemented a 14-day unpaid leave for all of our excluded staff, which was significantly more than what government had recommended for many of the other departments within the province.

So, by reducing expenses, laying staff off, asking excluded staff to take 14 unpaid days off, we were able to come up with a balanced budget at the end of the year which resulted in a modest \$130,000 surplus at the end of the year.

And there are many corporate highlights that I'd like to focus on, but I see our time is running out, so perhaps this is a good time to turn it back to the Chair and maybe open this up for questions.

Mr. Chairperson: Thank you, gentlemen, for your statements.

Before I open the floor for questions, I'd just like to remind everybody if they could please raise their hand so I could see it, because some of the pictures are rather small and that way I can acknowledge that you want the floor so that the Hansard can be turned on when you're speaking.

So, the floor is now open for questions.

Mr. Brar: I thank the CEO and the board chair for the details and that you shared with all of us—most important information that we must know in this meeting—this committee.

Can the CEO and the board chair kind of share where they are joining us from today? *[interjection]*

Mr. Chairperson: Mr. Olson.

Mr. Olson: Yes, thank you, sorry.

We are actually joining you from my office inside the Centennial Centre. Both Karl and I thought that that would be an easier way to facilitate this virtual presentation so that there be less disruption with both of us potentially talking about the subject matter of the concert hall.

So, we are in my office at 555 Main St.

* (13:50)

Mr. Brar: Thanks for the details. I just wanted some more details about what has been already said in the opening statement by the CEO.

So I would like to ask, can the CEO kindly give me a bit more detail about the restricted funds that were emptied into general operations? For example, what were the plans saving up for an equipment purchases fund, which was \$169,000 that has now been emptied?

Mr. Olson: So, we went back to the board, and Karl could perhaps speak on behalf of the board, with a request that the restricted funds that were in our surplus be released with the exception of two. Some of the funds that we had set aside for the movie production studio, and the one particular fund that's called the Foundation of the Future Fund, be left untouched, but that all other reserves that we had set aside for particular projects, whether it's renovations inside the Centennial Centre or equipment purchases, be released to general funds to get us through this pandemic year, because without it, we did not have sufficient cash flow to continue to operate.

Mr. Chairperson: Mr. Brar.

Mr. Brar, you're muted. We cannot hear you, Mr. Brar.

Mr. Brar: So about the other \$200,000 that was moved from the Special Projects Fund to the general creating fund, was that part of the funding like—were the committee or the board, they were saving it for some particular purpose? Just that part of.

Mr. Olson: To provide some clarification, we do not generally receive part B, capital funding—or, sorry, part A, capital funding. We receive what's called part B, capital funding to the tune of around \$440,000, but it's a restricted fund that's more or less for the infrastructure itself of the Centennial Centre. So, fixing the roof, cracks in the wall, major plumbing issues are—we're allowed to tap into that \$440,000 that are provided to us on an as-needed basis through Central Services. We do not have any money set aside for equipment.

So what we have—what we started to do several years ago—about 10 years ago—is we decided to take some of the surplus revenue that we may have enjoyed in any fiscal year, and set it aside specifically for equipment purchases, or purchases that weren't covered under the part B, capital allotment, that we received every year. So it would have been, I don't want to say discretionary spending, but if lighting inside the concert hall failed, we would dip into the fund to provide stage—to purchase stage lighting, which is not covered under the capital B fund, or microphones, or some other equipment like desks or chairs, or things of that nature that are essential to our operations, but are not directly funded. So that money would have been set aside for that, and in these unusual circumstances, we ask the board to release those funds to be used for general revenue to carry us through for this year.

Mr. Brar: I appreciate the details on that. The board chair says in the annual report that the corporation was ineligible for the financial supports provided to the businesses with employees.

Can the CEO expand on that challenge and how they have dealt with it?

Mr. Olson: Yes, thank you very much for that question. It gives us an opportunity to explain some of the challenges our organization has had to deal with. So we're a Crown corporation, and like our sister Crowns, Liquor & Lotteries, Hydro and MPI, we do not qualify for federal supports, being a provincial Crown agency.

So, although we attempted to connect with the federal government for the CEWS program or some of the other levels of support that were being offered by the federal government, we were rejected. And we were rejected under the principle of being a Crown corporation with the ability to generate our own earned revenue.

And, even though we explained that our earned revenue is taking a hit, maybe more so than our sister Crowns—hydro bills were still being paid, MPI Autopac insurance was still being purchased, Liquor & Lotteries—although they did take a hit—they still had liquor sales and online sales to supplement their organization. We, basically—our well ran dry.

And, with the exception of the operating grant that we received from the Province in our surplus revenues, we were ineligible to qualify for any federal support and were rejected by the federal government for that support.

Mr. Brar: While the government of Manitoba did provide some financial support for operating it, it was one time.

Does the corporation have what it needs to address its shortfalls for this fiscal year?

Mr. Chairperson: Mr. Olson, are you answer—

Mr. Olson: That's a very good question.

So, we developed the budget for this fiscal year based on the assumption that we would not be operating at full capacity for the first six months of this year and that, in the third quarter of this year, we would be back to about 50 per cent of normal operations. And, in fact, we were counting on the fourth quarter, which we are currently just starting, to be fully operational and almost back to 100 per cent pre-pandemic operations.

So, we developed the budget on that basis, and even with that semi-optimistic outcome, we were still projecting about an \$800,000 loss.

The Omicron variant has now shut us down in what we hoped would have been a return to more-or-less normal operations for January, February, March. And so, we are rapidly revising projections to try to determine where we are going to land in this fiscal year.

But we do have sufficient cash to get us through this year. And therein lies a bit of the conundrum: we can get through any one fiscal year—and we have gotten through the first year, and we will get through the second year—but as we deplete our reserves, we are in a very vulnerable position for the next fiscal year, which would be '21-22. And if that year doesn't return to more-or-less normal operations, we will be in a cash crunch.

Mr. Brar: Thank you so much for the details.

And do you expect some more support from the provincial government this year, as they were generous, according to you, in the last year, for \$1 million? *[interjection]*

Mr. Chairperson: Minister—miss—the Honourable Ms. Cox, are you looking for the floor?

Mrs. Cox: Yes. Thank you, Mr. Chair, and thank you to my member—the member from the opposition.

You know, we continue to monitor on a regular basis the financial situation of M-triple-C. We recognize that it has been very turbulent times for them, and they've done a remarkable job—a phenomenal job, I should say—of, you know, ensuring that they remain sustainable throughout this pandemic.

And as a government, you know, we understand that the arts and culture sector is very important to us here in Manitoba. It is a sector that draws a lot of businesses, a lot of employers, a lot of employees to choose to live here in Manitoba. So we will continue to work together with M-triple-C, with Mr. Loepf and Mr. Olson to ensure that they remain sustainable in the future.

