

# Whakatāne District Aquatic Centre Outdoor Pool Enclosure – Feasibility Study



Subject: **WHAKATĀNE DISTRICT AQUATIC CENTRE OUTDOOR POOL ENCLOSURE – FEASIBILITY STUDY**

To: **PROJECTS AND SERVICES COMMITTEE**

Meeting Date: **THURSDAY, 15 NOVEMBER 2018**

Written by: **GENERAL MANAGER COMMUNITY SERVICES**

File Reference: **A1389705**

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## 1 REASON FOR THE REPORT

The reason for this report is to provide the Committee with the findings of the feasibility study completed to identify options for enclosing the outdoor pool at the Whakatāne District Aquatic Centre to provide 12 month use of the facility. The enclosing of the outdoor pool will provide additional water/lane space during the autumn and winter to meet current and future demand for the provision of aquatics programmes, club membership and public recreational use.

This report presents costs and options on enclosure structures, installation of alternative energy options (solar heating), external funding sources and estimated costs associated with the capital costs of the project and operational costs for the operation of the facility for an additional 23 weeks per annum.

## 2 EXECUTIVE SUMMARY

A feasibility study for installing a steel framed PVC clad enclosure and solar water heating system to provide 12 month use of the outdoor pool at the Whakatāne District Aquatic Centre has been completed by APR Consultants.

The feasibility study recommends:

- A steel framed PVC clad structure as the preferred solution for the enclosure
- A solar heating system is installed to offset the cost of increased gas consumption required to heat the pool in autumn and winter
- Savings in annual operating costs can be realised by adopting an operating model during the autumn and winter period where the provision of pool lifeguards for club training and events is the responsibility of the club.

The feasibility study has identified that the total cost of the installation of the enclosure structure and the solar heating system at between \$821,000 and \$1.063M. Costs savings may be achieved through a competitive tendering process. External funding applications to date have been lodged for a total of \$800,000 of the cost and further external funding applications are currently being prepared. Based on the cost project costs of \$1.063M and the Council securing the full \$800,000 from external funders it is anticipated that the shortfall will be funded by way of a Council loan. Total additional annual operating expenditure (Solution that includes the Enclosure, Solar Heating System and minimal staff costs input) is estimated at \$111,000 p.a. (inclusive of depreciation and renewals costs, loan repayments and interest) or 0.25% rate increase p.a.

### 3 BACKGROUND

The Whakatāne District Aquatic Centre is a major recreational facility for residents and visitors to the District catering for members of a number of aquatic clubs, recreational swimmers and the provision of aquatic programmes.

The indoor swimming pool was opened in 2000 adjacent to the original outdoor 33m pool built in *circa* 1960 to provide 12 month provision of aquatic services. The outdoor pool is open for 27 weeks per year from October to April each year.

For a number of years that Council has been aware of increasing demand for additional lane/water space requirements at the Centre. This demand is exacerbated over the 23 week period when the outdoor pool is closed in the autumn and winter. The Centre has in recent years experienced increasing public and club membership use as a result of an increase in the number of programmes delivered (Learn to Swim, Green Prescription (GRX Programmes) and Aquacise), an increase in membership of the Whakatane Amateur Swimming, Surf Lifesaving, Triathlon and Multi Sport, Underwater Hockey and Scuba Diving Clubs.

In preparing the draft LTP 2018-28, the Council included a budget of \$450,000 (100% external funding) to support a project to enclose the outdoor pool to extend the use of the facility for a 12 month period. The Council received a submission from the Whakatāne Amateur Swimming Club to the Council LTP (supported by approximately 80 members) requesting that the Council investigate the feasibility of enclosing the outdoor pool to address the current demands and shortage of water/lane space during the autumn and winter. The Club has in recent years experienced an increase in membership as a result of engaging a professional swimming coach and currently have a waiting list for potential members to the Club.

The Council resolved that:

1. **THAT** a proposal be submitted to the Eastern Bay Energy Trust to fund a feasibility study to provide accurate information on the costs of installing a removable roof over the outdoor pool at the Whakatāne Aquatic Centre and the additional costs to keep the pool open over the winter period; and
2. **THAT** the study be provided for consideration in the 2019/20 annual plan.

