

minutes

Strategic Financial Management Committee

MEETING HELD ON **MONDAY 6 OCTOBER 2014**

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CITY OF JOONDALUP

MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON MONDAY 6 OCTOBER 2014.

ATTENDANCE

Committee Members

Cr Geoff Amphlett, JP *Presiding Member*
Mayor Troy Pickard

*Absent from 6.03pm to 6.04pm
and from 6.07pm to 6.09pm*

Cr Brian Corr
Cr Russ Fishwick, JP

Cr Kerry Hollywood *Deputising for Cr Tom McLean, JP*

Cr Mike Norman *Deputising for Cr Christine Hamilton-Prime*

from 6.06pm

Cr Sam Thomas *Deputy Presiding Member*

Officers

Mr Garry Hunt Chief Executive Officer
Mr Mike Tidy Director Corporate Services
Mr Brad Sillence Manager Governance
Mr Blignault Olivier Manager City Projects
Mr John Byrne Governance Coordinator
Mr Scott Collins Senior Projects Officer
Mrs Lesley Taylor Governance Officer

Absent from 6.03pm to 6.04pm

DECLARATION OF OPENING

The Presiding Member declared the meeting open at 6.00pm.

DECLARATIONS OF INTEREST

Disclosure of Financial / Proximity Interest

Nil.

Disclosure of interest affecting impartiality

Elected Members (in accordance with Regulation 11 of the *Local Government [Rules of Conduct] Regulations 2007*) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

Name/Position	Mayor Troy Pickard.
Item No./Subject	Item 2 – Confidential – Status Report on City Freehold Properties Proposed for Disposal.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Both the operator and owner of the Kingsley Tavern are known to Mayor Pickard.

APOLOGIES/LEAVE OF ABSENCE

Apology

Cr Christine Hamilton-Prime.

Leave of Absence previously approved

Cr Tom McLean, JP	17 September to 10 October 2014 inclusive;
Cr John Chester	1 October to 7 October 2014 inclusive;
Cr Liam Gobbert	4 October to 11 October 2014 inclusive;
Cr Teresa Ritchie, JP	6 November to 14 November 2014 inclusive;
Cr Christine Hamilton-Prime	5 November to 20 November 2014 inclusive;
Cr Christine Hamilton-Prime	6 December 2014 to 5 January 2015 inclusive.

Mayor Pickard and the Chief Executive Officer left the room at 6.03pm.

CONFIRMATION OF MINUTES

MINUTES OF THE STRATEGIC FINANCIAL MANAGEMENT COMMITTEE HELD 11 JUNE 2014

MOVED Cr Fishwick, **SECONDED** Cr Thomas that the minutes of the meeting of the Strategic Financial Management Committee held on 11 June 2014 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs Amphlett, Corr, Fishwick, Hollywood and Thomas.

Mayor Pickard and the Chief Executive Officer entered the room at 6.04pm.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

In accordance with Clause 5.2 of the City's *Meeting Procedures Local Law 2013*, this meeting was not open to the public.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS

ITEM 1 IMPACT ON 20 YEAR STRATEGIC FINANCIAL PLAN OF REPORTS TO COUNCIL – JUNE 2014 TO SEPTEMBER 2014

WARD	All
RESPONSIBLE DIRECTOR	Mr Mike Tidy Corporate Services
FILE NUMBER	104470
ATTACHMENT	Attachment 1 <i>Impact on 20 Year Strategic Financial Plan of Reports to Council – June 2014 to September 2014</i>
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

PURPOSE

To summarise the impacts on the adopted *20 Year Strategic Financial Plan* of reports approved by Council for the period June 2014 to September 2014.

EXECUTIVE SUMMARY

As one of the Chief Executive Officer's (CEO) Key Performance Indicators there is a requirement to provide quarterly updates on the impacts of Council decisions on the adopted *Strategic Financial Plan*. The *Strategic Financial Plan* underwent an extensive review during 2013-14 and the new *20 Year Strategic Financial Plan 2013-14 to 2032-33* (the SFP) was adopted by Council at its meeting held on 24 June 2014 (CJ101-06/14 refers). This report summarises the impacts of reports on the SFP from its adoption in June 2014 to September 2014.

So that the report focuses on those decisions that are capable of having an impact of some significance a minimum threshold of an impact of \$50,000 has been applied. There are eight reports approved by Council between June 2014 and September 2014 included in this report with total reduction in total cash, up to 2032-33 of (\$2.7 million).

The impacts are summarised in Attachment 1 to this Report and have been categorised into:

- commitments made by Council
- other impacts including amounts that were informed by other bodies, or potential impacts for reports that have been noted, without a firm commitment having been made yet.