* (14:00)

Mr. Brar: I agree that these cultural organizations are very much relevant and important for Manitobans and, at the same time, we see that our population is diversifying at a fast rate with the new Canadians joining us. So with this discussion, I think that, and I wish you all the best, Mr. CEO and the management, to get more support from the government—or governments. Appreciate those details.

We all hope that the pandemic comes to an end in near future—weeks, or months, if not weeks. Will the corporation be able to recall and employ the people it needs if operations are back in full swing this spring?

Mr. Olson: Yes, thank you for that question.

So I want to compliment and I want to thank the employees of the Manitoba Centennial Centre Corporation. For this committee's information, we employ about 64 full-time-equivalent employees, many of whom—33 full-time-equivalent employees—were laid off at various times in this—in that—in the fiscal year which we're talking about.

The majority of that staff—the full-time employees have all been called back. Where we have a bit of discrepancy is with our event staff. So that would be the front-of-house ushers, the ticket takers, the concession—food and concession, beverage workers

and staff that support an actual concert event inside the concert hall. They really work on an event-by-event basis, and so they're the ones currently that are being impacted by the closure of the concert hall.

But to answer your question, most of the full-time employees have returned to work because, quite frankly, we were fairly busy in November and December of this past year.

Mr. Brar: Thank you so much for the details. And I have been there once recently for attending a concert and—which made me happy, and I have seen your facility—this facility twice so far. It's wonderful. We need to strengthen it. We need to make sure it sustains, it progresses and we get more revenue and we think of more possibilities by bringing in more concerts and revenues. So we are all together on that and we have to save our Crown corporations. That should be our goal.

Switching over to the capital investment, I wanted to request the CEO to take us through the recent and current capital upgrades, including the exterior and roof of the building.

Mr. Olson: Well, I want to, again, thank you for that question and the opportunity to answer it.

So one of the things that we have been doing, I guess, if you will—for lack of a better term—during the downtime of that first year of the pandemic is that we really looked at what types of improvements—physical improvements could be made to the Centennial Centre. And we want to give credit to the Department of Central Services—and to Sport and Culture—for sitting down with us to discuss a number of capital projects that while the facility was closed would have been an ideal time to complete so as not to disrupt future performances when we do eventually reopen.

So a number of projects were approved and a number of projects were completed in the year 2021, and continued through this summer and are continuing as we speak. So, some of the—very quick overview of the projects that we were doing is, we—the most noticeable one, let me put it that way, that you'll probably see, is that we received funding to replace all the carpeting inside the concert hall. So that was about an \$800,000 investment to replace the carpeting, and we were very thankful to receive that support through Central Services.

The other project that we took upon ourselves was to retrofit all of our public washrooms into hands-free washroom stations, in anticipation of

enhancing our sanitization protocols when we did return to live audiences. That project was about 150 to 160 thousand dollars to overhaul; to put in hands-free faucets and hands-free flushers in our water closets.

The other thing that we were able to do, is we were able to approve from an accessibility perspective, all of the interior exit signage so that they were up to code, and that project was about a 1-and-a-half-million-dollar project, again, funded through Central Services.

And all of those projects were more or less completed in the year that we were shut. What is continuing to be—well, has continued to develop and be constructed is the major work that's being done to the exterior cladding of the Centennial Concert Hall. So, for those who may not know, all of the Tyndall stone that was originally fastened to the concert hall in 1968, the Tyndall stone and the brackets that hold these big slabs of Tyndall stone has deteriorated. And all of that Tyndall stone is being removed and being refastened onto the exterior of the concert hall.

And there are going to be some upgrades that are going to happen at the same time. New insulation is being added to the exterior of the concert hall to make it more energy efficient. But these are—that was a safety measure. That project alone is 11 to 14 million dollars depending on where the final—you know, the tally that comes in when the construction project is completed. It's anticipated to take 18 months to complete, so sometime late next fall we are hoping to have that project completed. Those were the big projects that were undertaken.

And some smaller projects: we took an opportunity to internally paint the interior of the concert hall, patched walls, put new railing bumpers on the walls. Oh, the other thing I should mention from an accessibility perspective: we also upgraded all of the railings surrounding the first and second balconies of the concert hall and the loges. And that project is a three-year project that will be completed this year at about three phases over three years, and about \$400,000 a phase. So that will about a \$1-million retrofit to the railings, to bring them up to code, to accessibility issues.

If you can appreciate—if I can add a little narrative: the concert hall being built 50 years ago is more or less not code-compliant. So whenever we do tackle major infrastructure projects, we're often required to bring things up to code. The fire alarm

system, pre-pandemic, was also upgraded, so that we have a state-of-the-art fire alarm system. That was a \$2.2-million cost. But that was pre-pandemic.

So there are being investments made in the concert hall. We do look for the opportunities. But during that period of closure, that's what our team worked on, is to help work with Central Services to get those major projects under way and/or completed.

Mr. Brar: Thank you so much for the details, and I appreciate the work of the team to make this facility better suited for the future program. I'm happy to hear about the details of specific projects as has been mentioned like carpeting, retrofitting washrooms and accessibility. And if I heard it properly, it was said that more or less complete.

Does that mean that all these projects are almost complete or some of them 100 per cent done and others are still in progress? If I can just get a few more details and bit more clarity on that.

* (14:10)

Mr. Olson: So, if I can, the two outstanding projects of the projects that I mentioned are the—is the railing upgrade inside the auditorium of the concert hall. That should be completed within the next quarter; so by the end of this fiscal year.

The exterior cladding, as I said, is an 18-month project. The current project completion deadline is later this fall—the fall of 2022—figure out what year we're in. So that's scheduled to be completed later this fall. Everything else has been completed.

Mr. Brar: Thanks for the clarity on that.

And the—again, coming back to this exterior work, there were some announcements. I understand that it was slated to be complete this year and I think this was the suitable time because there were no concerts.

So does that mean that the work has been delayed to 2022, against—as against the planned timelines?

Mr. Olson: No, I don't think so.

I mean, I can go back and ask for clarity from our facilities department, but it was my understanding that it was always scheduled to be completed in 2022. In fact, the closure of the concert hall allows them to work more or less uninterrupted, because during a performance on the stage, they have to actually stop some of their construction work because of the noise that vibrates through the auditorium.

So this, you know, this allows them an opportunity to continue to work uninterrupted, albeit the cold weather does play a role in their ability to proceed on the timelines that they anticipated.

But no, I think 2022, from my understanding, was always the anticipated completion date for this project.

Mr. Brar: Thanks for the details on that question.

Can the CEO give us an update on plans for the orchestral shell? It's my understanding this feature has been disabled since long—which is 2017, I think.

Mr. Olson: Well, we can certainly provide Mr. Brar with an update on that.

I don't know that it's generally related to the fiscal year that we're talking about but in general, we are still looking for the capital support that would be required to rebuild or replace the existing orchestra shell in the concert hall. And if I may just add, our concert hall was one of about—and I'm not firm on this number—six concert halls in all of North America that were fitted with this mechanical retractable orchestra shell.

