



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall
1229 Esquimalt Road
Esquimalt, B.C. V9A 3P1

Legislation Text

File #: 18-063, Version: 1

REQUEST FOR DECISION

DATE: January 30, 2018

Report No. P&R-18-004

TO: Laurie Hurst, Chief Administrative Officer

FROM: Scott Hartman, Director of Parks and Recreation Services

SUBJECT:

Early Budget Approval - Fitness Equipment

RECOMMENDATION:

- 1) That Council award early budget approval of \$57,840 for the replacement of fitness equipment at the Recreation Centre.
- 2) That Council approve an annual contribution to the M&E Reserve Fund within the Financial Plan to fund these future equipment purchases.

RELEVANT POLICY:

Financial Plan Bylaw

STRATEGIC RELEVANCE:

Council's Operational Strategies 2015-2019 identifies the repair, replacement and upgrades of parks and recreation infrastructure as a strategic priority.

BACKGROUND:

Some of the treadmills and indoor cycles are scheduled for replacement. Traditionally the Township used the Municipal Finance Authority's Leasing Program to purchase fitness equipment to be repaid over five years. Given recent changes to this program and the high demand and use of this fitness equipment, it is recommended that the ongoing replacement be funded through the Township's Machinery & Equipment Reserve Fund.

ISSUES:

1. Rationale for Selected Option

Traditionally the Township funded its fitness equipment replacement through the Municipal Finance Authority's Leasing Program. Since the fitness equipment is in high use and life cycle replacement is approximately every four years, it is beneficial to the Township to change the way it funds the replacement of fitness equipment. The use of the Township's Machinery and Equipment

(M&E) Reserve Fund is ideally suited for the ongoing replacement of this equipment.

In order to fund the lifecycle of the fitness equipment, the Capital Project Reserve Fund must be used to fund the one time purchase of the equipment. Annually the Recreation Centre's operating budget that was used to lease the previous equipment would be reduced by \$14,000 and instead would become a reserve fund contribution to the Township's M&E Reserve Fund. This would ensure that the ongoing replacement of the fitness equipment is properly funded.

2. Organizational Implications

There are no organizational implications associated with this decision.

3. Financial Implications

Traditionally the lease payments for fitness equipment were made through the Recreation Centre's annual operating budget. Given this change, the annual operating fund would be reduced and the funds would be allocated to the M&E Reserve Fund. This would eliminate the need for ongoing lease payments and the interest rates that are assigned by MFA.

4. Sustainability & Environmental Implications

There are no sustainability or environmental implications associated with this decision.

5. Communication & Engagement

Staff undertook public engagement on the new fitness equipment by surveying customers using demonstration equipment last Fall.

ALTERNATIVES:

- 1) a) That Council award early budget approval of \$57,840 for the replacement of fitness equipment at the Recreation Centre.
b) That Council approve an annual contribution to the M&E Reserve Fund within the Financial Plan to fund these future equipment purchases.
- 2) That Council not award early budget approval for the replacement of fitness equipment at the Recreation Centre.