



Date August 16, 2010

**City Council
Committee Report**

To: Mayor & Council

Fr: Colleen Neil, Recreation Services Manager

Re: Kenora Recreation Centre Concession

Recommendation:

THAT the City of Kenora through the Recreation Services Department continue to operate the Kenora Recreation Centre Concession and recommendations be brought forward to council in 2012 for operation recommendations for all city owned concessions.

Background:

In August 2009 the City of Kenora requested proposals for the supply of food and beverage concession services for the Kenora Recreation Centre and the Keewatin Memorial Arena.

Three (3) Proposals were originally received, two (2) for Kenora and one (1) for Keewatin. Members of the Leisure Services Committee reviewed and evaluated the three original proposals. The committee recommended the Keewatin Proposal to be accepted. The Keewatin Memorial Arena Concession is currently under lease until fall of 2010 at a rate of \$620.00 during ice-in months. The Kenora Proposal that was recommended by the committee was withdrawn by the applicant and the remaining applicant chose to pursue other business ventures.

On September 8th two (2) new unsolicited proposals were received and circulated to the Leisure Services Committee. Based on the rental amounts of both proposals the feeling from the Leisure Services Committee was that the City of Kenora should operate the Kenora Recreation Concession for one season to evaluate the revenue potential, pros and cons of this operation vs. lease options.

History has shown us that highest lease rate the concession will draw is 650.00 per month for an 8 month period (Jan to April and September to December) for total revenue of \$5,200.00.

From January 2010 to August 2010 the total revenue for the concession as been \$55,373.16. Total expenditure has been \$35,629.43 with a net profit of \$19,743.73. September to December of 2010 will be reported on Council's monthly financial reports.

Budget:

That predicted revenues of \$65,000 and \$ 48,000 expenditures be included in the 2011 proposed operating budget for continued operation of the Kenora Recreation Centre Concession

Communication Plan/Notice By-law Requirements:

Through the Human Resources Manager positions will be posted to staff the Kenora Recreation Centre Concession.