

ORDINARY MEETING 27 NOVEMBER 2008	34
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CAIRNS MEALS ON WHEELS – REQUEST FOR RENTAL FACILITIES AT BARLOW PARK

Brett Andrews/Adele Wright: 19/9/25-01: #1887070

RECOMMENDATION:

That Council enter into a Trustee Permit for a period of three years with Cairns Meals on Wheels at a monthly rental of \$1,009.00 (GST inclusive), for the use of kitchen and office space at Barlow Park, subject to Ministerial approval being obtained.

Furthermore, Council delegate authority to the Mayor and CEO in accordance with Section 472 of the Local Government Act 1993 to negotiate, determine and finalise any and all matters, including term associated with the agreement with Cairns Meals on Wheels.

INTRODUCTION:

Cairns Meals on Wheels (MOW) is seeking new premises to coordinate its operations from Barlow Park. Negotiations have progressed between MOW and Cairns Regional Council (CRC) in setting the terms for a Trustee Permit with the matter of a rental fee the final term to be agreed. MOW has requested CRC lease its kitchen facilities and is seeking to be exempt from paying a fee to use the kitchen facilities and office space or to be provided with grant funding to cover part or the entire lease.

BACKGROUND:

Cairns MOW is an organisation that prepares and delivers meals for the elderly and disabled. It has four paid staff and over 80 volunteers and receives the majority of its funding from recipients and Health and Community Care.

The main kitchen at Barlow Park is situated at the bottom of the main grandstand and is one of three food preparation facilities at Barlow Park. The kitchen is generally used for larger football matches, district and state carnivals and other major events. This kitchen is rarely used on weekdays and therefore occupation by MOW would have little disruptive impact should MOW take up a lease.

There are two other MOW organisations operating within the CRC area:

Marlin Coast MOW

Marlin Coast MOW operates out of the SES building at Trinity Beach. Marlin Coast MOW has no written lease with CRC and instead has an arrangement direct with SES for use of the building. They are responsible for meeting outgoings of approximately \$6,900 per annum.

Douglas Shire MOW Inc.

The Far Northern branch signed a lease in April 2008 for a parcel of land in Mossman. This lease is different to the proposed Trustee Permit for the Cairns MOW as the Far Northern branch has exclusive use of the land. Under terms negotiated by the former Douglas Shire, the lessee pays a peppercorn rent of \$1 per annum and is responsible for outgoings.

COMMENT:

Cairns MOW approached CRC in order to explore the possibility of finding a new facility owned or operated by CRC after their current Landlord (Cairns Jockey Club) substantially increased their rent for 2009 and beyond. Cairns MOW has verbally advised that their rent at that site was \$13,000 per annum.

If a tenure arrangement is granted to Cairns MOW at Barlow Park, this arrangement cannot be for exclusive use of the kitchen as other groups occasionally use the kitchen. There would be opportunities for MOW to apply to cater these events on behalf of the venue hirer thereby increasing opportunities to fundraise. Cairns MOW would also add some equipment to the kitchen potentially improving the facilities for user groups.

Council officers responsible for Barlow Park see the inclusion of MOW at Barlow Park as an appropriate way to maximise use of the facility during quieter times. However, whilst MOW is a community based organisation, its fundamental operating principles are not Sport and Recreation based (the area is zoned for sports and recreational activity). It is the belief of Council officers that MOW operations and the costs associated, should not impact on the core user groups that the facility is designed for and who currently operate at Barlow Park.

It is recommended that a trustee permit allowing non-exclusive use for a period of three years be entered into. The kitchen will be shared and as it is not separately metered from other utilities within the precinct, it is not possible to request the tenant pay rates and utilities bills. As such, a rate of \$1,009 per month has been calculated on estimated electricity, gas and water usage costs, plus additional management costs (i.e. coordinating and taking bonds from other users, additional maintenance requests, etc) and the depreciation of Council assets. Cairns MOW will provide some additional equipment to the kitchen, but will use existing Council assets. These assets, such as cold rooms, gas hot plates, fridges, etc are currently used 20-25 times per year. Cairns MOW will use this equipment 20-25 per month and as such, the asset will wear and require replacement sooner than currently planned.

Cairns MOW will also have use of office space at Barlow Park which could otherwise be leased out for commercial gain to Council.

Barlow Park has many user groups who have different uses for the facility. All user groups pay a fee as per the fees and charges schedule. If their desired use falls outside the range of charges which are set, a hire agreement or lease is issued. The below table illustrates the fees charged to some of the anchor tenants at Barlow Park in 2008.