Most concert halls will have an orchestra shell on wheels that they roll in and roll off side stage and store. We were granted a very—we were very fortunate to receive a mechanical orchestra shell that automatically comes in onto the stage and retracts off the stage and allows us to have all the space that we need to do other performances on the concert hall.

The problem is, after 50 years of that mechanical system working, there are significant upgrades required to continue to operate and we felt, at the time, that there was a safety concern, and so we stopped using it about three years ago and we are—we've got a plan but we are still attempting to figure out how we're going to finance that plan.

Mr. Brar: I appreciate the details—like all the details.

And also, it was in the news in—maybe two years back that a project manager had been assigned to work on the shell. Just wanted to know if there's still somebody working on this, and when might this project be prioritized in your plans?

Mr. Olson: I do not know that there is still a project manager assigned to this specific work, to this project. I would have to check with Central Services to see if they've assigned anybody from their department to work with us on this project. But I'm not aware of there somebody still specifically focused on this project.

Mr. Brar: Can I diverge towards the minister to ask if—about this, that—I mean, there are comparable facilities here with us which have proper equipment. So when will this be repaired in this concert hall, and are they planning on doing anything, or is it on their priority list, just wanted to know from the minister, please?

Mr. Chairperson: Minister, you're muted.

Mrs. Cox: Thank you, Mr. Brar, for that question.

You know, we recognize that the orchestra shell is an important component of the concert hall, and for the interim we did provide the concert hall with an interim solution to use until, you know, we can look at sort of a broader solution moving forward with that. But, you know, we also recognize that we were left with tens of millions dollars of deferred maintenance when we, you know, became government for the Centennial Concert Hall, alone. We've invested over \$20 million—or are investing \$20 million in ensuring that that beautiful building that was a centennial project, you know, continues to be a really—a star, or a building that is—attracted such an important part of our city of Winnipeg.

So when you take a look at some of the projects that we've done, we've looked at enhancing safety. We spent \$5.248 million on a new fire alarm system upgrade. And I'm sure that you'll agree that it's important that, you know, people are safe when they're in that building, that if there was a fire to break out, that that alarm system is necessary to alert patrons, to ensure that they get out in a timely manner. Of course, we've ensured that we've enhanced the elevators. And as minister—or, Mr. Olson had said, ensured that, you know, the bannisters and the handrails were upgraded, because individuals who have impairments, whether they're visual impairments, need to be able to see those handrails. They need to be able to utilize those spaces when they are entering or exiting the concert hall. So those are very important upgrades that we've invested in.

Also recognizing that the Manitoba Museum—I recall receiving a phone call from the former CEO, almost in tears, indicating that the science centre, they had pails underneath because the rain was just coming in in buckets. And, of course, you know, that impacted the ability to be open. So we had to look at what was really necessary to do immediately.

We had put in an interim repair for the orchestra shell, but, you know, the things like a leaky roof, or, as Mr. Olson had indicated, you know, the cladding

on the side of the building, which had deteriorated to the point where, you know, there were openings and cracks and things like that. Recognizing that we needed upgrades to the washrooms, because as we return or exit from COVID, we need to have those touchless faucets and things like that. I know they also ensured that the washrooms were upgraded, as well, so that was something that was done over at the Manitoba Museum.

*(14:20)

But, in total \$20 million was—has been spent or allocated for repairs to the Manitoba Centennial Centre, you know, and especially ensuring that people have accessibility. That was so important.

I recall, when I was first appointed as the Minister of Sport, Culture and Heritage, meeting the conductor Alexander Mickelthwate, and the first thing he pointed out to me was the horrid condition of the carpet. And if you can imagine this beautiful building, the centennial building—an icon here in the city of Winnipeg—and when you look down on the floor, that the carpet was taped together with duct tape.

And, you know, when I saw that I was shocked, to tell you the truth. And so for him, that was what he raised to me as, you know, something that we needed to remedy immediately and he suggested, you know, would you please talk to the premier about it and let him know about the condition of this carpeting because, you know, not only is it an eyesore but it's—and, you know, detracting from the beauty of the building but it's also, you know, an accessibility issue for individuals who are in wheelchairs or walkers. And we know that, proportionately, there's a lot of seniors that love to, you know, partake in either, whether it's the symphony or the ballet or, you know, any of those beautiful, beautiful arts organizations that provide us with, as I said, so much joy.

And we can hardly look—wait for the time when we can get back together to actually enjoy the arts and the dance, you know, that is provided from these wonderful organizations in person. But, temporarily, until we can do that, we are investing significant amounts in the—in this Centennial Centre to ensure that it is accessible for Manitobans, for people from Winnipeg,

And I just wanted to also comment—you made a comment, Mr. Brar, with regard to diversity here in Manitoba, so I just wanted to give a bit of a shout out to the Winnipeg Symphony Orchestra for the good work they do with the systemic—Sistema Winnipeg

program that they offer. And this is a program that they provide free of charge to kids, predominantly a lot of them in the inner city. They work together with the Winnipeg 1 school division and Seven Oaks, and they provide these young people the opportunity to learn to play an instrument.

And there is just—you know, when you see the smile on these children's faces from having that opportunity—something that, you know, their families would never, ever, ever be able to provide them financially with that opportunity—it is just remarkable. And so I want to say to the Winnipeg Symphony Orchestra, you know, thank you for the good job they do of, you know, ensuring that our vulnerable, you know, children and families have the same opportunities, right, to enjoy the beauty of music. It is so important.

And I was at one of the concerts. It just tells you, you know, when you see those parents there, how proud they are, and those children up there on the stage—this was, of course, pre-COVID—that opportunity to be able to perform and they were performing together quite often with the symphony, just remarkable.

So I really want to say that you're absolutely correct. Diversity is important and, you know, really, kudos to Sistema Winnipeg. And I know that they're supported by, you know, many, many private organizations to ensure that they have that funding that they can provide to our youth, and it really is a very worthwhile program. If you have the opportunity, Mr. Brar, I hope you'll have—you'll take a moment to go and visit. Excuse my voice.

That's all. Thank you.

Mr. Brar: Thanks for all the details, Honourable Minister, on that and I think a few people in this meeting know about my passion about the performing arts. I've been continuously working with the families and young children to train them on performing arts since 2013, immediately after I entered Manitoba, first time in my life, continuously. And I have so much respect and love for the stage, for the artists, for the parents of the kids who prefer to send them to sports and performing arts, and especially I have so much love and respect for our Crown corporations.

So, my problem is I can't wait to see these things happen. I can't wait to see these improvements in our Crown corporations, these buildings and infrastructure. I appreciate every single dollar that has been spent on this beautiful building, this beautiful hall.

