



Extraordinary Meeting

An EXTRAORDINARY MEETING of LISMORE CITY COUNCIL will be held at the COUNCIL CHAMBERS, Oliver Avenue, GOONELLABAH on
July 19, 2005 AT 6.00pm
and members of Council are requested to attend.

Paul G. O'Sullivan
General Manager

July 14, 2005



Agenda

Opening of Meeting and Prayer (Mayor)

Apologies and Leave of Absence

Public Access Session

Disclosure of Interest

Notice of Rescission Motion

1

Report

- Lismore Memorial Baths - Management Plan

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Strategic Plan Summary

Lismore regional city

STRATEGIC PRIORITY	AIMS	INITIATIVES
Economic Development	Build Lismore's reputation as a regional city for residents, businesses, education providers, health services and government.	<ul style="list-style-type: none"> ▶ Champion education ▶ Promote health facilities ▶ Support regional agriculture ▶ Promote cultural life ▶ Promote Lismore as a legal centre ▶ Support for sport
	Increase regional economic development, tourism and job creating investments.	<ul style="list-style-type: none"> ▶ Promote regional development ▶ Develop tourism ▶ Support businesses ▶ Pursue CBD revitalisation ▶ Assist in job creation ▶ Assist in creating new income opportunities
Quality of Life	Make Lismore a safe, healthy and caring community in which to live.	<ul style="list-style-type: none"> ▶ Increase social cohesion ▶ Support villages ▶ Provide community services ▶ Encourage sustainable development ▶ Promote recreation and leisure
Leadership by Innovation	Lead the region by demonstrating innovative practices in governance, customer service, communication, consultation, virtual amalgamation and financial management.	<ul style="list-style-type: none"> ▶ Lead the region ▶ Increase revenue from grants ▶ Improve customer service ▶ Consult the community ▶ Update technology ▶ Provide user pays services ▶ Privatise selected services ▶ Share assets and resources
Natural Environment	Preserve and rehabilitate Lismore's natural environment.	<ul style="list-style-type: none"> ▶ Provide sustainable land use planning ▶ Improve catchment management ▶ Conserve and repair the environment
Infrastructure	Further enhance Lismore's transportation, parking and pedestrian networks.	<ul style="list-style-type: none"> ▶ Improve transport systems ▶ Improve roads, cycleways and footpaths ▶ Assist with public transport ▶ Assist airport operations ▶ Support fleet operations
Water and Waste Cycle	Educate our community and lead the state in water and waste-cycle management.	<ul style="list-style-type: none"> ▶ Manage stormwater drainage systems ▶ Manage water and sewage ▶ Manage the waste stream and reduce waste

Rescission Motion

I hereby give notice of my intention to move at the next meeting of Council the following rescission motion:

Councillor F F Swientek

Councillor D R Tomlinson

Councillor V Ekins

Date 12/7/05

move:

That Council rescind its support to proceed with the construction of a Council Chambers annexe. (meeting 12/7/05 – Min. 142/05)

Report

Subject	Lismore Memorial Baths – Management Plan
File No	P6768
Prepared by	Manager – Finance & Administration
Reason	Council resolution
Objective	To provide information on the management, financial performance and marketing of the Lismore Memorial Baths and adoption of the draft 2005/06 fees and charges.
Strategic Plan Link	Quality of Life
Management Plan Activity	Community Services

Overview of Report

The Lismore Memorial Baths – Management Plan provides information on the management, financial performance and marketing of the Lismore Memorial Baths.

Also, Council must determine the Lismore Memorial Baths draft 2005/06 fees and charges and advertise them for a period of 28 days. After the advertising period, Council must consider any submission received prior to adoption and subsequent application.

Background

Following many years of planning and deliberations, the redeveloped Lismore Memorial Baths will reopen in September 2005 with the outcome being a unique regional aquatic facility designed to serve the local swimming community and provide the region with a centre of excellence for water sports.

The new facility, costing \$9.6 million, will include an 8 lane 51m heated pool, a 4 lane 25m heated program/warm-up pool, a heated toddlers pool, pool boom, disabled pool access, significant shading, dry training facilities, modern amenities, kiosk and grandstand seating for 500 spectators.

The Lismore Memorial Baths - Management Plan has been prepared to provide relevant information on the management, financial performance and marketing of the new facility.

It has been collated with reference to the historical performance of the Lismore Memorial Baths, the performance of and information about other similar facilities, the results of feasibility assessments and discussions with the previous facility manager. As such, it reflects what is anticipated and the actual results may vary depending on many factors.

