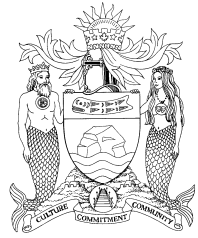


THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: January 13, 2020
TO: Mayor and Council
FROM: Sandra Kurylo, Director of Financial Services
SUBJECT: White Rock Lawn Bowling Club Loan Request

RECOMMENDATIONS:

THAT Council consider the information presented in this corporate report and:

1. Confirm if Council intends to:
 - a. Enter into a partnering agreement with the White Rock Lawn Bowling Club;
 - b. Extend the licence with the White Rock Lawn Bowling Club; and
 - c. Lend the White Rock Lawn Bowling Club an amount of \$62,000 to assist in the financing of the replacement of its artificial turf, subject to undertaking the legislative processes described in this corporate report; and
 2. If Council intends to lend \$62,000 to the White Rock Lawn Bowling Club for this purpose, direct staff to proceed with the next steps as outlined in this corporate report.
-

INTRODUCTION:

At the Council meeting of December 16, 2019, the White Rock Lawn Bowling Club (WRLBC) requested that the City lend it \$62,000 to assist in financing the replacement of its artificial turf. This report provides background information and the required legislative process should Council wish to pursue providing WRLBC with a loan.

PAST PRACTICE/POLICY/LEGISLATION:

Section 25 of the Community Charter prohibits the City from providing financial assistance to a business, subject to certain exemptions. Section 21 of the Community Charter permits the City to provide financial assistance if a partnering agreement is entered into. Section 24 of the legislation requires that public notice of the City's intention to lend money to an organization must be given, in accordance with Section 94, before the assistance is provided.

Lending money to organizations is rare for a municipality. As far as staff is aware, the City has lent money to non-profit tenants on two occasions in the past. In 2008, the City provided a 10-year loan to the White Rock Lawn Bowling Club for the initial purchase and installation of its artificial turf. In 2012, the City provided a 10-year loan to the Peace Arch Curling Club to assist in financing the purchase of new kitchen equipment for their leased premises in the Centre for Active Living.

ANALYSIS:

As stated above, lending money to organizations is not a common practice for municipalities. This is because there could be a financial risk of the loan not being repaid, and the money being lent belongs to the taxpayers. As well, the City has many partners and tenants who require financial assistance from time to time. If this becomes a common practice of the City, more partner organizations or tenants may request loans from the City and it may be difficult not to approve them. This may not necessarily be in the best interests of the taxpayers.

The current licence between the City and the WRLBC is for the five years, August 1, 2018 to July 31, 2023. It contains one renewal clause of one (1) additional five (5) year term. It should be noted that the WRLBC promptly made all principal and interest payments on its previous loan from the City. The loan was fully repaid ahead of schedule, in 2016.

Attached, as Appendices A and B, is correspondence from the WRLBC, providing background and financial information. The estimated cost of purchasing and installing the new carpet is \$180,000. The financial statements provided note that as of September 30, 2018, the Club had internally restricted funds on hand for this purpose of \$94,425. The President of the WRLBC provided an update that \$118,000 has now been raised for this purpose, leaving an outstanding amount of \$62,000. It is noted that the financial statements provided have not been audited or reviewed by an independent certified accountant. However the Club has advised they have been prepared by a Club member who is a certified accountant, and reviewed by the Financial Committee of the Board.

Legislative Requirements

Should the City wish to pursue lending the WRLBC the money, it first must enter into a partnering agreement pursuant to Section 21 of the Charter, whereby the Club would provide services on behalf of the City and the loan would be authorized under that agreement. This is necessary as it permits the City to provide financial assistance, which may otherwise be prohibited under section 25 of the legislation.