But I would like to know if there are, by chance, any timelines to get the things done that I mentioned, that I was expecting the answer for and I mean, we have to get together, we have to work together and we have still some time to talk about the diversity. We would spend a few minutes soon on diversity and the options that we can, but my specific question is about the timeline for the shell. If I can get some information on that, if it's on the priority list and when would that be done?

Very respectfully, thank you.

Mr. Chairperson: Mr. Olson.

Mr. Olson, I think your mic might be off.

Mr. Olson: Yes, we are. I apologize, my gosh, I was hoping not to get caught.

I would defer to Minister Cox for some clarification but I can tell you, from our perspective, we do not have a definitive timeline. What we developed for the sake of government's purview, is a five-year maintenance plan that also has capital improvements based on the life cycle of the Centennial Centre, of the building itself. And so that five-year capital plan is shared with Central Services, where capital funding originates from our perspective, and so they're aware of all of these requests. We do prioritize projects based on the life cycle and the anticipated failure of these projects.

The orchestra shell is at the top of our priority list because it has failed. However, as Minister Cox alluded to and I—regretfully, I didn't mention it off the top. When the orchestra shell did fail, we were able to, through Sport, Culture and Heritage, secure funding to offer an—what we call an electronic acoustic shell. And this is using some of the technology that we imported from the Netherlands to come in and retrofit the stage to provide a virtual shell effect. And from our experience—this has been in place now for a few years—the audience does not notice really any difference from the acoustic perspective of having this electronically enhanced shell versus the physical shell.

There is a bit of a challenge for the musicians that we work with and that's where the differentiation between the two devices come in, but we are managing with the investment that we were able to provide to bring an electronic enhancement into the shell.

But I don't have a deadline, Mr. Brar, for you.

Mr. Chairperson: The Honourable Mrs. Cox, did you have your hand up to say something?

An Honourable Member: Yes, I did, Mr. Chair.

Mr. Chairperson: The Honourable Mrs. Cox.

Mrs. Cox: Thank you, Mr. Chair, and again, thank you, Mr. Brar, for the question. You know, I will just affirm what we heard from Mr. Olson, that, you know, in fact we recognize it was important that we did provide another option for an orchestra shell in the interim. And, you know, we have been very diligent in ensuring that we talk to not only Mr. Olson but also the board chair, Mr. Loepp. We've had them in the office many times and really looked at establishing a list of important priorities to ensure that this iconic building remains one of the city of Winnipeg's most recognizable and important structures here in Winnipeg.

* (14:30)

And, you know, based on that list, I work together with Minister Helwer to ensure that we identified what was important to keep the—this building, this beautiful, iconic building open, not only, you know, at the present time, but well into the future. So, I mean, when you take a look at, you know, some of the improvements that we've made—the \$20 million worth of improvements, these are not improvements that, you know, just all of a sudden, the fire alarm system started to fail. I mean, that happened well in advance of us becoming government. So, you know, a lot of this maintenance should have been done earlier. It should have been a priority, you know, under the former government, to identify that you know what? A new fire alarm system is important. It's a priority. We need to make sure that patrons are safe when they're in that building.

Then again, you take a look at the leaks. And as I said, when I talked to the CEO [*inaudible*] on my personal phone, it was raining buckets. They were having a thunderstorm, and she said it was—Claudette Leclerc at the time—she said, Minister, she said, you know what, this has been ignored for years and years, and now we have the situation where we have buckets, you know, in the science centre at the Manitoba Museum, because nothing has been done for years to rectify that leak in the roof.

So, you know, sometimes, you know, based on the fact of what is necessary to do immediately, you have to make those decisions. And so we did look at ensuring that that leaky roof was repaired. We also put in a sewer pump and we replaced water lines for a total

of \$516,000. We looked at, of course, the carpet replacement, which is \$750,000, and the envelope, as well, which was just mentioned by Mr. Olson. I mean, if you have a building that is crumbling from the exterior, you know that you are going to have foundation problems down the road in the future. And that's already happened. I mean, we've seen those foundational problems occurring.

So, you know, we have to look at that list of ensuring that that building remains sustainable; that that building remains as an iconic structure well into the future for the city of Winnipeg and for the province of Manitoba, as a matter of fact, and make those decisions. So that \$20 million that we have spent so far to replace and repair an aging facility, which is—was a centennial project, and I have to say every time I drive by there on my way home to North Kildonan, I look at that beautiful building, and I think, you know what? It's a worthwhile investment. So, that's where we are with that.

Thank you so much, Mr. Brar.

Mr. Chairperson: Mr. Loepp, you have a comment?

Mr. Loepp, is your microphone on?

Mr. Loepp: Yes, we're back on. Yes, thank you, Minister Cox.

And I just want to add to—how we approach in conjunction with the department of where we look at prioritizing our projects. The number one priority for all of us here is to first look at life safety issues, which if you go back and look at the track record of what we have invested in, it's all been related to things that first and foremost relate to the safety of the facility. And if you look at the study of the last five years that our board has been involved in here, the investment that the Province has made into our campus is the largest investment in over three decades—since the building was built.

So, the minister's absolutely correct. There were many items that were deferred maintenance items that just needed to be dealt with. So as much as we, as an organization here, would love to see that orchestra shell back in place, we have to 'prioritize' items that are going to be affecting the safety for the patrons that are entering the building, for the performers that are here and for the whole experience of being in the building. So trust me, I'm not shy to ask the minister for more money, but we're realistic about what we can do. We've had an investment of over \$20 million, which, like I say, has been larger than any in over three decades.

Mr. Brar: Once again, I appreciate every single dollar that has been spent. I can't say penny because there are no pennies anymore. So, every single dollar I appreciate. And I did ask the timeline for the government—from the government about replacing this shell, not about putting new baskets there—pails there, to receive the pouring rain.

The thing is, I once again appreciate the minister talking to the previous premier and get that money. I would like and request and appreciate that the repeat of that step again with the new Premier (Mrs. Stefanson) because if we invest more money on this organization, on our next generation, on our performing arts, we can save millions and millions of dollars that we have to invest in policing, in mental health and other projects. So, let's be proactive and prioritize and have a timeline.

Quickly, I would like to check in if the management or the board has any estimates about replacing this shell so that we have a dollar figure that we are looking for, because, you know, these good people who are running this organization, I can't thank them enough because they are working day and night to maintain that, to entertain people, to generate jobs and so on. What I want to see is these wonderful people getting the resources and support to get the work done further.

So, again, any timeline, priority, and any estimates, dollar amount that we have on this, please. Thank you so much.

Mr. Olson: Well, I'll be cautious in my approach on how I address any financial number.

We did cost this project out several years ago, but I'd be hesitant to throw that number out right now knowing that it's probably significantly outdated. Yes, so it was—it's in the neighbourhood of 2 to 3 million dollars. But again, I don't want to get fixated on a number because, as I said, our estimates are now probably closer to four years old. So, that's maybe about all I'll say about that.

