

# Memo



**Date:** May 24, 2011  
**File:** 1140-45  
**To:** City Manager  
**From:** Manager, Property Management  
**Subject:** Kelowna Curling Club

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## **Recommendation:**

THAT Council approves the City entering into a Loan Agreement, with the Kelowna Curling Club, for a loan in the amount of \$70,000, in the form attached to the Report of the Manager, Property Management dated May 24, 2011;

AND THAT Council directs staff to provide notice of the intent to provide assistance to an organization in accordance with the requirements of Sections 24 and 94 of the *Community Charter*;

AND THAT the Kelowna Curling Club Improvement Reserve account number R115 be used to fund the loan;

AND FURTHER THAT the Mayor and City Clerk be authorized to execute the Loan Agreement.

## **Purpose;**

To authorize a short-term loan to the Kelowna Curling Club for the purchase and installation of dehumidification equipment;

## **Background:**

The Kelowna Curling Club ("Club") has an existing lease to use this City property until December 31, 2023.

In 2005, the Club approached the City with a request to provide a loan for the installation of a heat recovery system. The loan was for \$69,000. The term of the repayment schedule was four (4) years. The Club made all the payments on time and has retired this loan.

In August, 2010, the City approved the Club installing \$70,000 worth of dehumidification equipment.

The purpose of the equipment is to address a growing awareness and concern for problems associated with the performance of curling rinks, particularly the problem of "dripping" on the ice surface. Dripping describes the condition arising from the melting of frost that has accumulated on the underside of the rink roof or ceiling. Frost forms during the curling season and subsequently melts in mild weather, dripping to the ice sheets where it refreezes and forms

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undesirable "bumps". Under normal weather conditions in the Okanagan the problem occurs frequently and becomes more problematic during moderate winters.

The Club's anticipated revenues for 2010 / 2011 season were significantly lower than their projections due and as a result are now experiencing cash flow issues.

The Club anticipates being able to repay the loan over seventeen (17) months. The reserve currently had a balance of \$521,587.

**Internal Circulation To:**

Director, Financial Services  
Director, Recreation and Cultural Services  
Manager, Building Services  
City Clerk

**Financial/Budgetary Considerations:**

Use of the Curling Club Improvement Reserve.

**Legal/Statutory Authority:**

*Community Charter s.8 (2)*

**Legal / Statutory Procedural Requirements:**

*Community Charter s.24 (1)(b)* - Council is required to give notice of its intent to provide assistance

*Community Charter s.24 (2)* - Notice must identify the intended recipient of the assistance and describe the nature, term and extent of the proposed assistance.

*Community Charter s.94* - Notices will be placed on the public notice board at City Hall, advertised in the Kelowna Daily Courier and the Kelowna Capital News on Friday, June 3, 2011 and Friday, June 10, 2011 as well as be posted on the City's website.

**Considerations that were not applicable to this report:**

Existing Policy:

Community & Media Relations Comments:

Personnel Implications:

External Agency/Public Comments:

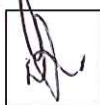
Alternate Recommendation:

Submitted by:



Ron Forbes  
Manager, Property Management

Approved for inclusion:



D. Gilchrist, Director, Real Estate & Building Services

cc: Director, Financial Services

THIS AGREEMENT made the 24<sup>th</sup> day of May, 2011.

BETWEEN:

**CITY OF KELOWNA**  
1435 Water Street  
Kelowna, British Columbia V1Y 1J4

(the "City")

OF THE FIRST PART,

AND:

**KELOWNA CURLING CLUB**  
551 Recreation Avenue  
Kelowna, British Columbia V1Y 7V5

(the "Borrower")

OF THE SECOND PART,

In consideration of the mutual conditions and agreements herein contained, the City and the Borrower agree as follows:

1. LOAN: The City agrees to lend the Borrower and the Borrower agrees to borrow from the City the aggregate principal amount of \$70,000.00 (the "Loan") subject to the terms outlined herein.
2. INTEREST: Without waiving any right of action of the City in event of late payment or default of payment due herein, the Borrower shall be charged interest each month based on the outstanding balance at Royal Bank prime interest rate.
3. REPAYMENT: The Borrower will repay the Loan in seventeen (17) equal payments to the City of \$4,000.00 each on the first of the month commencing July 1, 2011, and one final payment of the outstanding balance,

The Borrower may at any time make payment(s) to the City, in addition to those required on the dates set out in clause 2 above, which shall be credited to its account and reduce the requirement for the last payment(s).

4. FINANCIAL STATEMENTS: The Borrower will provide the City with copies of their annual financial statements pertaining to its operation, in accordance with generally accepted accounting principals no later than three months following the borrower's year end.
5. TERMINATION: This agreement shall terminate on the date that the entire amount of the Loan and any interest owing is repaid in full to the City.



IN WITNESS WHEREOF the parties hereto have affixed their signatures on the day and year first above written:

**CITY OF KELOWNA** by its authorized signatories:

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Authorized Signatory

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Authorized Signatory

**KELOWNA CURLING CLUB** by its authorized signatories:

  
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Authorized Signatory

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Authorized Signatory