The steps required are as follows:

1. Prepare a partnering agreement with the WRLBC, as described above;
2. Prepare a loan agreement, including all of the terms and conditions of the loan. In this case, staff recommend a 10-year term with interest being charged annually at the average prime interest rate for the previous calendar year. Further detailed terms and conditions, such as the form of security, will be provided in the agreement;
3. Prepare an extension to the WRLBC licence, so it ends no earlier than the term of the loan;
4. Obtain Council's approval of the above documents and its direction to proceed with public notice of its intent to lend the money to the WRLBC, in accordance with Sections 24 and 94 of the Community Charter. Execute the partnering agreement prior to placing the public advertisement;
5. Execute the loan agreement and licence amendment after the notice period; and
6. Approve all plans before construction proceeds.

Staff have advised the WRLBC that should Council confirm its intent to proceed as described, the WRLBC would be required to reimburse the City for associated legal and advertisement costs, estimated to be \$3,000 to \$5,000. The Club has agreed to reimburse these costs.

CONCLUSION:

It is recommended that Council consider the information presented in this corporate report and provide direction to staff on whether or not Council intends for the City to enter into a partnering agreement with the White Rock Lawn Bowling Club, extend its licence, and lend it \$62,000 to assist in the financing of the replacement of its artificial turf.

Respectfully submitted,



Sandra Kurylo
Director of Financial Services

Comments from the Chief Administrative Officer:

I concur with the recommendations in this corporate report.



Dan Bottrill
Chief Administrative Officer

Appendix A: Correspondence dated December 16, 2019 from the White Rock Lawn Bowling Club

Appendix B: Correspondence dated May 23, 2019 from the White Rock Lawn Bowling Club

December 16, 2016

We are here today to ask the City of White Rock for a loan of \$62,000 to help fund the replacement of our ageing artificial green. The City is the registered owner of the land and the premises which is the White Rock Lawn Bowling Club. The estimated cost of this project is \$180,000 and the club has saved \$118,000 towards this project, leaving a short fall of \$62,000.

We owned and operated our club from 1934 to 1974, at which time the property was sold to the City for \$40,000. By 2008 the natural green was no longer playable due to serious drainage problems so we approached the City for financial assistance. With a loan from the City, a Government grant and our own savings we were able to replace the existing grass green with an artificial green allowing year round play. This loan was paid in full in November 2017.

Constant wear on a daily basis for over eleven years has caused the surface great stress and deterioration. Without a properly functioning green we won't have a bowling club. The green is the lifeline and mainstay of a bowling club. We feel the only option for our club to continue to provide a viable playing surface is to replace the existing carpet.

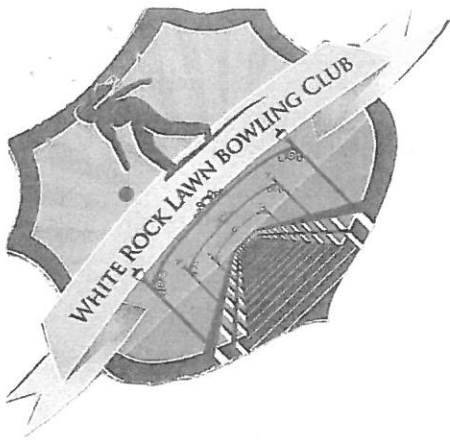
What started out as a bowling club is much more today. Our membership is strong and growing with over 155 members between 58 and 99 years old. We provide a safe and welcoming environment for all members who want to enjoy an active and healthy lifestyle, meet and socialize, or just be there to offer support for those who need it. If time permitted I could provide you with 155 stories of just how important this club is to its members.

We are a very active club with daily drop in games, leagues, tournaments, and various competitions with clubs from all over the lower mainland.

Each year we work with the local schools to provide qualified coaches to introduce the students to the game of bowls as a part of their physical education program. Not only do the students learn to bowl, they enjoy meeting and interacting with our members, but just as important, it gives our members an opportunity to connect with students and hopefully inspire them to enjoy and play this wonderful game.

Please help us to guarantee the future of this amazing community asset by supporting us in sustaining this prestigious sports and social club. Thank you.

