
CITY OF KELOWNA

MEMORANDUM

Date: January 2, 2003
File No.: 2380-20

To: City Manager

From: Director of Parks & Leisure Services

Subject: Kelowna Coronary Exercise Society – Additional Information

RECOMMENDATION:

THAT this report, regarding the Kelowna Coronary Exercise Society, be received by Council for information purposes.

BACKGROUND:

Council requested more information prior to making a decision regarding this Society's request. Here are a number of key points for consideration:

- On average about 30 people participate each month, paying a fee of \$25 per month.
- Fees generate about \$9000 per year to offset total expenses of about \$20,000 per year.
- The shortfall is covered from a reserve that will be gone in approximately 2 years unless new sources of funding are found.
- Funding of \$10,000 per year from the Interior Health Region has been eliminated resulting in the shortfall.
- Service Clubs are being approached to seek ongoing financial support.
- A fee increase from \$25 per month to \$35 per month (40%) would cover the shortfall if the same number of participants paid the fees.
- The Treasurer estimates that approximately 20-25% of participants have financial difficulties paying the fees.
- The Society is seeking ongoing funding from the Gaming Branch and is attempting to have funding restored.
- The rental waiver requested totals \$3600 in rent annually.

The Treasurer, Mr. Don Cameron, suggests that temporary assistance from the City would be acceptable. This could be done by granting their full request in 2003 and reducing the grant amount to zero over the following couple of years. This would give the Society the opportunity to secure funding from other sources. Mr. Cameron also advises that if the funding is secured sooner that the Society would not need the grant.

Council expressed concern at its previous meeting regarding the precedent set by granting free rents. There are 16 other non-profit community groups (not including minor sports) that have booked City facilities for single use events, and two others that have booked for monthly uses. We do not have any other groups using facilities on a weekly basis, year after year, as does the Kelowna Coronary Exercise Society.

In light of the above information, Council may wish to consider an alternative to the recommendation with a three year phased grant of \$3600 in year one, \$2400 in year two, \$1200 in year three, with the understanding that the group will need to locate other sources of funding or raise fees during that time period.

David Graham
Director of Parks & Leisure Services

DG/dhk