

COMMUNITY SERVICES COMMITTEE 11 JULY 2012	6
--	----------

PROPOSED LICENCE AGREEMENT WITH THE YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA) FOR THE MARLIN COAST RECREATIONAL CENTRE OVER PART OF LOT 2 ON RP867128, 27 CHEVIOT STREET, SMITHFIELD, DIVISION 8.

Tim Dendle: 10/2/1 #3396020

RECOMMENDATION:

It is recommended that Council:

- a) **Commences negotiations with the Young Men's Christian Association (YMCA) for a new licence agreement over the Marlin Coast Recreation Centre (the "facility") for a further twelve (12) month term with an option for a further six (6) months, should it be required; and**
- b) **Delegates authority to the Chief Executive Officer in accordance with Section 257 of the *Local Government Act 2009* to deal with any and all matters associated with the finalisation of the above licence agreement.**

INTRODUCTION:

The Licence Agreement for the Marlin Coast Recreational Centre (MCRC) on part of lot 2 on RP867128, 27 Cheviot Street, Smithfield expired on 30 November 2011 with an option for an extra month. Council has since exercised a 'holding over' option to continue this agreement until a new arrangement can be brokered.

This report provides commentary and recommendation around continuing the existing arrangement with the YMCA at the facility in order to synchronise its operational term with that of other key facilities (i.e. Smithfield and Tobruk Pool).

BACKGROUND:

In June 2004, Council entered into a Licence Agreement with YMCA for the management of the centre which expired 30 November 2011. Council officers have had discussions with the YMCA who have indicated they are agreeable to continuing with the management of the facility.

Smithfield Leisure and Aquatic Centre Feasibility Study

It was observed that both the Marlin Coast Recreation Centre and Marlin Coast Swimming Complex (Smithfield Pool) are currently autonomous leisure facilities managed independently. The study proposed development to existing infrastructure at both venues to improve operations and cater for future demand. However, given that any future development would not occur until capital funding was available; the following recommendations were made to ensure Council has the flexibility and capacity to move over time to the long term goals for the venues:

- Retain separate contract management/lease arrangements for the Marlin Coast Recreation Centre and Marlin Coast Swimming Complex (Smithfield Pool) while the current facilities exist in their current configuration;
- Synchronise the two management contracts/leases so that they have common commencement and termination dates;
- Standardise the terms and conditions of both management contracts/leases so they are consistent. It will specify the rights and responsibilities of Council and the contractor in all aspects of the operation of the facilities.

Smithfield Pool

A report has now also been tabled at the 11 July 2012 Community Services Committee providing the substantiation around a proposal to negotiate a short-term management agreement with FNQ Swimming for the management of the Smithfield Pool in order to achieve the following outcomes:

- Allow the organisation to demonstrate its capabilities and develop 'experience' should a competitive tender be called in the future;
- Allow Council to complete a review of its strategic management approach to and provision of swimming pool services; and
- Allow the synchronisation of agreement expiry times for other venues (e.g. Tobruk Pool).

COMMENT:

Given the direction suggested within the Smithfield Leisure and Aquatic Centre Feasibility Study and to support the proposal around the management of the Smithfield Pool, it is strongly recommended that Council extend the existing arrangement with the YMCA at the Marlin Coast Recreation Centre.

The YMCA of Cairns has managed the facility since 1995 and also has overseen the operations of the Woree, Gordonvale and Babinda public swimming pools since May 2009. During this time they have implemented a number of programs aimed at creating active and healthy lifestyles in young people, as well as building confidence and leadership qualities that empower them to be role models to their families, friends and community. Council strategically identifies with these pursuits and given the YMCA's strong track record, officers have no concerns with the organisation's ability to provide ongoing management services.

As the YMCA is a not for profit organisation, Council is exempt from complying with the tendering provisions of section 176 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* and can offer the YMCA another twelve (12) month agreement based on the current agreement to continue to manage the facility, with an option for a further six (6) months should it be required. YMCA has managed this facility for the past ten (10) years and Council officers are confident of continued patronage and community benefit should the extension be granted.

CONSIDERATIONS:

Corporate and Operational Plans:

The recommendation supports Council's Corporate Plan 2009-2014 with particular reference to:

Goal 2: "To build more creative, innovative and self-reliant communities where participation in community life is enabled and encouraged."

2.2 – Improve the quality and opportunities for public space across the region

2.4 – Provide enhanced arts and cultural activities that add value to the life of residents and visitors alike.

Goal 6: "To ensure that Council is open, accountable, ethical and financially responsible. Recognise that Council plays a leadership role for our immediate communities and for the wider region and will strive to represent our communities needs and expectations."

6.3. Collect, interpret, manage and capture data and information to inform good decision making.

6.7 Consistently perform better, deliver on our objectives and operate sustainably.

Statutory:

In terms of Section 176 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*, a local government cannot enter into a contract (in this case, a lease or permit) over a valuable non-current asset (land) unless it invites written tenders for the contract under Section 177 of the *Local Government (Finance, Plans and Reporting) Regulation 2010*. However, under Division 4 there is an exception for valuable non-current assets contracts, 185, (1) (b), where the valuable non-current asset is disposed of to – (ii) a community organisation, *Land Title Act 1994* and the *Property Law Act 1974*.