Mr. Vice-Chairperson in the Chair

Mr. Brar: Mr. Chair, I think the minister wants to say something.

Mrs. Cox: Thank you, Mr. Deputy Chair, and, again, thank you to Mr. Brar for his questions with regard to, you know, arts and culture and, you know, our government's investment.

I just did want to share that, you know, since being elected as government, you know, we have

made major investments in not only the Centennial Centre Corporation, but also in other very important projects across the province.

And I'd like to just mention the \$15 million that we invested in the Winnipeg Art Gallery and, you know, for the construction of Qaumajuq. And that is a world-renowned centre for Inuit art. You know, I'm very proud of that investment. It not only speaks to Inuit art, but speaks to our government's support for reconciliation. So, you know, that \$15 million is also in addition to this \$20 million that we've been providing to the M-triple-C.

We also provided \$5 million to the Manitoba Museum, which is connected to M-triple-C and, you know, is under their purview. But, you know, they have installed many, many amazing new galleries, and if you have the opportunity to go, you know, you would be—oh, we can't go right now, but, you know, in the future, once you have the opportunity, I know that you are a lover of the arts and culture, Mr. Brar, so I appreciate, you know, that, you know, as well as the—our beautiful Nonsuch. So they, you know, restored that entire gallery, you know, reinstalled all of the rigging on the ship. That, I have to say, is one of my most favourite galleries. So that \$5-million investment, as well, to the Manitoba Museum.

* (14:40)

Then we provided \$10 million for the construction of the new, great royal aviation museum, which will be opening very soon. I'm not sure how that's going to work with COVID, but that's another opportunity for Manitobans to be able to see Manitoba's aviation history, and I had the opportunity to be there just to talk about our investments.

And I know that the former premier, Kelvin Goertzen, also made an investment at the royal aviation museum recently, you know, because it is such a very, very important part of Manitoba. When you take a look at all of those pilots who were up in the North, and many of them, you know, sacrificed, unfortunately, their lives ensuring that they were transporting goods up there. It really is important that we memorialize them and that history that we have of aviation.

There was also Diversity Gardens, where, you know, our government invested another \$15 million to ensure that, you know, we have that beautiful leaf construction. You know, that is something that is going to draw people from around the entire world, all

of these projects, and they're so important, not only for us here in Manitoba but they are a drawing card for Manitoba, you know, as really putting Manitoba on the map and the city of Winnipeg.

So, you know, I'm immensely proud of the good work that we have done as a government, recognizing how important these arts and culture, really very—the sector is so important to Manitobans, and just to recognize that, as I said earlier, that it really does enrich the lives of all Manitobans when we have the ability to go and see a structure like the Nonsuch up close, you know, really understand the history of our province which—of course, our Indigenous peoples, our Métis peoples, you know, all of those individuals who are so important to us and our history here in Manitoba.

Mr. Chairperson in the Chair

And that's what really makes Manitoba so special is our people, and I always say that over and over again. You had mentioned diversity. In Manitoba we speak over 200 languages, so, you know, I'm very proud of our diversity and really proud of the investments that we have made in our arts and culture sector.

Mr. Chairperson: Thank you, Minister, and before I give the floor to Mr. Brar, just cognizant of the time. We've got about 17 minutes remaining to us and I think five of those were reserved for the vote, but—

Mr. Brar: Are we sure we are left with 17 minutes?

Mr. Chairperson: No, apparently I'm bad at math. I'm bad at math, carry on.

Mr. Brar: You didn't do that—is not my approach. My approach is, let's do it. So let's get together, let's work for Manitobans. If we didn't set a timeline so far, that's okay. Let's set a timeline now, let's get an estimate now and provide the facilities that our Manitobans—seniors, adults and our youth, next generation—needs to grow, learn, flourish and progress.

So, going forward, I would hand over the floor to my esteemed colleague, the member from St. James, to continue.

Mr. Adrien Sala (St. James): Thank you so much to my colleague, Diljeet, and I just want to say hello to Mr. Olson and Mr. Loepp and thank them for all their work as stewards of some of our most important cultural institutions here in Manitoba, and, of course, to Minister Cox, thank you for your work and the work of your team.

Also, happy to know that, although of course we probably have some major differences in our views on policy, that Minister Cox and I can come together around a shared love of the Nonsuch, which is clearly one of the best places anyone can visit in this province.

I wanted to ask, we know that in a 2019 letter, the former minister of Crown Services directed the corporation to develop a plan for self-sufficiency, and from that letter it states that you will work with Crown Services and other parties to develop a five-year plan to achieve self-sufficiency, including pursuing opportunities to develop properties within the centre and modernizing governance. End quote.

And subsequent to that, in 2019, M-triple-C commissioned KPMG to review the governance model of MCCC, and KPMG provided five options. The corporation then presented two to government, and government accepted one, which was to transition to a non-profit corporation from its current status as a Crown.

So just want to ask a general question to the CEO to inquire, why was that option selected among the five? What is it about transitioning to a non-profit structure that resulted in it becoming the recommendation put forward to government?

Mr. Olson: Thank you for that question, and thank you for the opportunity to talk about that initiative.

I want to say, I could just add some more context around this, that we're currently working with Minister Cox and her department and the resident organizations of the Centennial Centre to evaluate what a new governance structure for M-triple-C would look like.

You are correct. We received a mandate—our board chair did receive a mandate to review our organization and to look for opportunities to improve on our effectiveness to deliver services and support to the arts and cultural industry. And so we, at the time, undertook a study with KPMG to look at other similar provinces—or provinces that have similar organizations such as ours. We went into the States, we went to Europe to a limited degree and we went to Australia and looked at what some of the other government organizations such as ours—comparable to ours—were doing and how their various governments supported them. We brought two recommendations back to the province, and one of the recommendations was more acceptable than the other one, and that was the

not-for-profit model, of which—it was one of our two preferred preferences.

So, a decision at the time to look at that model is on the table right now, but we are going through—and perhaps Karl can support this as well—we are going through a re-evaluation with the support of culture and with the support of our resident organizations, to determine exactly what we will look like as an organization going forward with the continued mandate to provide supports to the arts and cultural industry. We're not looking to deviate from that at all; we are just looking for ways that we can deliver those supports more effectively, more efficiently and perhaps have a little bit more latitude to be able to support the industry using a bit of our entrepreneurial spirit to generate additional earned income.

And that's where that particular model comes into play and allows us to pursue some of those other options outside the purview of our existing mandate. But, as I said, we're looking at this a little bit more holistically with a few more people. Help them support the narrative around what our organization should look like so that we can be that organization for the next 50 years that continues to support this industry.

Mr. Loebb: If I can just add to some of Rob's comments.