APR Consultants were commissioned to prepare a feasibility study for the proposed project including providing options on the type of structure, initial cost of the structure and the ongoing operational costs associated with operating the outdoor pool for an additional 23 weeks of the year. Appendix 1 - 'Whakatāne Aquatic Centre Outdoor Pool Enclosure Feasibility Summary' details the findings and conclusions of the study.

### 4 DISCUSSION

#### 4.1 Types of Structure

In preparing the feasibility study APR Consultants considered a number of enclosure structures commonly used in NZ including enclosures comprising a steel support structure clad with PVC fabric and structures made from polycarbonate glass. In NZ the majority of pool enclosures over commercial pools are made from PVC fabric.

The advantages of PVC fabric enclosures include:

- Structures provide a shield from the elements in the autumn and winter thereby making the air sufficiently warm to enable swimming to be undertaken
- A full UV shield is provided by the enclosure which is important in the summer for users

- The enclosure reduces heat loss from the pool thereby saving energy and chemical costs
- The sides can be opened in the summer to provide additional ventilation and a perception of being outdoors
- The enclosure allows light in and therefore there is no requirement to be illuminated in the day
- The PVC membrane is fully recyclable.

Polycarbonate structures are uncommon for commercial pool enclosure structures in NZ and were therefore not considered as an option for further investigation as a part of the feasibility study.

#### 4.2 Energy Options

The outdoor pool and the two spa pools are currently heated by way of gas. As part of the feasibility study the consultants considered the option of installing a solar heating system to offset the costs associated with the additional gas consumption required if the outdoor pool was operated over a 12 month period. The consultants reviewed the Solar Options report prepared by Opus International Consultants in 2015. The feasibility study indicates the marginal annual operating costs for running the outdoor pool for an additional 23 weeks per year implies that solar heating is likely needed to ensure highest likelihood of cost neutrality. The options and costs are detailed in the report and in Appendix 2 - 'Estimated Operational Costs for the Outdoor Pool Facility'.

#### 4.3 Staffing Options

The feasibility report considered two options for staffing the outdoor enclosure over the extended season. The options included a mix of public and group (Club) use and group (Club only use). The option for opening the facility for both public and group use would require staffing of the outdoor pool as per the NZ Water Safety Standard whilst opening the facility to club only use would require minimal additional staff costs (cleaning and servicing only) with clubs being required to provide qualified lifeguards during club training and events.

#### 4.4 Discussion on Costs and Options

**Capital and Operating Costs** - The consultant's report recommends that the most economic option for consideration is the installation of the steel framed enclosure clad with a PVC fabric and a solar heating system to supplement the cost of gas over the extended 23 week period. The solar heating system will also supplement the cost of gas over the spring and summer season. The report recommends that the most cost effective way of managing the operation of the facility is limiting the cost of staff for the 23 week period to cleaning and servicing and ensuring that the clubs provide qualified lifeguards during training sessions and events (i.e.no public access to the facility for the autumn and winter period). The operating costs will be offset by increased revenue from clubs and additional availability of water space for the Council to conduct public programmes such as Learn to Swim Classes. The operating costs are attached as Appendix 2.

### 5 ASSESSMENT OF SIGNIFICANCE

The decisions and matters of this report are assessed to be of moderate significance, in accordance with Council's Significance and Engagement Policy.

The following criteria are of particular relevance in determining the level of significance.

- **Level of community interest:** the expected level of community interest is high, and Council has already been made aware of the public support for this proposal through the LTP engagement process.
- **Rating impact:** the expected costs to the community, or sectors within the community, in terms of rates is of medium significance, as outlined under section 7.1 below.

- **Financial impact:** the expected financial impact on the Council, including on budgets, reserves, debt levels, overall rates, and limits within the Council's Financial Strategy is expected to be of medium significance and an outline is provided in Appendix 2.
- **Impact on levels of service:** the proposal is to increase the level of service that the Council provides to the community through the provision of greater aquatic facilities during the autumn and winter seasons.
- **Impact on strategic assets:** the proposal is expected to positively impact on the performance of the Aquatic Centre by increasing the service delivered. The Aquatic Centre is identified as a Strategic Asset.