Policy:

Council policies that may impact upon, or be impacted by any of the options listed in this report include:

- *General Policy No 1:02:23 Procurement Policy*
- *Council's Tenures Policy No.1:02:45 for Not for Profit, Recreation, Sporting and Community Groups.*

Financial and Risk:

It is proposed that Council continue with the terms and provisions detailed in the previous agreement with the YMCA. This arrangement is within budget and will incur nil operating impact on Council's overall position.

Under the proposed agreement, Council and the YMCA's responsibilities were defined as follows:

	Lessee	Council
Revenue		
Entry/hire fees	✓	
Management/licence Fee for centre		✓
Kiosk Sales	✓	
Sponsorships	✓	
Other revenue	✓	
Expenditure		
Employee Costs	✓	
Licenses, permits and accreditations	✓	
Cleaning	✓	
Promotion of the facility	✓	✓
Operational expenditure	✓	✓
Utilities (other than water)	✓	
Other Expenses (inventory etc)	✓	
Capital Renewal		✓
Capital Development		✓
Rates		✓
Waste	✓	
Water Consumption	✓	
Asset Depreciation		✓
Corporate Overheads		✓

It is noted that:

- Council contributed approximately \$50,000 (2011-2012) in operational costs towards the Marlin Coast Recreational Centre;
- Council pays a licence fee of \$37,500 (GST exclusive) per annum to YMCA; and
- The licence fee is to be increased for CPI as per the current licence agreement

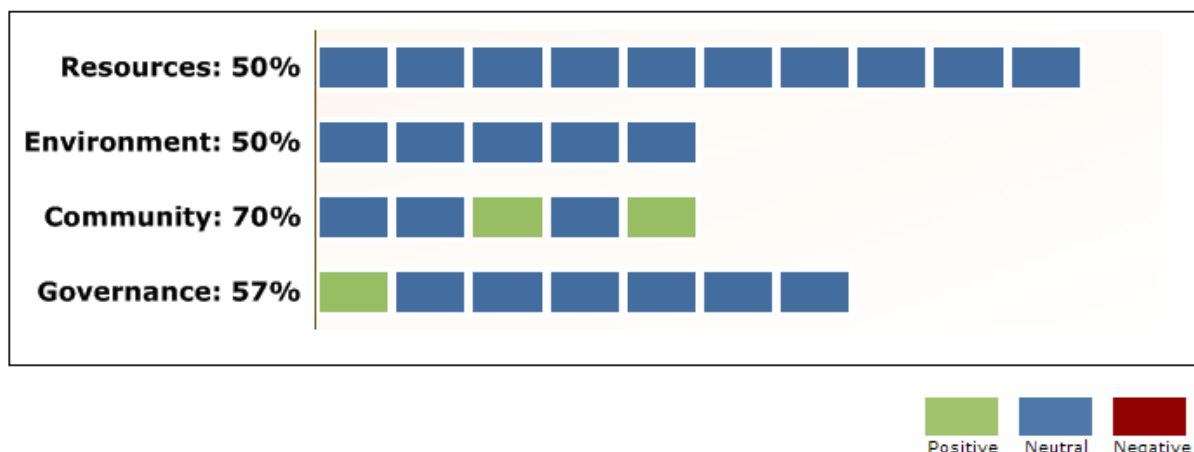
Sustainability:

The Cairns Regional Council Sustainability Scorecard has been completed in relation to the recommendation. In undertaking this analysis, officers answer a series of questions based on the four sustainability principles. The table below shows how many of these questions generated a positive rating (green), a neutral rating [or not applicable] (blue) or a negative rating (red) to each question.

The questions that relate to the positive results in the sustainability score card are as follows:

- The activity meets or exceeds Service Standards for Enhancing community Health and Wellbeing.
- The activity will support employment in the region, via external businesses.

The action undertaken with regard to the subject of this report will have an overall neutral effect on Council's sustainability.



CONSULTATION:

Consultation has taken place between officers of Council's Sport and Recreation Unit, Property Services Unit and THE YMCA.

OPTIONS:

Option 1:

That Council

- Commences negotiations with the Young Men's Christian Association (YMCA) for a new licence agreement over the Marlin Coast Recreation Centre (the "facility") for a further twelve (12) month term with an option for a further six (6) months, should it be required; and
- Delegates authority to the Chief Executive Officer in accordance with Section 257 of the *Local Government Act 2009* to deal with any and all matters associated with the finalisation of the above licence agreement.

Option 2:

That Council approves the commencement of procedures to call "request for services" from the open market for the management of the Marlin Coast Recreational Centre.

