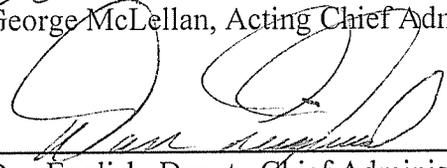

Halifax Regional Council
February 5, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Acting Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: January 7, 2002

SUBJECT: Withdrawal from Reserve, Q115

ORIGIN

Staff.

RECOMMENDATION

It is recommended that Halifax Regional Council increase the 2001/02 capital budget in the amount of \$60,000 for this new project, Captain William Spry Community Centre (CWSCC) fitness/wellness facility, within the Captain William Spry Centre with funding as a withdrawal from the Captain William Spry Centre Reserve, Q115 in the amount of \$21,920, and \$38,080 from Recreation operating accounts as identified in their business plan. The current balance of the reserve is \$21,920, but with additional accumulated interest this will increase. Therefore, it is recommended that any remaining balance after this funding be transferred to the Capital Surplus account, Q103, as the intent is to close this reserve after this project is funded.

BACKGROUND

The Captain William Spry Community Centre was opened in 1985 and was originally managed by a Board. During this time, the City of Halifax established a Reserve Account for this facility. The Halifax Regional Municipality assumed management of the CWSCC on April 1, 1996.

DISCUSSION

Captain William Spry Community Centre is a viable operation and acts as a source of community pride for Spryfield. There has been a high degree of demand and interest for the wellness/fitness facility. In addition to a community survey and a situational analysis study, a 1997 KPMG Report stated "the challenge for the CWSCC is to reverse it's slight decline in utilization." An addition of a wellness/fitness facility would give the CWSCC- Wave Pool the space and diversification necessary to continue to grow in leisure programming and revenue thus meeting the needs of the community.

The addition of this wellness/fitness facility would increase the current use of under-utilized space at the CWSCC and increase revenue overall. The business plan for the facility wellness/fitness facility shows a projected net profit of \$42,000 annually.

The infrastructure to house the wellness/fitness facility is already available at the Captain William Spry Community Centre. The wellness/fitness facility will be moved to a more ideal location in a large air controlled area with convenient access to locker rooms, pool, reception/control desk, the sauna and parking. With additional fitness equipment (cardio equipment, fitness stations, free weights), it will enhance and complement the existing aquatic and recreation programs currently offered at the facility. Hence the request for use of the reserve.

Currently, the CWSCC is the only recreational facility located past the Armdale Rotary which serves the needs of residences within Districts 17 and 18. The Chocolate Lake Community Center, located at the Armdale Rotary, currently houses a community weight room with limited fitness equipment and little or no room for expansion. There are no other fitness facilities in the general area. Another advantage of establishing a wellness/fitness facility within the CWSCC is the facility's popular aquatic program. A Centre that offers both an aquatic program and a wellness/fitness facility will be able to meet the increasing health and fitness needs of a rapidly growing community.

BUDGET IMPLICATIONS

The reserve account, Q115, currently has a balance of \$21,920. As this reserve will earn interest up to the point in time in which funding will be required, it is recommended that any remaining balance in Q115 at the time of this funding, be transferred to Q103, Capital Reserve, as the intent is to close this reserve after this project is funded. As identified in the business plan, Recreation will contribute \$38,080 to fund this project. This proposal has the opportunity to achieve a net profit of \$42,000 annually. Funding is available in the Reserve, as confirmed by staff of Finance. As this project was identified within the current Operating Budget, there is no net increase to the Operating budget.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

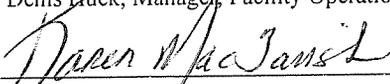
This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

1. Not to proceed with the addition of a fitness/wellness Centre. This is not recommended as it would result in lost revenue for the Captain William Spry Community Centre as well as lost opportunity to the community.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Report Approved by: 
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