One of the things that we are looking to do as an organization is to grow the opportunities for all of our resident tenants for the cultural and arts community in the neighbourhood. And we felt that we'd have more flexibility to work in timely ways, to work with our resident tenants if we've got the ability to be a bit more of an independent organization, giving us opportunities to become possibly a charitable status, possibly have naming rights on buildings—all those things that we've talked about in the past, that will create revenue opportunities, as well give us the opportunity to work with our infrastructure, whether we want to do real developments with third parties, whatever.

* (14:50)

We're not saying we're doing any of those things, but it'll give us the ability and the flexibility to work quicker as an organization to grow the arts community here.

Mr. Sala: I appreciate the responses to the question, and just a quick, simple confirmation. Is it, then—it's my understanding, then, if I heard you correctly, that you are exploring moving forward on the basis that

the corporation will move to be governed by a non-profit entity. Is that accurate to state that?

Mr. Olson: Excuse me, I dropped the cue there continually; I apologize for that. I wouldn't say that that's exactly where we're going. I would suggest that we brought a preference to government for broader discussion, and it may evolve into a different structure going forward, but we've laid sort of some groundwork for consideration so that the resident tenants—and government, in particular, Sport, Culture and Heritage—has some kind of grounding from which we hope to build on. So this is a possibility. But if in—ultimately it morphs into something that doesn't look exactly like a not-for-profit, you know, it could still remain a Crown corporation, for example, with some different mandated issues going forward.

But I think that's what we wanted to do; we wanted to initiate the discussion and bring something to the table so that we could build on that and find what the ultimate solution might be from a government perspective and for the people that work most closely with this organization.

Mr. Sala: So the annual report states that five models were presented and that two were presented to government, and that one model was ultimately selected; at least, that's what I understand the annual report to state. And so, you know, what I'm hearing is that while that—the annual report states that that model was selected, now there is maybe not a certainty about that selection, and that there's further exploration to other models. Maybe you've alluded to some type of a hybrid non-profit; maybe it still remains as a Crown.

What's the reason for that, if there was a selection of one direction that was outlined in the annual report? Why is there now sort of a backing away from that recommendation, or a looking away to, perhaps, other models?

Mr. Loepf: So what we had presented was just a recommendation from our board to the department to suggest that this is the framework of a model we're recommending. Obviously, in consultation with all of the affected parties and our resident tenants, it's a discussion. It's an opening point to start something to say we'd like to go in this direction. How does it affect all of the stakeholders? How does it affect the government? How does it affect our own organization? And then to work within those parameters to come up with something that gives us some—a path forward for a new opportunity.

Mr. Sala: Thank you for that response.

And what was the response from government to the proposal to look at transitioning it to a non-profit entity?

Mr. Olson: If I may, it was favourable. I mean, I believe—and Minister Cox or Mr. Loepf can certainly chime in on this, but it—we've been—it's been favourably received, with the caveat that we should look at it from a broader perspective to make sure all of the parties that might be impacted by this decision have ample opportunity to contribute in some meaningful way as to what this reorganization of our corporation might look like. So I—it's been well received from our perspective.

Mr. Sala: Thank you so much.

I do want to note that the minister did have her hand up, so I'm happy to pass the floor back to her if she wants to provide more context.

Mrs. Cox: Thank you, Mr. Chair, and thank you to Mr. Sala, as well, for that question. You know, we want to ensure that all of our arts and culture sector remains sustainable well into the future, and that's why we've made major investments.

We also recognize that, you know, the M-triple-C would have more autonomy if, in fact, they moved towards this non-profit type of an environment. You know, we know that Manitobans are amongst the—we have a reputation of being amongst the most generous across the country. And this will give M-triple-C the opportunity to generate much more revenue, whether or not it's something like an Investors Group field where Investors is, you know, has their name displayed on that facility or stadium.

You know, there's going to be many opportunities, but I just want to make sure that, you know, everyone is aware that from the very start of this process, the first people that we approached was those investors, those residents, that are utilizing the Centennial Concert Hall. We recognize that it's important that we have those discussions with the Winnipeg Symphony Orchestra, with the Manitoba Opera, with the Royal Winnipeg Ballet and the Royal Manitoba Theatre Centre. And, you know, I remember vividly having those discussions with them, as a starting point, to ensure that we have that openness and that transparency and to ensure that the M-triple-C remains sustainable, gives them more autonomy and gives them the opportunity to really broaden what they do right now.

So thank you, again, for that question.

Mr. Sala: In the recommendation that was provided in this transitioning of governance of MCCC over to a non-profit, do the assets themselves also—are they transferred over to a non-profit in the model that was proposed or in the analysis that was done and recommended to government?

Mr. Olson: That's a possibility. That's a possibility. It's not a confirmed possibility, but it's possible that that could happen, yes.

Mr. Sala: How many employees are there in total of all the various organizations that work in relation to MCCC?

Mr. Olson: I don't know that we could provide you with an accurate total on some of the other organizations that utilize the Centennial Centre. I'd have to get you that information by consulting with Manitoba theatre centre or the museum. I could provide you with that data. I don't know offhand.

Mr. Sala: And given that those employees would currently be employees of a Crown corporation, you know, with the corollary of—and all the benefits that come with that, such as defined benefit pensions and so forth, if those employees were to then be employed by a non-profit corporation, I would imagine that most people in non-profits don't have access to those types of good benefits that people have when they work for Crown corporations and government entities.

So would the idea be that if the organization were to transition to being governed as a non-profit, how would those benefits that the many, many employees working for these critical cultural institutions are currently benefiting from, how would they continue to be treated as employees in that future situation? And I guess the key concern here is that many people would potentially lose a lot of those great benefits that they have as Crown government employees and that would be a very reasonable thing for them to be concerned about.

Any commentary on that question?

Mr. Olson: I just want to clarify that we're just talking about our organization, the Manitoba Centennial Centre Corporation. The other organizations that we consult with as being primary users of our arts centre, they would want to know what we would look like as an organization.

They're not included as part of our organization in this plan at all. We don't employ them. We just—you know, the 64 full-time equivalents that I mentioned

earlier, that's the extent of our total complement of employees. They would still remain separate entities.

* (15:00)

Mr. Sala: Thank you for that information.

So I understand there's 64 employees, then, who could, at some point, be transitioned to be working for a non-profit. Would their benefits, pensions and so forth be protected in that transition?

Mr. Olson: Hypothetically, yes, they could be, but we could also be looking at, when we have the opportunity to reimagine our business structure, we could be looking for efficiencies and their benefits might be enhanced. It's not necessarily a bad thing, either.

So I think, you know, what you're asking is for us to predict right now what we might do with employees and the benefit structure that they've received. You know what, that hasn't really come into play just, just yet.

Mr. Sala: Yes, I know, I appreciate that it hasn't come into play yet but clearly a really important question, I'm assuming, for the 64 employees there.

And you did allude to potential efficiencies. Could you just maybe elaborate a bit on what you perceive as potential efficiencies from moving towards a non-profit model?

