



DIRECTOR SHIRE SERVICES REPORT

11th October 2005

DSS4 CRESCENT HEAD SWIMMING POOL
FILE: * WJL

SUMMARY:

Reporting on the proposed heating of the Crescent Head Swimming Pool.

TTTTTT

A proposal has been submitted by RM JK and ML Marchment outlining a request to provide heating to the Crescent Head Swimming Pool. They are also asking for a lease of 10 years to be negotiated.

The lease arrangement at Crescent Head Pool during the 2004/05 season has worked extremely well. A further ten-year lease arrangement would make their contribution of \$10,000 towards heating the pool a secure investment in the future. The present term of lease is 3 years, concluding the end of the 2007/08 swim season.

The lessees would like to take the opportunity over the next ten years to increase the community benefit provided by the Crescent Head Pool complex. This benefit could be increased by the proposal to heat the pool.

The lessees are prepared to coordinate the installation of the heat pumps at no additional management cost to Council.

Since being installed at the Crescent Head Swimming Pool, the solar blankets have brought positive comment and response from pool patrons. These covers have been instrumental in giving a higher than average water temperature, particularly at the beginning and end of the season. It is requested that this project is taken one step further with the proposal to purchase and install two 50KW heat pumps that would complete and ensure a comprehensive heating system for the next 15 years or more.

The benefit of heating the pool includes:

- Increased patronage
- Increased comfort for patrons
- Increased swim season for therapeutic needs of patrons
- Extension of the regular swim season
- An aquatic programme for 9 months of the year
- Use by gym patrons all year round
- Capacity for use by Kempsey patrons who may otherwise travel to Port Macquarie
- Second stage mobility programs for injuries, aged and infirm clients.

It is anticipated that with the installation of the heat pumps, an additional 3 months of swimming and aquatic activity will be possible.

Two options have been proposed to fund the installation of the heat pumps, estimated at \$34,700.

Option 1

Lessee to provide \$10,000

Council to contribute balance: \$24,700 (Possibly funded through Section 94 contributions for Recreation).

Option 2

Lessee to fully fund project (\$34,700) with council to pay back over 5 years

With the installation of the pumps, consideration will need to be given to the increased expenditure that will be required to provide an extended swim season using the heat pumps. Estimates of increased costs include:

- Heating costs for the months required average out to approximately \$600 per month dependant on prevailing weather conditions. **\$2,400**
- Additional chlorine at \$700 per month **\$2,100**
- Annual maintenance costs **\$185**

At present, \$15,000 per annum is allocated to the Maintenance and Repair vote for the general running of the pool. This total has been decreasing over the past 3 years:

2002/03 budget	\$22,000
2003/04 budget	\$21,000
2004/05 budget	\$17,000
2005/06 budget	\$15,000

Whilst some of this reduction can be attributed to the change in management structure, the adopted operating budgets make no provision for any unforeseen events.

REPORT IMPLICATIONS:

- *Environmental*

The heat pump being considered utilises solar energy in the ambient air and can produce up to 5 kW of heat energy for each 1 kW input, therefore requiring considerably less energy than other technologies to heat the same amount of water. Typical annual energy costs are between 50% and 80% of other technologies.

- *Social*

The heating of Crescent Head swimming pool will have many social benefits as discussed in the body of this report, least of all extending the availability of the pool to at least 9 months of the year.

- *Economic (Financial)*

Net Capital cost to Council would be \$24,700, with funding possibly coming from Section 94 funds for Recreation. Some \$98,000 is currently available in Section 94 funds for Recreation at Crescent Head.

Some additional operational costs will be incurred but a \$5,000 increase in budget allocation for 2006/07 and future years should be enough to address this increase.

- *Policy or Statutory*

There are no Policy or Statutory implications arising from this report.

- *Director's Review*

Council and the community will reap the benefits of this new facility and council is encouraged to support the Recommendation.

RECOMMENDATION:

1. That the proposal by the Lessees of Crescent Head pool to install heat pumps be accepted and that Council's contribution of \$24,700 be sourced from Section 94 funds for Recreation.
2. That the current lease agreement for the Crescent Head Pool be renegotiated to extend the term to ten (10) years (ie. until 2015/2016).

Council is urged to support the recommendation.

RECOMMENDATION:

That the amended Draft Plan of Management document for Horseshoe Bay Reserve be placed on public exhibition for comment by the public for 28 days.

.....
K J Finnie
DIRECTOR SHIRE SERVICES