It is recommended that the Strategic Financial Management Committee NOTES the estimated cost of (\$2.7 million) on the 20 Year Strategic Financial Plan 2013-14 to 2032-33 of reports approved by Council from June 2014 to September 2014.

BACKGROUND

As one of the Chief Executive Officer's (CEO) Key Performance Indicators there is a requirement to provide quarterly updates on the impacts of Council decisions on the adopted SFP. The intention is to provide progressive updates between annual reviews of the SFP. The SFP underwent an extensive review during 2013-14 and as a result rather than being considered by Council in November 2013 the new SFP 2013-14 to 2032-33 was not finally adopted until 24 June 2014. During the review process the SFP was progressively updated with the impacts of Council decisions as they occurred.

Subsequent to the adoption of the SFP this is the first quarterly report bringing up to date the impacts of reports approved by Council from June 2014 to September 2014.

The impacts have been categorised into:

- commitments made by Council
- other impacts including amounts that were informed by other bodies, or potential impacts for reports that have been noted, without a firm commitment having been made yet.

DETAILS

The table at Attachment 1 summarises the reports presented to Council from June 2014 to September 2014 that require a change to the SFP. With regard to the table, the following considerations are to be noted:

- The SFP is a long-term planning tool, and evaluating impacts which are minor is of little relevance. Therefore a minimum threshold has been applied where an impact of less than \$50,000 is not reported. The threshold of \$50,000 results in many of the reports being outside the scope of this analysis, as they have a relatively small amount (for example planning fees) or have no financial impact at all. Consequently, of all the reports presented to Council between June 2014 and September 2014 there are only eight reports that have an impact on the SFP.
- The impacts have been categorised into:
 - commitments made by Council
 - other impacts including amounts that were informed by other bodies, or potential impacts for reports that have been noted, without a firm commitment having been made yet.

- The SFP impact is based on:
 - total estimated cashflows up to 2032-33
 - includes inflation
 - includes all whole of life costs such as capital expenditure, operating expenses, operating income, reserves, borrowings, interest payments, earnings on cash held.

Eight reports between June 2014 and September 2014 are noted separately and the impact is a cost of (\$2.7 million) up to 2032-33, this is split between:

- \$300,000 commitments by Council
- (\$3.0 million) other impacts. This specifically relates to the active reserve and community facility review where various items are noted and recommended for inclusion in budgets.

Issues and options considered

The total impact of the eight reports is a cost of (\$2.7 million) up to 2032-33.

These changes will be included in the next update of the SFP in 2015.

As a result of calculating the impacts up to 2032-33 for total cash, the impact for each report is higher than the initial impact. For example, the (\$4 million) proceeds that will not be obtained for Lot 971 (52) Creaney Drive, Kingsley results in an overall impact of (\$7.1 million) up to 2032-33. The additional costs of (\$3.1 million) relate to changes in borrowings, additional interest payments and reduced earnings on cash held.

Legislation / Strategic Community Plan / policy implications

Legislation *Local Government Act 1995. Section 5.56 of the Local Government Act 1995 provides that:*

“(1) A local government is to plan for the future of the district.”

Strategic Community Plan

Key theme Financial Sustainability.

Objective Effective management.

Strategic initiative Manage liabilities and assets through a planned, long-term approach.

Balance service levels for assets against long-term funding capacity.

Policy Not applicable.

Risk management considerations

The SFP is based on many assumptions. There is a risk that those assumptions could be wrong or may not come to pass, however, it is a planning tool and the City is not committed to anything in the plan by virtue of endorsing it. Periodic review and continual update of the plan will ensure that it remains a relevant and useful document to manage the City's financial affairs into the future.

Financial / budget implications

The impact to the City up to 2032-33 of the reports approved between June 2014 and September 2014 is estimated to be a cost of (\$2.7 million). This impact is the total change in cash at the end of 2032-33, and while this is a cost there are some years where the impacts will be positive.

Regional significance

Not applicable.

Sustainability implications

Not applicable.

Consultation

Not applicable.

COMMENT

This report provides a further enhancement to the long-term financial sustainability by the City by providing a progressive update on the impacts on the 20 year SFP of Council decisions.

VOTING REQUIREMENTS

Simple Majority.

Cr Norman entered the room at 6.06pm.

Mayor Pickard left the room at 6.07pm and returned at 6.09pm.

MOVED Cr Norman, SECONDED Cr Fishwick that the Strategic Financial Management Committee NOTES the estimated cost of (\$2.7 million) on the 20 Year Strategic Financial Plan 2013-14 to 2032-33 of reports approved by Council from June 2014 to September 2014.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Cr Amphlett, Mayor Pickard, Crs Corr, Fishwick, Hollywood, Norman and Thomas.

