



STAFF REPORT ACTION REQUIRED

Transfer of Funds from the Eglinton Flats Maintenance Reserve Fund (XR3204)

Date:	August 10, 2015
To:	Budget Committee
From:	General Manager, Parks, Forestry and Recreation
Wards:	Ward 11- York South-Weston
Reference Number:	P:\2015\Cluster A\PFR\BU10-08312015-AFS#21598

SUMMARY

This report seeks the approval from City Council to transfer funds from a reserve fund to the Operating Budget of Parks, Forestry and Recreation to purchase equipment and resurface the tennis courts at Eglinton Flats.

Parks, Forestry and Recreation (PFR) has a reserve fund in place in accordance with the licence agreement between the City and First Service Tennis Management Inc. (FSTM) to collect an annual fixed amount from the third party Eglinton Flats winter tennis operations. The purpose of the reserve fund is to cover the cost of resurfacing the tennis courts and for upgrading equipment such as posts, nets and straps other tennis related improvements deemed necessary by the General Manager, Parks, Forestry and Recreation.

City Council approval is required to transfer \$51,000.00 from the Eglinton Flats Tennis Facility Maintenance Reserve Fund (XR3204) (the "Reserve Fund") to the 2015 Parks, Forestry and Recreation Operating Budget to pay for surface repair of six tennis courts at Eglinton Flats Park and for the purchase of tennis equipment for each of the six licensed tennis courts during 2015.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation recommends that:

1. City Council increase the 2015 Parks, Forestry and Recreation Operating Budget by \$51,000.00, fully funded from the 2015 Eglinton Flats Reserve Fund

(XR3204), on a one-time basis, for purpose of tennis court surface repair and the purchase of tennis equipment for the Eglinton Flats courts.

Financial Impact

The Eglinton Flats Tennis Facility Maintenance Reserve Fund (XR3204), with a current balance of \$51,391.21, was created to hold funds for this purpose. Annual contributions of \$7,500.00 per year are made by the licensee, First Service Tennis Management (FSTM).

Current Reserve Fund Balance	2015 Funds to be Transferred to the PFR Operating Budget	2015 Contributions from FSTM	Projected 2015 Balance at Year End
\$51,391.21	\$51,000.00	\$7,500.00	\$7,891.21

A 2015 in-year operating budget adjustment is required to increase Parks, Forestry and Recreation's Gross 2015 Operating Budget expenditures by \$51,000.00 funded from the Reserve Fund XR3204 for a net zero impact to pay for surface repairs and the purchase of tennis equipment. The budget will be reversed in 2016.

The licensee First Service Tennis Management will contribute an amount of \$7,500.00 to the Reserve Fund in 2015, according to its agreement with the City. The overall projected balance of the Reserve Fund at the end of 2015 is estimated to be \$7,891.00.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council at its meetings of January 27, 28 and 29, 2004 without amendments, adopted the recommendations of the Policy and Finance Committee report titled "Operation and Maintenance of a Winter Tennis Facility Installation of New Tennis Bubble at Eglinton Flats – RFP".

City Council Decision of January 27, 28 and 29, 2004, Item 37 EDPC Report No. 1 (www.toronto.ca/legdocs/2004/agendas/council/cc040127/pof1rpt/cl037.pdf)

City Council at its meeting of December 1, 2 and 3, 2008 without amendments, adopted the recommendations of the Budget Committee report titled "Transfer of Funds from the Eglinton Flats Reserve Fund (XR3204)".

City Council Decision of December 1, 2, 3, 2008, Item EX26.45 (<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-12-01-cc27-dd.pdf>)

ISSUE BACKGROUND

In 2004 City Council awarded the Request for Proposal (RFP) for the operation and maintenance of a winter tennis facility and the installation of a new tennis bubble at Eglinton Flats Park to FSTM. Council also adopted recommendations requiring that FSTM contribute \$7,500.00 annually to the Reserve Fund for ongoing maintenance of the tennis courts.

COMMENTS

The Eglinton Flats winter tennis facility operates from the start of October to the end of April throughout the term of the licence agreement. During the remaining months the courts are operated by Parks, Forestry and Recreation. Following a recent annual inspection of the licensed tennis courts, it was determined that due to the number of surface cracks, repairs are required to mitigate safety concerns for users. Parks, Forestry and Recreation has tendered the work required and awarded the contract to Tennex Systems Inc.

Parks, Forestry and Recreation staff also determined that an equipment upgrade was necessary for the six (6) licensed tennis courts. The equipment will be purchased to coincide with the commencement of the 2015 – 2016 First Service Tennis Management operating season at the winter tennis facility. Staff will purchase platinum tennis posts, heavy duty nets and pro straps for each of the six licensed tennis courts.

Parks, Forestry and Recreation is seeking Council authority to allocate funding from the Reserve Fund to the 2015 Parks, Forestry and Recreation Operating Budget for the repair of surface cracks and the purchase of equipment required as part of the ongoing maintenance of the Eglinton Flats winter tennis facility and in accordance with the licence agreement.

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SIGNATURE

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