Mr. Olson: I believe what we're referring to when we talk about efficiencies are abilities to, sort of, move a little bit more proactively on some of the projects that we might see as being beneficial to the organization and, subsequently, beneficial to the arts community as a whole.

As you can appreciate right now, there are processes that we must respect, being a Crown corporation. With a little bit more independence, there may be—and Mr. Loepp referred to some of those, for example, if we were to look at some capital development, we might be able to involve a third party in the process. We might be able to exercise our charitable status or a charitable status, if that's how we go down the road, to run capital campaigns.

Those are the types of efficiencies and more streamlined operation that we're hoping to achieve.

Mr. Sala: Thank you for that response.

The 2017 master plan adopted by the board includes a pretty impressive array of long-term capital redevelopment plans, and I guess a question would be, if we're moving over or we're considering moving

over towards a non-profit governance model, wouldn't it significantly increase costs for a non-profit to engage in the borrowing and acquisition of capital required to pursue that plan?

You know, I have a history of working in non-profits and I can tell you that, you know, a lot of folks working in non-profits, first of all, unfortunately, are not getting the type of compensation that they often deserve and they certainly, as non-profits, struggle to access capital and to be able to access financing at reasonable rates.

I'm not sure why things would be any different for this non-profit in some future scenario. So can you help me understand how it would be possible for a future non-profit—given the kinds of struggles that we know non-profits face in meeting some of their basic costs, et cetera—how it would be possible that they could feasibly execute on this master plan or in delivering on some of the significant capital asset management concerns that you guys spent quite a bit of time today elaborating and outlining?

It seems like already, as a Crown corporation, there have been some struggles in upkeep, in doing what's necessary to make sure that our facility is kept up and is well-managed. It would seem that, in a non-profit environment, those challenges would only be exacerbated.

Yes, there would probably be a significant reduction in the number of costs, but would those challenges not be exaggerated, especially those relating to acquiring financing for moving ahead on some of these aspects of the master plan?

Mr. Loebb: So, I think, just to go back to that master plan that was engaged just before I came on as the chair of the board, it was an exercise in looking forward for the facility, for the campus, for everybody involved, for those stakeholders, and the consultant team at the time went and met with each individual group to do a bit of call it blue sky dreaming of what could be, where do we want to go, what are the needs of all the facilities, and we put together a plan.

And yes, it's an impressive, aggressive plan, but truly the only way forward to getting that plan into a reality is to be able to raise our own capital, to work with our partners to run capital campaigns to put some of these projects together.

Otherwise, we are one hundred per cent reliant on the government of the day to fund us for any capital improvements of any sort. And you can see the long list of improvements that we have just for the existing

facilities to be maintained and approved to today's modern standards.

So, in my opinion, the reality of any of those projects happening being reliant on the provincial treasury is slim. So if we could find a way to partner with our tenants that are involved in any of these major projects, be it through a capital campaign, through charitable giving, through any of those things, is probably the only reality of it happening.

And I think, with respect to the cost of development, our development costs are going to be no different than any other campaign, and I respect how difficult it is for non-profit organizations to fund—find funding and raise capital for their projects.

We will have the same challenges, but to—for us to rely solely on the government to move us forward to grow our industry, so to speak, it's just not realistic right now.

Mr. Sala: Appreciate your response.

I'm going to pass the floor back to my colleague, Mr. Brar. Thank you for your time.

Mr. Brar: I would touch on quickly one or two more points before I hand over the floor to my esteemed colleague from—Mr. Dougald.

So my question here is—well, I would put, well, two questions straightforward here. The definition statement indicates that the government funding is returning to normal for the current fiscal year, and we know that the organization already received \$1-million enhancement.

So does that mean that that funding for \$2.5 million this year is still secure after having that \$1 million already to this organization?

And I would touch on to the diversity for the board chair that—does the chair have a plan to recommend more diversity to the board of directors, and to the events that happen at the MCC?

Mr. Loebb: Yes, just to answer the question on diversity for the board, we are always looking for as much diversity as we can possibly find.

We actually have two openings on our board at this current time, and we're in consultation with the minister's office to let them know that we are looking for board members, and want to have as much diversity as we can possibly get on the board.

Sorry, the second question? The funding?

Mr. Brar: Yes, it was regarding the confirmation that you would be still getting \$2.5 million instead of getting \$1 million last year as a provincial support.

Can you confirm that, please?

Mr. Loebb: Yes, that is confirmed. Our funding is in place.

Mr. Brar: Can I get some more information about this diversity?

Had there been some previous effort—outreach or networking efforts—to bring more revenue to the corporations through enhancing the ethnic concerts there. Because living in the city, talking to people, and looking around, it feels like there are so many ethnic concerts which hold a lot of revenue. They're happening not at this concert hall, which is our Crown corporation, but at private concert halls.

*(15:10)

But is there a scope or plan or historical efforts made to bring that revenue? And we can work together on that.

Mr. Olson: Well, if I can answer that, the answer is yes.

We are—maybe I need to clarify this. So the concert hall is available for rent from any organization that can find a date or determines that the concert hall is a suitable venue to promote their performance.

We routinely have diverse organizations renting from us. We recently had an East Indian act perform to a virtual sellout here in October of this year, which was great. We have Shen Yun, the Chinese acrobats, coming in in the next quarter, I believe, in the next fiscal year, in April, May or June. And we're working with Indigenous communities to bring more Indigenous performances to the stage.

But I think what we do more than anything else is that we'll have an organization, any one of the ethnicities in the city that might want to consider the concert hall as a venue, we work with them to help promote the show. One of the things that we do is we offer our own ticketing, so we're not beholden to a private ticketing agency like Ticketmaster.

So we can help you work on ways to promote your show through ticketing, or promote your show through marketing, and we can help you with staging, technical specifications or direction on how to promote and present your show. So we certainly encourage anyone from any community to consider the concert hall.

I think, you know, often what happens is some organizations will come to us and want to stage a performance and then they realize, oh, I might not be able to sell 2,300 tickets to a performance, so the business model might not be there. And we help them work through those financials to help them understand what those costs might be, short of the promoter themselves coming to us and negotiating a separate agreement with an artist.

So the East Indian artist that just came in recently, he was a local presenter. He negotiated a salary for that artist, negotiated all the arrangements to bring that artist into the province, and then we sat down with him and we helped him promote, ticket and market the show locally.

So we do that on a consistent basis, and certainly, we're receptive to more if there's more opportunities out there.

Mr. Brar: Quickly, I wanted to add clarity to what I wanted to say is the information gap.

So I think I propose, very respectfully, that we should make more efforts to reach out to the community leaders, to the organizations, to the promoters, for example, in East Indian community or Filipino community too—because there are so many people in new Canadian community, new immigrants who do not even know that this is a Crown corporation.

