



## COUNCIL REPORT

To: Mayor and Council

Date: July 8, 2025

From: Ron Bowles, Chief Administrative Officer

Subject: **Active Living Enterprises and Johnson Bentley Memorial 2024 Surplus**

Prepared by: Lisa Siavashi, Financial Services Manager, Deputy CFO

Reviewed by: Warren Everton, Chief Financial Officer

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### RECOMMENDATION:

**THAT** a portion of the 2024 surplus of Johnson Bentley Memorial Aquatic Centre be shared with Active Living Enterprises Ltd. to a maximum amount of \$10,000.

### STRATEGIC AREA(S) OF FOCUS

**Invest in Infrastructure** – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

**Pursue Economic Growth and Prosperity** – We will work with stakeholders throughout the region to advocate for and support efforts aimed at helping West Kelowna businesses prosper. With a focus on the future, we will advance opportunities to expand our economy, increase employment, and develop the community in ways that contribute towards prosperity for all.

### BACKGROUND

Active Living Enterprises (ALE) first took over the operation of Johnson Bentley Memorial Aquatic Centre (JBMAC) in January 1997. ALE provides management of the daily operations of the pool and recreation centre at JBMAC. The City of West Kelowna took over this agreement from the Regional District of Central Okanagan in 2008, and the last agreement was signed in 2021 and expires in 2029. ALE has successfully managed JBMAC over the years and have saved the organization substantial operating expenses when compared to the cost of running the facility under the municipality's cost structure.

### DISCUSSION

Active Living Enterprises had a surplus of \$35,115 in the operating financial statements of Johnson Bentley Aquatic Centre in 2024. Clause 9 of the agreement (attached)

discusses surpluses and shortfalls. In the event of a shortfall (deficit), the City is responsible for funding the shortfall. In the event of a surplus, the surplus would be paid to the City and then clause 16 would apply. Clause 16 stipulates the process for ALE to request sharing in the annual surplus. The clause allows the City to conduct a review of the service provided during the fiscal period to which the surplus relates to ensure that the level and quality of the service has not diminished or decreased from previous years. The surplus may be shared up to 50% of the total, not being more than \$10,000. Staff recommendations are then made for council to deliberate on.

The Recreation and Culture Manager remains confident that ALE is maintaining a very good level of service. Over the past several years, during the COVID closures and restrictions, the City supplemented the pool with funds from the COVID Restart grant as needed (2022-2023) and any surpluses were returned to the City. 2024 was the first year without the supplement, and the pool appears to have returned to its full capacity.

## **FINANCIAL IMPLICATIONS**

The annual budget for Johnson Bentley is set each year. While a surplus is not budgeted for, neither were the deficits that have occurred. The annual surplus or deficit from JBMAC becomes part of the annual surplus or deficit of the City's. These amounts do not include the operating costs of the facility (building maintenance, utilities, facility operator wages, contract expenses) that are funded by annual property taxes.

### **Alternate Recommendation:**

**THAT** Council share another determined amount of the 2024 JBMAC surplus with ALE.

PowerPoint: Yes ☐ No ☒

### **Attachments:**

1. Letter from ALE including 2024 Financial Statements for Johnson Bentley Aquatic Centre
2. JBMAC Contract (2021-2026) – FINAL Pages 9-11