As part of the opening celebrations and to promote the 'family friendly' aspect of the facility, a family pass is proposed to be sent to ratepayers in October inviting them to visit and use the facility free of charge for a day.

Also, Council must determine the Lismore Memorial Baths draft 2005/06 fees and charges and these must be advertised for a period of 28 days. The public will be invited to make submissions and Council must consider these prior to their adoption and application.

The proposed fees and charges have been set with the objective to re-establish the Lismore Memorial Baths as a 'family friendly' facility. This is to be achieved by the introduction of family swim, 10 visit and 20 visit pass options. The proposed fees for these options equate to a 10% to 15% saving on the everyday entry fee.

Other factors considered were:

- a) the redeveloped facility's inclusions make it a first class swimming facility and justify market fees and charges.
- b) the need to have increased fees and charges during the winter season to reflect increased heating costs.
- c) the fees and charges are not set on a cost recovery basis,
- d) consideration of the fees and charges set for other local government area swimming pools.

Attachment 1 to this report lists the proposed draft 2005/06 fees and charges for the Lismore Memorial Baths. For casual swimmers, the following is proposed:-

Casual Swimmers	Summer season	Adult	\$2.80 per visit
		Child, Student	\$2.50 per visit
		Pensioner/Concession	
	Winter season	Adult	\$3.50 per visit
		Child, Student	\$2.50 per visit
		Pensioner/Concession	
Schools	Summer or Winter		\$2.00 per visit
Spectators	Summer or Winter		\$1.00 per visit

For the purposes of determining entry fees, child means '16 years or under' and therefore includes toddlers. The reason toddlers are charged the same as a child is that the toddler's pool requires a higher level of supervision by lifeguards than the rest of the pool.

As for non-attendance based fees and charges, these consider what the facility is worth in the market and the cost of exclusive use such as lifeguards, lighting, etc. Permanent bookings such as for Lismore Swim Club, North Coast Water Polo and Lismore RSL Swim Club, received a 50% subsidy on their hire charges reflecting previous arrangements and the facility as their 'home base'. Casual and permanent hirers are required to pay the listed entry fee.

Comments

Financial Service

N/A

Other staff comments

N/A

Public consultation

The adopted fees and charges will be advertised from July 20 to August 16 and Council will consider any submissions. Regular hirers such as the Lismore Swim Club, North Coast Water Polo and Lismore RSL Swim Club will be independently advised.

Conclusion

The redeveloped Lismore Memorial Baths will reopen in September 2005 catering for both the local community and water sport sports persons and enthusiasts. It will be a first class sporting facility and without doubt further enhance Lismore's reputation as a sporting capital.

The Lismore Memorial Baths – Management Plan provides relevant information about the management, financial performance and marketing of the facility and shall be used as a guide to gain the optimum outcome for the community.

Also, Council must determine the 2005/06 draft fees and charges for the Lismore Memorial Baths and these must be advertised for a period of 28 days.

The proposed fees and charges reflect the redeveloped facility's first class inclusions, but at the same time acknowledging the need for it to be re-established as family friendly.

To promote and encourage ratepayers to visit and use the facility, a family pass will be sent to ratepayers in October inviting them to visit and use the facility free of charge for a day.

Recommendation

That Council -

- 1 Receive and note the Lismore Memorial Baths – Management Plan.
- 2 Advertise the 2005/06 Lismore Memorial Baths Draft Fees & Charges.
- 3 Promote and encourage ratepayers to visit and use the facility by providing a free family pass.

LISMORE MEMORIAL BATHS – MANAGEMENT PLAN

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1. INTRODUCTION

Following many years of planning and deliberations, the redeveloped Lismore Memorial Baths will reopen in September 2005 with the outcome being a unique regional aquatic facility designed to serve the local swimming community and provide the region with a centre of excellence for water sports.

The new facility, costing \$9.6 million, will include an 8 lane 51m heated pool, a 4 lane 25m heated program/warm-up pool, a heated toddlers pool, pool boom, disabled pool access, significant shading, dry training facilities, modern amenities, kiosk and grandstand seating for 500 spectators.

The Lismore Memorial Baths - Management Plan has been prepared to provide relevant information on the management, financial performance and marketing of the new facility.

It has been collated with reference to the historical performance of the Lismore Memorial Baths, the performance of and information about other similar facilities, the results of feasibility assessments and discussions with the previous facility manager. As such, it reflects what is anticipated and the actual results may vary depending on many factors.