Sending this information out through media outlets or through print media or TV, radio, we can send this message out that if you choose to offer your concert through this organization, the revenue stays in the government and is being spent on your kids' schools and stuff like that. So I'm trying to bridge that information gap between the communities, especially the new Canadians, ethnic communities. So that was my point.

And my next point is I'm on board to work together with the board, with the minister, with the government to make that happen, so that we can help our corporation progress and sustain. And also, if there are openings on the board, I would be more than happy to suggest or be on board to help you find suitable people for that.

Thank you so much and, yes, that's it for me. I would pass on to my respectable colleague, Mr. Lamont.

Mr. Chairperson: Mr. Lamont, you seem to be muted.

Mr. Lamont: My apologies. Thank you for presenting to us today. I actually worked in the centre. I was an employee at the Manitoba Museum, and I'm a season ticket holder of the WSO and a—and we have a membership to the Manitoba Museum as well. So we're big supporters.

I was actually—had the misfortune of being—I'm quite aware of the funding issues. A number of my colleagues were all laid off at the Manitoba Museum due to funding cuts under the NDP.

So I had a couple of questions. We talked a fair bit about carpet, cladding and fire alarms, and I know that there were some pretty serious code issues. So I just had a couple—two quick questions. One is, when we're talking about that—we're talking about, you know, that they—the amount of money that's being invested right now, that is basically in fundamentals for safety issues. We're not even being able to talk about it. But—so I'm wondering, is that the case? I mean, basically, when it comes to the amount of money that's been allocated, that it's fundamentally to address upgrades because—I know that with accessibility—I've sat in the concert hall, right, there are no—it's very difficult to get in and out. So, No. 1, is that funding, is mostly for safety upgrades?

And the second question, I just—if the chair could expand. He said that it's simply not feasible for government to commit the funding. I just want to understand why that is the case because we're talking about, you know, private sector naming rights and we talked about the Investors Group stadium, but it got \$200 million from the government. So I'm just trying to understand those two questions.

Is it the case that we're basically talking about, sort of it's like foundation repair in terms of investments? And then why is it that government can't fully—can't participate more and that there's a perceived need to switch to a different model?

Mr. Loepp: Yes, well, thanks for the question. So, with the funding of what we're undertaking to do right now, and I had mentioned the life safety issues, that is going through the priority list of a long list of items we would like to do.

As much as you mentioned sitting in the theatre itself or in the auditorium on those seats, those seats are over 50 years old, and anybody can sit in them and realize how uncomfortable they are, as well as getting in and up and down those aisles—it would be nice to put in a centre aisle. We'd love to do that stuff.

But, again, this gets back to the point of all we can do is ask for the Province to pay for it. And it's really difficult for us as an organization to put together a plan unless we know for certain we have funding of a certain amount. And right now, we don't have a massive capital funding amount because we're repairing things right now. So what we'd like to do is work with our entire communities, put together a capital campaign and work with the entire province of Manitoba's people, whether they want to give charitably or be involved as partners of ours in the arts community to invest in these facilities.

And, you know, whether it's your orchestra shell or the seating or any of the other facilities, we've—the Province has given us more than we've had in three decades. And we would love to have hundreds of millions of dollars from them; Investors Group got it. We don't have that. We'd love to have it, trust me. And if Minister Cox would like to suggest today she can provide us that, it'd be wonderful.

But I think we have to be realistic about preserving the arts community's future here, and we want to grow and build with them, and if that means using some of the assets that we have, potentially reinvesting in them, whether it's a capital campaign that includes debt, that could be a possibility.

Mr. Lamont: Thank you very much for that.

And I was just wondering, when it came to the reopening the collective agreement on layoffs and so on, were most of those—have you been able to hire those employees back? Did they go on CERB? And in terms of financial supports, we, personally—I, personally, had some success in getting the federal government to change its plans, that it was actual able to support a federal Crown corporation, the FFMC, the Freshwater Fish Marketing Corporation, who got \$10.8 million, so. Were there any—did you just talk to the federal government and they said no, or was there any other outreach to, say, local MPs or anything? I don't know if that's even—if it's not allowed—

Mr. Chairperson: Mr. Olson.

* (15:20)

Mr. Olson: Thank you for that, Mr. Lamont. We directly applied to the federal government for support to determine whether or not we'd be eligible. Our inquiries were rejected.

With respect to the MGEU, we sat down and I believe—I was listening to Liquor & Lotteries' presentation the other day—we also agreed to support

some of our laid-off employees with some of the benefits that they might have been entitled to if they were fully employed, and those are the types of concessions the MGEU said okay, look, if you're prepared to do—aside from the pension. We didn't have the resources for the pension. But things like some of their Blue Cross benefits, extended health benefits in the event of, you know, tragic—a tragic accident, those types of insurance policies would still exist.

We did work with the employees. Initially we—excuse me, initially we worked with the federal government on what's called a top-up program to let them be laid off and we'd top up their salaries to the 75 per cent mark. The federal government agreed to that, but then they went into their whole CERB and CEWS program, and they squashed that.

So the concession we got from the unions basically was maintain benefits as best as you can, which we agreed to, and we did provide a modest top-up to the unemployment benefits—the CERB benefit that the employees received.

So we looked at this and we said look, it's going to cost us a fraction of what our full labour cost would be, and this allows the union to basically step back and say okay, let them collect their CERB; you guys top them up a little bit, and we'll let them go. And essentially that's the agreement that we came to with the MGEU.

Mr. Lamont: Yes, this will be my last question. The one—actually, it's more of a comment, a nice-ish comment. One is that I just—I understand that you don't actually hire artists, right? You're a venue for artists, so—and that's very important. They have been incredibly hard hit, and we do need more supports, just because they—when they can't work, they often can't go someplace else to work. It's been very, very difficult for performing artists and anybody else who's in—been in that group.

The one thing I would say is just that in the bigger picture we talk about, you know, the creation—say, you talk about the campus which is—it is an incredible place, and having an expanded arts—but very often when we talk about sort of a—what was it, the—a sports and entertainment district, all the money's going into sports. We have millions and millions of dollars going into the sports, whether it's the Jets—and that's great, all these things. But we're not—we're seeing a disproportionate, in my view, amount of money going to sports, and not enough support going to culture. More could be going to that cultural infrastructure.

But I also—for anyone who has the opportunity, our—we are unbelievably blessed to have the symphony we do. I went to Jurassic Park, the symphony, there, and it was unbelievably great. The museum is an absolute gem. These places do need much varying—need support. They have been neglected for a very long time, and I think there is—that whatever we put into it, we will get back manyfold. So I just want to thank you for your time today, and I'll wrap up so we can all get to vote. Thank you so much. Merci.

Mr. Chairperson: Are there any further questions?

Seeing no further questions, I will now put the question on the report.

Annual Report of the Manitoba Centennial Centre Corporation for the fiscal year ending March 31, 2021—pass.

The hour being 3:24, what is the will of the committee?

Some Honourable Members: Rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 3:24 p.m.

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