CONCLUSION:

This proposed short term arrangement is considered prudent to maximise the options available to Council from synchronising the management term of the Marlin Coast Recreation Centre with that of other facilities (i.e. Smithfield and Tobruk Pool). Officers will work closely with the YMCA to monitor service provision and ensure programs at this facility continue to operate without significant change. As such it is recommended that Council:

- a) Commence negotiations with the Young Men's Christian Association (YMCA) for a new licence agreement over the Marlin Coast Recreation Centre (the "facility") for a further twelve (12) month term with an option for a further six (6) months, should it be required; and
- b) Delegates authority to the Chief Executive Officer in accordance with Section 257 of the Local Government Act 2009 to deal with any and all matters associated with the finalisation of the above licence agreement.

ATTACHMENTS:

Attachment 1: Aerial View

Attachment 2: Smithfield Sport & Recreation Precinct Master Plan 2007 – Final Master Plan

Attachment 3: Smithfield Sporting Precinct Feasibility Study – Concept Plan

TIM DENDLE

Team Leader Sport and Recreation

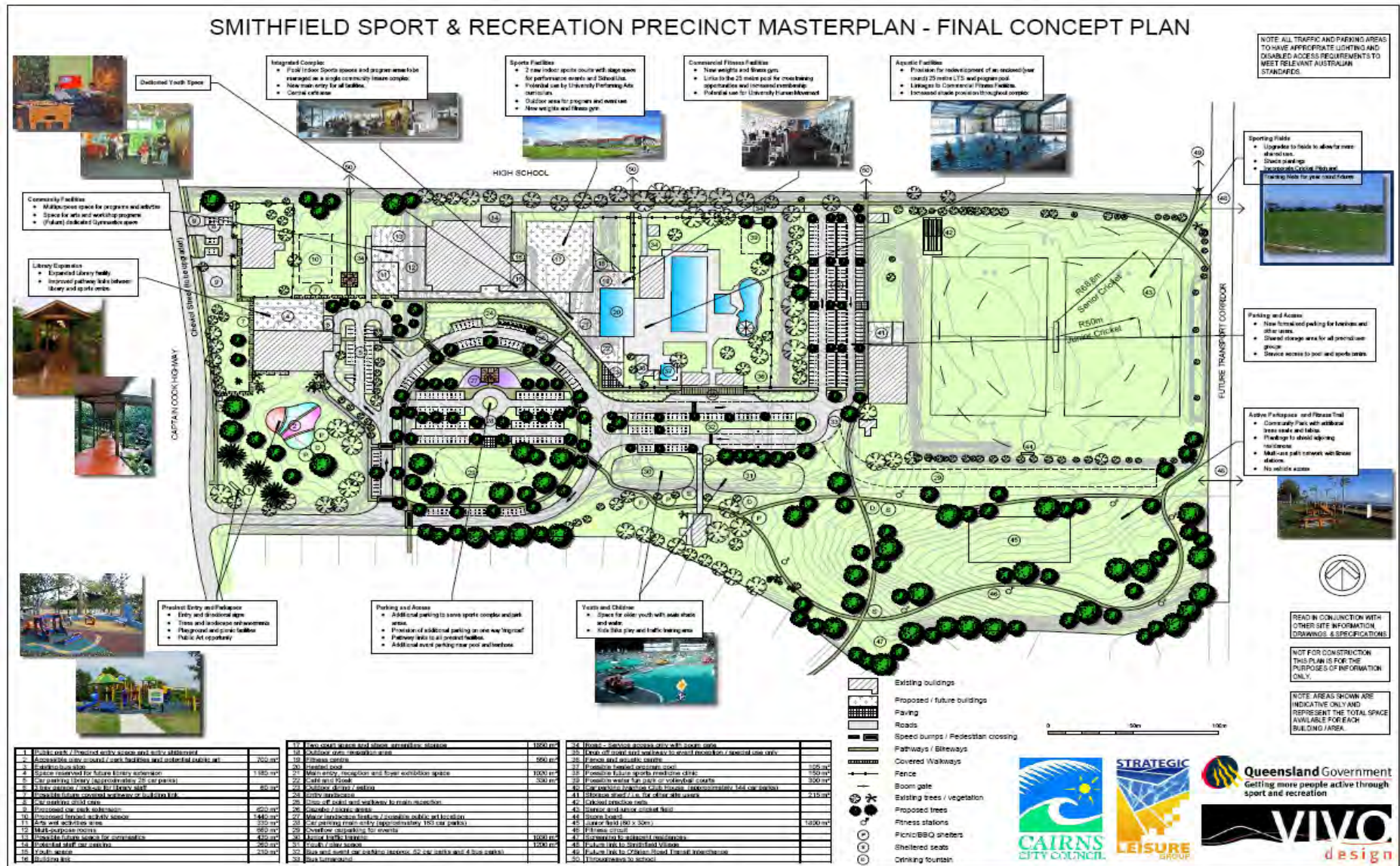
MALCOLM ROBERTSON

Acting Manager Parks & Leisure

IAN LOWTH

General Manager Community Sport and Cultural Services

ATTACHMENT 2



ATTACHMENT 3