2. MANAGEMENT

2.1 Management Alternatives

There are two options for the day-to-day management of the facility and they are by contract, which is the recognised method of delivering swimming pool management, or Council staffing.

In reviewing these, but not accurately costing them, it became clear that pool management expertise is critical as well as the need to have greater flexibility with arrangements for staffing. While Council is capable of arranging for staff to service these requirements, it is unlikely to be able to provide this in a timely, responsive and cost effective manner compared to contract.

2.2 Preferred Management Option

It is proposed that the previous facility manager will be contracted to manage the new facility for an interim period of at least one year. This will provide the opportunity to 'iron out' any teething problems during the 12 months defects liability period and to establish a good understanding of the operating performance prior to calling for tenders to lease the facility for an extended period.

There have been preliminary discussions regarding the contract. At this stage, the terms and conditions have not been finalised, but some of the likely key inclusions may be; contractor - the management fee to include all staff costs, to collect and make available to Council all performance information – users, pool, equipment, canteen; retain all profits from the operation of the kiosk and learn to swim classes. Council - to receive all pool entrance and usage revenue.

As the contract will be for an amount greater than \$150,000, it will need to be reported to Council for consideration. This is anticipated by the September Council meeting. As an indication, the pool management fee is estimated to be between \$250,000 and \$300,000 per annum.

2.3 Operating Season and Opening Hours

The new facility's heated pools will allow the operating season to be extended from the 7 months to a full 12 months per year, although not all pools will be opened at all times.

The proposed operating season is:

- 50-metre pool from Aug 1 to May 31.
- 25-metre pool all year around
- Toddlers pool from Oct 1 to May 31.

The proposed opening hours will vary depending on the pool and day of the week. For the proposed operating season, the toddlers pool is planned to open from 8:00am. As a guide:

- Jun 1 to Jul 31 – 6:00am to 6:00pm
- Aug 1 to Sept 30 and Apr 1 to May 31 – 6:00am to 6:00pm
- Oct 1 to Mar 31 – 5:30am to 7:30pm

The whole facility, individual pools or part thereof, or lanes are available for hire during the operating season. To cater for this demand, but not unnecessarily restrict the general public access, the 25-metre pool will not be available for hire unless the whole complex is hired. This situation is not anticipated on a regular basis.

3. FINANCIAL PERFORMANCE

3.1 Estimated Attendance

The estimated annual attendance has been assessed based on the historical attendance information and the results achieved by similar facilities and situations. As an indication, attendance numbers are anticipated to increase by approximately 2.4 times the pre-developed attendances.

The table below presents estimated attendances by entry type with a low, mid and high level range. The low and high level estimates respectively reflect a 15% decrease and 15% increase across all entry types from the mid level estimate.

Type	Estimated Annual Attendance		
	Low Level (-15%)	Mid Level	High Level (+15%)
Casual Swimmer Entry – Adult	34,400	40,500	46,600
Casual Swimmer Entry – Child, Student, Pensioner/Concession	30,100	35,300	40,700
Spectators	9,000	10,600	12,200

School Groups	25,400	29,900	34,300
Season Passes*	35,700	42,000	48,300
TOTAL	134,535	158,300	182,100

* The annual attendance for season passes assumes a total of 300 (mid level) season pass holders comprising 70% family and 30% individual. This is consistent with the past usage patterns.

3.2 Fees and Charges

The proposed fees and charges have been set with the objective to re-establish the Lismore Memorial Baths as a 'family friendly' facility. This is to be achieved by the introduction of family swim, 10 visit and 20 visit pass options. The recommended fees for these options equate to a 10% to 15% saving on the everyday entry fee.

Other factors considered were:

- the redeveloped facility's inclusions make it a first class swimming facility and justify market fees and charges;
- the need to have increased fees and charges during the winter season to reflect increased heating costs;
- the fees and charges are not set on a cost recovery basis, and
- consideration of the fees and charges set for other local government area swimming pools.

Users have been categorised into four groups and a summer and winter season entrance fee is recommended. The user groups are

- adult
- child, student, pensioner/concession
- spectator and
- schools.

Child means '16 years or under' and therefore includes toddlers. The reason toddlers are charged the same as a child is that the toddlers pool requires a higher level of supervision by lifeguards than the rest of the pool.

