
**CITY OF KELOWNA
MEMORANDUM**

DATE: September 12, 2006
FILE NO: 0360-20
TO: City Manager
FROM: Development Manager, Recreation Parks and Cultural Services
SUBJECT: Kelowna International Regatta Society

RECOMMENDATION:

THAT Festivals Kelowna be requested to propose the most effective use funds previously allocated to Regatta for 2007 and future community festivals;

AND THAT the City withdraw financial support for the Kelowna International Regatta Society;

AND THAT Council direct staff to recover any funds currently held by the Kelowna International Regatta Society to be used to pay outstanding debt resulting from a loan from the City;

AND FURTHER THAT 2006 funds previously allocated to Regatta be used to pay any remaining outstanding debt resulting from the loan from the City.

Background and Discussion:

In May 2003, City Council authorized a loan in the amount of \$30,028.38 to the Kelowna International Regatta Society, and increased the annual grant for three years in 2003/04/05. Council approved this at the request of Regatta in order for the Society to pay off outstanding debts that the Society had incurred in the community and to assist the Regatta to establish a more firm financial standing.

An agreement was signed on May 28/03 between the Regatta and the City, outlining the loan repayment schedule, and reporting obligations by Regatta to the City. To date, the Kelowna International Regatta Society has not fully complied with the terms of this loan agreement. City records indicate that there is \$15,119.16 still owed and in arrears, including interest. Regatta has not provided the City with financial and budget reports for 2003, 2004 and 2005 as the loan agreement requires.

Staff has made repeated attempts in 2005 and 2006 to discuss this issue with Kelowna International Regatta Society representatives through telephone messages, e-mail messages, official letters, and invitations to meetings. Although Regatta representatives did respond on one occasion and did forward some additional funds against the outstanding loan in March, Regatta has generally been un-responsive, and non-communicative.

On June 14, one month prior to the scheduled 2006 event, Regatta representatives informed the City that they would not be able to produce an event in 2006. Following this notice of cancellation, staff and Regatta representatives did finally meet to discuss issues and conditions in order for the City to continue to support any future Regattas. At that time, there was general acknowledgement of the issues and conditions and a follow up meeting was scheduled, at which time Regatta representatives agreed to present a plan to address these issues and conditions. Regatta representatives did not attend this previously agreed to meeting, offer any explanation nor request this meeting to be re-scheduled, and did not return telephone calls. A follow up letter was subsequently sent to Regatta representatives, requesting information, and advising that staff were preparing to report to Council. To this date there has not been any response.

At this point, the City has no knowledge of the Regatta event planning for the future. Regatta has not complied with the terms of the loan agreement, and Regatta representatives have been un-responsive in revising any new terms for the loan agreement. From our staff perspective, it would not be possible to forward additional funds in the future without the previous debt from earlier years resolved. Staff does not believe that the Kelowna International Regatta Society has demonstrated the financial capacity to settle the debt and financially produce another community festival, and are recommending the withdrawal of City support.

The newly forming Festivals Kelowna Society is recommended as the appropriate authority to make a proposal to the City for the use of funds and a future community festival.

JWR Oddleifson
Development Manager, Recreation Parks and Cultural Services

P/c Director of Recreation Parks and Cultural Services
 Director of Financial Services