

GENERAL PURPOSE COMMITTEE

SECTION 3 ORGANISATION & RESOURCES

GENERAL PURPOSE COMMITTEE - ORGANISATION & RESOURCES

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ITEM 6: FORGOTTEN VALLEY MOBILE RESOURCE UNIT**FILE NUMBER:** GC200/004 PT01/GMA

REPORT:

A verbal approach was made recently from a staff member of the Department of Community Services enquiring if management of the Forgotten Valley Mobile Resource Unit could be undertaken on an interim basis by Council staff following a review of the unit's operations that indicated a number of issues that need to be addressed.

The unit is funded from three programs, Community Service Grant Program, Childrens Services and Disability Services with a total yearly amount of \$194,000. It employs a number of people and has numerous assets.

A meeting was held on Monday 27 June with the Chairman of the Committee, their solicitor and the area manager from the Department of Community Services. They advised that at a Special Meeting of the Committee last Tuesday evening, three resolutions were passed being:

- "1. That while some members of the community have reservations about many of the facts and proposals contained in the review of the Forgotten Valley Mobile Resource Unit Inc. it nevertheless accepts the options outlined by the review.
2. That Hawkesbury City Council (referred to in the review as an "Auspices") be appointed to act as caretaker of unit for maximum period of 12 months and to administer grant monies from the Depart of Community Services and Department of Transport and all assets in trust pursuant to a contract being entered into by the Council and the Unit. Supply progress reports to the funding bodies in the community.
3. That the caretaker auspices will take effect from 1 July 1994."

The purpose of yesterday's meeting was to look at the various ways in which the Council staff can undertake the caretaker role within the next 12 months. As such, responsibility would be for

- administration of and accountability for, grant money from the Department of Community Services and the Department of Transport
- the provision of necessary reports to the funding bodies
- the management, supervision and payment of staff including consideration of staff reports and
- the overall management of client services operating from the unit.

The report of the consultant is of 40 pages and contains 96 separate review findings.

The interim management roles will be finalised in the next few days and the Council kept updated with the present position.

RECOMMENDATION:

The the report be received.

ATTACHMENTS:

There are no supporting documents for this report.

FN:OG628LAX.G03

******* END OF ITEM 6 *******

ITEM 7: WINDSOR FUNCTION CENTRE**FILE NUMBER:** GC283/45/CSV**REPORT:**

Council, at its Ordinary Meeting in May considered a report in relation to the operation and management of the Windsor Function Centre and resolved to request the lessee (Stupsy Pty Ltd) to address a number of issues, including standard of cleanliness, quality of food and service, staffing levels and presentation.

In view of these ongoing concerns, a meeting was requested with the lessee to discuss the issues and the continued leasing of the Centre. At the meeting, the legal representative on behalf of Stupsy Pty Ltd offered a written statement indicating a surrender value of lease in the amount of \$312,500. However, on a compromise basis they further indicated a willingness to accept \$100,000 as full and final settlement for termination of the lease. This offer was rejected and the Council representations then submitted an amount of \$30,000 for the relinquishing of the leasing of the Centre on a walk in/walk out basis. After some deliberation the offer was accepted by Mr Goddard, on behalf of Stupsy Pty Ltd. It is pointed out that the proposal requires the lessee to:-

- (i) vacate the premises by 1 July 1994;
- (ii) the lessee to reimburse Council for deposits taken for future bookings (\$4,000);
- (iii) leave stock in trade valued at \$5,000;
- (iv) a floor cleaner valued at \$4,000 to be left at Council's disposal;
- (v) linen and consumables recently acquired for approximately \$6,000 are to be retained at the Centre; and
- (vi) Council to receive the benefit of approximately \$1,000 worth of current advertising.

It is noted that the Lease with Stupsy Pty Ltd was for a period of four years, with a four year option, and the Agreement commenced in February 1992. The Company currently owes in the order of \$19,000 in rental and outgoings, however, the bond in the amount of \$10,000 will be applied to the debt, with the balance proposed to be written off as part of the terms of settlement.

It is considered that with the continuous representations being received concerning the Management of the Windsor Function Centre and general dissatisfaction with same, early termination of the Agreement appears to be the most appropriate course of action. Despite the rental arrears, given the fact that the lease has in effect in excess of five years to run, the negotiated settlement is considered to be fair and reasonable for both parties and should avoid onus protracted legal proceedings.

There are a minimal number of bookings made for the next two months and arrangements are in hand for the interim management of the Centre. It is proposed to report at a later date, proposals for the future operation and management of the Centre.

RECOMMENDATION:

1. That Council offer to Stupsy Pty Ltd on a walk in/walk out basis, \$30,000 (thirty thousand dollars) as full and final compensation for the relinquishing of the leasing of the Windsor Function Centre, on the basis outlined in this report.
2. That a report be submitted to a later meeting of Council, in regard to the future operation and management of the Centre.
3. The compensation be funded from the Property Development Reserve.
4. Each party to be responsible for their own legal costs.
5. All necessary documents be completed under Seal of Council.

ATTACHMENTS:

There are no supporting documents for this report.

FN:OG628LBX.C02

****** END OF ITEM 7 ******