Gayle Saunders, President
Paul Beaumont, Project Manager
White Rock Lawn Bowling Club



WHITE ROCK LAWN BOWLING CLUB
 1079 Dolphin Street
 White Rock, B.C.
 V4B 4B4

RECEIVED

MAY 24 2019

May 23, 2019

CITY OF WHITE ROCK
 ADMINISTRATION

Corporation of the City of White Rock
 15322 Buena Vista Avenue
 White Rock, British Columbia, V4B 1Y6

Attention: Mayor Darryl Walker

Please find enclosed herewith our request for financial assistance in replacing our existing artificial bowling carpet. I have included a brief history of who we are and why we are approaching the City of White Rock with this request.

- 1) Who are we? We are a sports club that began as a group of neighbours, who in 1934 first played the “sport of bowls” in their back yard, evolving into a bowling club that has produced many fine athletes who not only have excelled in the Lower Mainland, but have competed in the Provincial, National and International arenas. Our athletes are widely respected not only for outstanding play but their fine sportsmanship. The club has hosted Local, District, Provincial and National Tournaments, as well as visitations from other cities. We took the White Rock Lawn Bowling Club to the world and invited the world back to the City of White Rock.
- 2) Brief History: We owned and operated our club from 1934 to 1974 at which time the property was sold to the City of White Rock for \$40,000.00. The club continued to grow in membership throughout the years but the greens became more and more unplayable due to serious drainage problems. In 2008 we approached the City of White Rock for financial assistance. With the \$100,000 our club raised, a \$110,000 Government grant and a \$100,000 interest bearing loan from the City we were able to replace the existing grass green with an artificial green. The final repayment of this loan was submitted November 2017.
- 3) With this new all-weather artificial green we were able to play year round. We started a winter bowling season and invited our “sister” club at Mann Park to participate, strengthening the bond between both clubs. Our membership is strong with a current roster of over 160 members and our club continues to prosper. Our youngest member is 52 years old and our oldest member will be celebrating his 98th birthday in 2019. We are 100% managed by volunteers with in excess of 2000 volunteer hours recorded each year. We provide a safe, welcoming, healthy interactive lifestyle for our community. The importance of the social aspects of the club, dinners, dances, afternoon card games and various social activities during the year cannot not be over emphasised. We are not just a bowling club, we are a “people” club.
- 4) We are committed to our community. The club in conjunction with our local schools, facilitates workshops in the spring. We have provided this service for the past number of years. This is a

positive direction for the club as this gives us the opportunity to showcase our club, what we are all about, and to broaden our community membership base. Our greens are well used year round with various leagues, tournaments and daily drop-in games. The existing green is now in it's eleventh year and is in dire need of replacement. We feel the only option for our club to continue to provide a viable playing surface is to replace the existing carpet.

- 5) The City is the registered owner of the land and the premises which is the White Rock Lawn Bowling Club. In August 2018 we renewed our Licence of Occupation for a term of five (5) years, expiring July 31, 2023 with a renewal of this licence for one (1) additional term of five (5) years providing we give such notice to the City ninety (90) days prior to the end of the existing term.
- 6) We request a loan not to exceed \$86,000 so that we can make the necessary arrangements to have the carpet replaced in the spring of 2020.

We look forward to discussing this with you in further detail and answering any questions you might have.

Sincerely,



Gayle Saunders, President

Phone: 604-385-1154.

email: gaylesaunderswr@gmail.com

Attached: Budget 2018 – 2019
Balance Sheet, September 2018
Statement of Receipts and Disbursements, September 2018
Total estimated cost of carpet replacement