The following is a summary of the main entry fees and a full copy of the proposed fees and charges are included as Attachment 1

	Summer Entry Fees	Winter Entry Fees
Adult	\$ 2.80	\$3.50
Child, Student, Pensioner/Concession	\$ 2.50	\$2.50
Spectators	\$ 1.00	\$1.00
Schools	\$ 2.00	\$2.00

For regular more than once a week users, the annual, half year and quarter year passes provide a viable and cost effective alternative.

As to non attendance based revenue, the income from facility hire charges is estimated at \$3,500 per annum, but is subject to demand fluctuations for the new facility from casual hirers such as major swim events. Permanent bookings revenue of \$5,750 per annum is based on the facility hire charges and anticipated regular use from the Lismore Swim Club, North Coast Water Polo and Lismore RSL Swim Club. All permanent hirers receive a 50% subsidy on their hire charges reflecting previous arrangements and the facility as their 'home base'. Casual and permanent hirers are required to pay an entry fee.

3.3 Estimated Income

Based on the estimated attendance and fees and charges detailed above, the estimated income has been calculated on a low, mid and high scenario.

In addition to the assumption already referred to, other assumptions applied include the estimated split between summer and winter usage, 85% and 15% respectively, and the take up of family visit, 10 visit and 20 visit passes, estimated at 10%, 15% and 15% respectively.

Total estimated income is included in the summary '3.5 Project Annual Operating Performance'.

3.4 Estimated Expenditure

Pool Maintenance

An allowance of \$5,000 per annum has been made for pool maintenance. This represents a \$3,000 reduction from the previous annual pool maintenance budget for the old facility. It is expected that pool maintenance costs will be reduced as a result of the new facilities.

Electricity

The annual electricity costs are projected to be \$78,000. This figure is based on annual electricity usage of 128,571kWhr/mth @ \$0.04845/kWhr + a 5% increase as estimated by the project's engineers.

Rates and Charges

An allowance of \$18,500 has been made for rates and charges. This is based on the current annual rates and charges (\$17,825) plus a 3.5% increase.

Water Charges

An allowance of \$28,500 has been made for annual water charges. This figure is based on annual water usage of 2,143kL/mth @ \$1.11/kL as estimated by the project's engineers.

Sewerage Charges

An annual allowance of \$21,000 has been made for waste charges. This estimate has been provided by Lismore Water and is based on the projected annual water consumption.

Building Maintenance

An allowance of \$3,000 per annum has been made for building maintenance. This is consistent with the annual building maintenance budget for the old facility.

Plant and Equipment Maintenance

An allowance of \$5,000 per annum has been made for maintenance of plant and equipment. This represents a \$3,000 reduction from the previous annual plant and equipment maintenance budget for the old facility. It is expected that the new plant and equipment will require less maintenance.

Pool Chemicals

An allowance of \$50,000 has been made for pool chemicals. This figure is based on estimates provided by the project's engineers.

Marketing

To generate additional usage, Council will need to actively promote the facility at a local, state and national level. This will require the establishment of a marketing allocation of \$5,000,

Total estimated expenditure is included in the summary '3.5 Project Annual Operating Performance'.

3.5 Projected Annual Operating Result

The follow summary combines both the estimated income and expenditure for the facility on a low, mid and high level attendance basis:

	Low Level Attendance	Mid Level Attendance	High Level Attendance
INCOME			
Adult	91,700	107,900	123,900
Child, Students, Pensioner/Concession	75,200	88,500	101,700
Spectators	9,000	10,600	12,200
School Groups	50,700	59,700	68,700
Season Passes	166,400	166,400	166,400
Non Attendance Revenue	9,300	9,300	9,300
Total Income	<u>402,300</u>	<u>442,400</u>	<u>482,200</u>
EXPENDITURE			
Pool Maintenance	5,000	5,000	5,000
Electricity	78,000	78,000	78,000
Rates & Charges	18,500	18,500	18,500
Water Charges	28,500	28,500	28,500
Sewerage Charges	21,000	21,000	21,000
Building Maintenance	3,000	3,000	3,000

Plant & Equipment Maintenance	5,000	5,000	5,000
Chemicals	50,000	50,000	50,000
Marketing	5,000	5,000	5,000
Management Fee	275,000	275,000	275,000
Total Expenditure	<u>489,000</u>	<u>489,000</u>	<u>489,000</u>
Operating Profit/(Deficit)	<u>(\$86,700)</u>	<u>(\$46,600)</u>	<u>(\$6,800)</u>
Loan Repayment Costs	\$712,900	\$712,900	\$712,900

The summary reflects an annual scenario and therefore as 2005/06 is not a full financial year from an operations perspective, a pro rated budget will need to be estimated and subsequently reported to Council.