## 6 DETERMINING THE LEVEL OF ENGAGEMENT

During the development of the LTP, the Council received a submission from the Whakatāne Amateur Swimming Club requesting that the Council consider undertaking a feasibility study on the capital and operational costs associated with the enclosure of the outdoor pool. This submission included 80 signatures, and was supported by a high community presence at the Council LTP Hearings. As a result of this public feedback, it is considered that the Council has a strong idea of the views of the community on this issue. The Council has initiated this project in response to community feedback and therefore further consultation is not proposed, however discussions with key stakeholders will continue as this project progresses.

## 7 CONSIDERATIONS

### 7.1 Financial/budget considerations

The consultant's report recommends that the most cost effective option for consideration is the installation of the steel framed enclosure clad with a PVC fabric and a solar heating system to supplement the cost of gas over the extended 23 week period. The solar heating system will also supplement the cost of gas over the spring and summer season. The report recommends that the most cost effective way of managing the operation of the facility is limiting the cost of staff for the 23 week period to cleaning and servicing and ensuring that the clubs provide qualified lifeguards during training sessions and events (i.e. no public access to the facility for the autumn and winter period). The operating costs will be offset by increased revenue from clubs and additional availability of water space for the Council to conduct public programmes such as Learn to Swim Classes. The operating costs are attached as Appendix 2.

The financial model indicates that subject to the Council loan funding (\$213,000) the shortfall in the capital costs, the cost debt servicing, depreciation and additional operating cost will result in an estimated net annual deficit of \$111,000 or 0.25 % rate increase per annum.

### 7.2 Policy and planning implications

The Council has included a budget of \$450,000 (external funding) for the enclosure of the external pool in the LTP 2018-28. The cost of the project has increased due to the recommendation to include a solar heating system to offset the ongoing operational costs of the facility. This is in line with the Council's aspirations to reduce carbon emissions. As the Council has a strong awareness of the views of affected parties, it is not proposed that further public consultation be undertaken on this project

The structures (enclosure and solar heating panels) will require building consent approval.

To meet the project operating budget for the recommended option the Council will be required to commit to restricting public access to the outdoor pool for the autumn winter season (23 week period to club access only).

### 7.3 Risks

The major risk associated with this project is that the external funding plan is not achieved at which time the Council will make a decision to defer or decline the project.

The risks associated with limiting access to the clubs over the autumn and winter period without providing Council lifeguards will be mitigated by ensuring that the club have a qualified lifeguard on duty when the facility is in use.

A further risk will be that once the facility is opened that the general public will request access to the outdoor facility and when declined may result in negative publicity.

### 7.4 Authority

The authority to approve this project is a Council decision.

## 8 CONCLUSION

For a number of years the Council has been aware of increasing demand for additional lane/water space requirements at the centre. This demand is exacerbated over the 23 week period when the outdoor pool is closed in the autumn and winter. The Centre has in recent years experienced increasing public and club membership use as a result of an increase in the number of programmes delivered and an increase in membership of the Whakatane Amateur Swimming, Surf Lifesaving, Triathlon and Multi Sport, Underwater Hockey and Scuba Diving clubs.

The Council received a submission to the Council's LTP 2018-28 requesting that the Council include a project for the enclosing of the outdoor pool in the LTP to provide 12 month use of the facility.

The Council has submitted funding applications to external funding providers for funding a large part of the project. A conservative estimate at this stage for the installation of the steel framed PVC clad enclosure and a solar heating system is \$1.063M of which the Council may be required to loan fund \$213,000 and depending on the management option approved an increase in operational cost of \$111,000.00 p.a. or 0.25% rate increase per annum.

#### RECOMMENDATIONS:

1. **THAT** the Whakatāne District Aquatic Centre Outdoor Pool Enclosure – Feasibility Study report be received; and
2. **THAT** it be recommended to the Council to include of the Whakatāne District Aquatic Centre Outdoor Pool Enclosure project in the 2019/20 Annual Plan, subject the success of external funding applications.

#### Attached to this report:

- Appendix 1: Whakatāne Aquatic Centre Outdoor Pool Enclosure Feasibility Summary – APR Consultants - October 2018.
- Appendix 2: Rating Impact Information.

#### Report Authorisation

Report writer:	Mike Naude	General Manager Community Services
Final Approval:	David Bewley	Interim Chief Executive