**STATEMENT OF RECEIPTS AND DISBURSEMENTS
BUDGET 2018-2019**

	<u>Actual 2017-2018</u>	<u>Budget 2018- 2019</u>
<u>Receipts/Income</u>		
Membership Annual Fees	24,765.00	25,000
Locker Rentals	1,005.00	1,000
Aggregate Fees (Tues, Thurs, Sat)	1,037.00	1,000
Aggregate Drop ins	343.00	300
Tournaments; Inter-club & V&D fees	1,687.00	1,700
League	575.00	600
Winter Membership	1,200.00	1,200
Bar Sales - Liquor	11,307.00	11,000
Bar Sales - pop	428.20	400
Social/Hospitality	3,054.00	3,000
Bowl Supplies	-	-
Grants	1,700.00	1,700
Interest	425.25	500
50/50 Draws	537.50	500
Club House Rentals	2,905.00	3,000
Sponsorship Contributions/Donations	350.00	300
	-	
Total Receipts	<u>51,318.95</u>	<u>51,200</u>

WHITE ROCK LAWN BOWLING CLUB

BALANCE SHEET

As at September 30, 2018

ASSETS

Bank - Chequing	6,423.20	
Bank - Savings	12,814.72	
Internally Restricted Controlled Funds / Carpet - Note 1	94,424.91	
Gaming Account - Restricted re 50/50	1,676.58	
GIC/Liquor Security/Oct 19/18 @ 1.2%	1,581.23	
Accounts Receivable -Community Events	943.00	
Liquor Inventory - Sept 30/2018	602.00	
Pop and Snacks Inventory - Sept 30, 2018	100.00	
Bar Float - Sept 30/2018	147.10	
House Cleaning Float	200.00	
Membership Shares / Coast Capital	5.00	
	<u>118,917.74</u>	<u>118,917.74</u>

LIABILITIES AND NET WORTH

Liabilities

Accounts Payable	-	-
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Net Worth

Balance - Beginning of period	117,790.66	
Current period surplus / deficit	<u>1,127.08</u>	
Balance - End of Period	<u>118,917.74</u>	<u>118,917.74</u>
		<u><u>118,917.74</u></u>

NOTE 1

Internally Restricted Controlled Funds / Carpet consist of the following:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
GIC - better-than-cash	17-Oct-18	1.65%	22,078.13
GIC/Rising rate - redeemable annually	13-Jun-20	1.15/1.25/3.0	21,854.62
35 month term (locked in)	21-Aug-20	2.35%	30,280.60
GIC - better-than-cash	26-Feb-19	1.40%	10,211.56
GIC - redeemable annually	15-May-20	2.25%	<u>10,000.00</u>
			94,424.91

STATEMENT OF RECEIPTS AND DISBURSEMENTS
MONTH OF SEPTEMBER 2018

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>
<u>Receipts/Income</u>			
Membership Annual Fees	-	24,765.00	22,000
Locker Rentals	-	1,005.00	900
Aggregate Fees (Tues, Thurs, Sat)	-	1,037.00	1,100
Aggregate Drop ins	-	343.00	200
Tournaments; Inter-club & V&D fees	847.00	1,687.00	1,800
League	-	575.00	600
Winter Membership	-	1,200.00	1,400
Bar Sales - Liquor	1,637.00	11,307.00	8,800
Bar Sales - pop	82.10	428.20	450
Social/Hospitality	1,512.00	3,054.00	2,100
Bowls Supplies	-	-	100
Grants	-	1,700.00	100
Interest	2.80	425.25	1,100
50/50 Draws	200.00	537.50	450
Club House / Community Event Rentals	900.00	2,905.00	1,500
Sponsorship Contributions/ Donations	200.00	350.00	-
Accounts Receivable	-	-	
	<u>5,380.90</u>	<u>51,318.95</u>	<u>42,600</u>
Total Receipts			
Less: non-revenue receipts	-	-	
Total Revenue	<u><u>5,380.90</u></u>	<u><u>51,318.95</u></u>	<u><u>42,600</u></u>