Name	Tenure Arrangement	Cost \$	Usage
Northern Pride	Hire Agreement	\$15,000	Per annum 10 game days
Cairns Athletics	Hire Agreement	\$13,970	Per annum 23 days plus \$3 per person visit for training
Cairns District Rugby League	Hire Agreement	\$13,120	Per annum for 1 day NRL trial match
Cairns District Rugby League Finals Series	As per schedule of fees & charges	\$4,820	Per annum for 4 match days
Cairns District Rugby Union	Lease	\$550 (\$6,600 per annum)	Per month rental office space (exclusive use)
Australian Sports Commission	Lease	\$660 (\$7,920 per annum)	Per month rental office space (exclusive use)
Cairns District Rugby League	Lease being drafted	To be determined	Moore Family Building (exclusive use)
Cairns Meals on Wheels (MOW)	Proposed Trustee Permit for three years	\$1,009 (\$12,108 per annum)	Per month rental of kitchen and office space (non-exclusive use)

The amount recommended is calculated to cover CRC costs for maintaining the kitchen and covering expenses. This amount is less than Cairns MOW currently pays at their present site at Cannon Park (\$13,000 per annum). Cairns MOW have indicated they wish to pay \$7,000 per annum to CRC for the rental of the kitchen and office facilities at Barlow Park. \$7,000 will not cover the cost of Cairns MOW's use of the kitchen. Council could obtain \$7,000 for leasing the office space (without the additional expenses incurred with running a kitchen) and has recently had an inquiry to this end from a local sporting body.

CONSIDERATIONS:

Corporate and Operational Plans:

As this request falls outside the usual parameters for Barlow Park, it is not captured within the departmental Operational Plan. In the 2004-2009 Corporate Plan, there is reference, in Section 1 to integrated planning and usage of Council facilities.

Statutory:

Council has no statutory obligations to support MOW. Trustee Permits of greater duration than three months require Ministerial approval. The maximum term for a Trustee Permit is three years.

Policy:

Council provides various grant options through Community Development, Community Services and the Community Relations branches which are designed as 'one-off' financial assistance to help community groups looking for an injection of money when establishing themselves or for 'one off' events or projects. These grants are not designed to assist organisations with ongoing or operational costs.

Financial and Risk:

Options for funding this request include:

- Absorbing the costs into Barlow Park's operational expenses;
- Increasing fees and charges for Barlow Park users of the athletics track, various football codes and other sport and recreation users to subsidise the additional expenses.
- Providing assistance through provision of a fixed term 'in-kind' grant to cover the Barlow Park charge in part or in full.

CONSULTATION:

Budget and Grants Officer – Community Development
 Budget and Grants Officer – Community Services
 Community Planning and Development Officer
 Events and Civic Relations Coordinator
 General Manager Community and Cultural Services

OPTIONS:

That Council:

1. Support the rental charge of \$1,009 per month to Cairns Meals on Wheels for the use of Barlow Park kitchen, subject to the terms agreed to in the lease.
2. Support the rental charge of \$1,009 per month to Cairns Meals on Wheels for the use of Barlow Park kitchen, subject to the terms agreed to in the lease and provide Cairns Meals on Wheels with an in-kind assistance grant of \$12,108 per annum for a period of three years only to cover the cost of the rental charge, with budget to be allocated at the next Budget Review to Community Development.
3. Support the rental charge of \$1,009 per month to Cairns Meals on Wheels for the use of Barlow Park kitchen, subject to the terms agreed to in the lease and provide Cairns Meals on Wheels with an in-kind assistance grant of \$5,108 per annum for a period of three years only to cover the cost of the rental charge less Cairns Meals on Wheels' contribution of \$7,000, with budget to be allocated at the next Budget Review to Community Development.

CONCLUSION:

The rental that has been suggested by Cairns MOW is below market value and less than that which Cairns MOW is currently paying. The amount that MOW is suggesting (\$7,000) will not cover costs incurred by Barlow Park. Cairns MOW has indicated that the equipment they will add to the kitchen will add value to the existing kitchen. However, this additional equipment will receive little use from other current user groups.

The presence of Cairns Meals on Wheels at Barlow Park should not impact negatively on the other sports and recreation users. The facility is designated and designed for sport and recreational use. A free or 'peppercorn' lease would carry financial impact that would be passed on to user groups. All of the user groups at Barlow Park are community organisations and it is the opinion of Council officers responsible that in the interests of equity and fairness across all of these groups, that special concession should not be given to MOW ahead of other hard working predominantly volunteer associations.

The annual recommended charge of \$12,108 is lower than the current annual amount of \$13,000 paid by Cairns MOW to the Cairns Jockey Club.

Brett Andrews

Team Leader Leisure Venues

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