4. MARKETING

4.1 General

The marketing strategy will focus on the fact that the Lismore Memorial Baths is a unique regional aquatic facility designed to serve the local swimming community and provide the region with a centre of excellence for water sports.

For the local swimming community, the elements to be promoted include heated water, open year round and modern amenities. In addition, a 'family friendly' approach to discounting entrance fees is proposed.

Also, to promote the 'family friendly' aspect and as an opening promotion, a family pass is proposed to be sent to ratepayers in October inviting them to visit and use the facility free of charge for a day.

4.2 Competitive

The facility meets FINA approved national and international standards for training and competition and therefore places the Northern Rivers Region on a par with Australia's capital cities in being able to compete for a wide range of regional, state, national and international events.

This aspect will be strongly promoted when bidding for major sporting events is undertaken in a coordinated approach to include the relevant groups such as swimming club, water polo or schools, contract facility management and Council.

The type of events initially targeted will include primary school zone and regional carnivals, high school zone and regional carnivals, country regional carnivals, district carnivals and FNC swimming club carnivals.

In addition, the opportunities to secure major carnivals attracting 1,000 people for a number of days and developing new markets are to be explored.

<u>Lismore Memorial Baths - Draft 2005/06</u>										
<u>Fees & Charges</u>										
								Summer	Winter	
								<u>1/9-30/4</u>	<u>1/5-31/8</u>	
Casual Swimmers		Adult						2.80	3.50	
		Child*, Student, Pensioner/Concession						2.50	2.50	
Spectator		Adult						1.00	1.00	
		Child*, Student, Pensioner/Concession						1.00	1.00	
Family Swim Pass								9.50	10.80	
(minimum 1 adult and maximum 3 children)										
10 Visit Pass		Adult						25.20	31.50	
		Child*, Student, Pensioner/Concession						22.50	22.50	
20 Visit Pass		Adult						47.60	59.50	
		Child*, Student, Pensioner/Concession						42.50	42.50	
Schools								2.00	2.00	
								<u>Quarter Year</u>	<u>Half Year</u>	<u>Annual</u>
Passes	Adult							59.40	113.20	215.60
	Child*, Student, Pensioner/Concession							49.00	93.30	177.70
	Family (minimum 1 adult and maximum 3 children)							195.10	371.60	707.90
* Child means 16 or under years of age.										
Advertising charge for closure eg carnivals, fun days, etc									60.00	
(only for whole complex closure)										
<u>Facility Hire Charges</u>								<u>Per Hour</u>	<u>Entry Fee</u>	
Weekdays - 6.00am to 6.00pm										
		Whole complex						75.00	Yes	
		50 metre pool						50.00	Yes	
		Half 50 metre pool or toddlers						35.00	Yes	
Weekdays - after 6.00pm										
		Whole complex						150.00	Yes	
		50 metre pool						100.00	Yes	
		Half 50 metre pool or toddlers						70.00	Yes	
Weekends & Public Holidays - 8.00am to 6.00pm										
		Whole complex						150.00	Yes	
		50 metre pool						100.00	Yes	
		Half 50 metre pool or toddlers						70.00	Yes	
<i>Note : 25 metre pool is not available for hire unless whole complex is hired</i>										
		Lane hire (per lane)						15.00	Yes	
<u>Permanent Bookings</u>										
<u>Lismore Swim Club</u>										

Lanes 1, 2 & 3									
Monday - Friday (School Term) - 5.30am to 7.30am & 3.30pm to 7.00pm								NA	Yes
Monday - Friday (School Holidays) - 7.00am to 9.00am & 3.30pm to 7.00pm								NA	Yes
Saturday - 8.00am to 10.00am								NA	Yes
50 metre pool - Friday 6.00pm to 8.30pm								50.00	Yes
(Home base - no charge on lane hire and 50% reduction in hire of 50 metre pool)									
<u>North Coast Water Polo</u>									
Half 50 metre pool - From 7.15pm								35.00	Yes
(Home base - 50% reduction in hire of half 50 metre pool)									
<u>RSL Swim Club</u>									
Half 50 metre pool - Sunday 8.15am to 9.45am								35.00	Yes
(Home base - 50% reduction in hire of half 50 metre pool)									