**STATEMENT OF RECEIPTS AND DISBURSEMENTS
BUDGET 2018-2019**

<u>Disbursements/Expenses</u>	<u>Actual 2017-2018</u>	<u>Budget 2018- 2019</u>
Administrative	678.89	600
Internally restricted fund(carpet)	15,000.00	17,000
Electricity, Water, Natural Gas, Phone	3,255.38	3,300
Aggregate / Tues/Thurs/Sat - Prizes	1,037.00	1,000
Tournament (V&D/Inter-Club) expenses	752.16	800
Regular League	575.00	600
Social/Hospitality	2,809.24	2,800
Buildings: Clubhouse Maintenance	2,236.69	2,500
Grounds: Maintenance & Landscaping	1,063.61	1,300
Property & Liability Insurance. W.R.	880.49	925
Liability Insurance: BC Bowls	450.00	450
Liquor Purchases and PST	8,533.37	8,600
Liquor License / Register new directors	555.05	570
Bar Supplies	481.53	600
Membership dues - BC Bowls/Bowls Canada/	4,432.00	4,600
Publicity	154.50	500
Bowl Supplies	-	1,000
Engraving	252.35	250
Property taxes - Sewage	1,160.00	1,200
Website Design Maintenance	20.24	250
Grant Expenditure	1,689.31	1,500
Total Disbursements	46,016.81	50,345
Less: Internally Restricted funds/savings	(15,000.00)	(17,000)
Operating expenses	31,016.81	33,345
Net Surplus / Deficit	20,302.14	17,855

STATEMENT OF RECEIPTS AND DISBURSEMENTS
MONTH OF SEPTEMBER 2018

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>
<u>Disbursements/Expenses</u>			
Administrative	49.60	678.89	500
Internally restricted fund(carpet)	-	15,000.00	15,000
Electricity, Water, Natural Gas, Phone	262.74	3,255.38	3,300
Aggregate / Tues/Thurs/Sat - Prizes	-	1,037.00	1,100
Tournament (V&D/Inter-Club) expenses	-	752.16	800
Regular League	575.00	575.00	550
Social/Hospitality	1,173.74	2,809.24	2,700
Buildings: Clubhouse Maintenance	687.54	2,236.69	2,500
Grounds: Maintenance & Landscaping	74.09	1,063.61	1,100
Property & Liability Insurance. W.R.	-	880.49	850
Liability Insurance: BC Bowls	450.00	450.00	450
Liquor Purchases and PST	747.43	8,533.37	6,300
Liquor License / Register new directors	-	555.05	570
Bar Supplies	8.94	481.53	650
Membership dues - BC Bowls/Bowls Canada/V&D	-	4,432.00	4,100
Publicity	-	154.50	600
Bowls Supplies	-	-	100
Rules Books/Score Cards	-	-	150
Engraving	120.74	252.35	85
Property taxes - Sewage	104.00	1,160.00	1,190
Website Design Maintenance	-	20.24	250
Purchase of AED Plus	-	1,689.31	-
Total Disbursements	4,253.82	46,016.81	42,845
Less: Internally Restricted funds/savings	-	(15,000.00)	(15,000)
Operating expenses	4,253.82	31,016.81	27,845
Net Surplus / Deficit	1,127.08	20,302.14	14,755

White Rock Lawn Bowling Club

Proposed Remedial Works to Playing Surface

Breakdown of Cost Estimate for Works

<u>Item Description</u>	<u>Cost</u>
1. Lift and dispose of existing carpet	10,000.00
2. Supply, deliver and install Mastergreen or Pro Green Plus World Bowls Approved carpet including Re-installation of existing underlay Cover bankings Mark out rinks Live bowls and jack markers, delivery mats and jacks	88,110.00
3. Installation of 10mm cap on e-layer	45,000.00
4. Dales Pro-weave Sports Vacuum incl PST and GST	5,017.60
5. Independent survey of new e-layer surface	1,500.00
6. Contingency for tax and duty, etc.	15,000.00
7. Contingency for unforeseen issues - allow 10%	16,000.00
<u>Total estimated cost</u>	<u>\$180,627.60</u>