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agnSFMC061014.pdf](#)

Disclosure of interest affecting impartiality

Name/Position	Mayor Troy Pickard.
Item No./Subject	Item 2 – Confidential – Status Report on City Freehold Properties Proposed for Disposal.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	Both the operator and owner of the Kingsley Tavern are known to Mayor Pickard.

ITEM 2 CONFIDENTIAL - STATUS REPORT ON CITY FREEHOLD PROPERTIES PROPOSED FOR DISPOSAL

WARD	All
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	63627, 101515
ATTACHMENTS	Attachment 1 Location Plans – Lot 745 (103) Caridean Street, Heathridge and Lot 23 (77) Gibson Avenue, Padbury Attachment 2 Location Plans - Lot 701 (15) Burlos Court, Joondalup and Lot 549 (11) Moolanda Boulevard, Kingsley Attachment 3 Location Plans - Lot 1001 (14) Camberwarra Drive, Craigie and Lots 642/643 (57/59) Marri Road, Duncraig Attachment 4 Estimated costs for proposed road works and park upgrades in the Hepburn Heights locality
AUTHORITY / DISCRETION	Executive - The substantial direction setting and oversight role of Council, such as adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

This Report is confidential in accordance with section 5.23(2)(h) of the *Local Government Act 1995*, which also permits the meeting to be closed to the public for business relating to the following:

The determination by the local government of a price for the sale or purchase of property by the local government.

A full report was provided to Elected Members under separate cover. The report is not for publication.

MOVED Cr Norman, SECONDED Cr Hollywood that Council:

- 1 NOTES the status report on the progress of the City’s proposed disposal of the seven freehold land sites as at 26 August 2014;**
- 2 NOTES the status report on the progress of the City’s proposed acquisition of State owned Lot 12223 (12) Blackwattle Parade, Padbury;**
- 3 ENDORSES on finalisation of the subdivision of Lot 701 (15) Burlos Court, Joondalup the proposed disposal of Lot 701 (15) Burlos Court, Joondalup and:
 - 3.1 AUTHORISES the Chief Executive Officer to conduct a public tender in accordance with section 3.58(2)(b) of the *Local Government Act 1995*;**
 - 3.2 REQUESTS the Chief Executive Officer to report back to Council on the results of the public tender to enable Council to decide which is the most acceptable tender;****
- 4 REQUESTS the initiation of an amendment to *District Planning Scheme No. 2* for the purpose of public consultation to recode Lot 1001 (14) Camberwarra Drive, Craigie from R20 to R40 and include the lot in Schedule 2 – Section 2 – Restricted Uses - ‘Aged or Dependent Persons’ Dwellings’;**
- 5 NOTES a further status report on the progress of the City’s proposed disposal of seven freehold land sites and the proposed acquisition of Lot 12223 (12) Blackwattle Parade, Padbury will be submitted to the next Strategic Financial Management Committee at a date to be determined.**

The Motion was Put and

CARRIED (6/1)

In favour of the Motion: Cr Amphlett, Mayor Pickard, Crs Fishwick, Hollywood, Norman and Thomas.
Against the Motion: Cr Corr.

**ITEM 3 CONFIDENTIAL - BURNS BEACH
CAFÉ/RESTAURANT - EXPRESSIONS OF
INTEREST**

WARD	North
RESPONSIBLE DIRECTOR	Mr Garry Hunt Office of the CEO
FILE NUMBER	102656, 101515
ATTACHMENTS	Attachment 1 Summary of Submissions <i>(Please Note: This report and attachment are confidential and will appear in the official Minute Book only).</i>
AUTHORITY / DISCRETION	Information - includes items provided to Council for information purposes only that do not require a decision of Council (that is for 'noting').

This report is confidential in accordance with section 5.23(2)(c) and (d) of the *Local Government Act 1995*, which also permits the meeting to be closed to the public for business relating to the following:

- *A contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.*
- *Legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting.*

A full report was provided to Elected Members under separate cover. The report is not for publication.

OFFICER'S RECOMMENDATION

That Council:

- 1 DETERMINES that The Fig Group, Dome Coffees Australia and Rock (WA) Pty Ltd T/as White Salt, are the Stage One preferred respondents for the development of a café/restaurant at Burns Beach;
- 2 REQUESTS the Chief Executive Officer to invite a Stage Two detailed proposal from The Fig Group, Dome Coffees Australia and Rock (WA) Pty Ltd T/as White Salt;
- 3 REQUESTS the Chief Executive Officer to provide a further report to Council at the conclusion of Stage Two.

MOVED Mayor Pickard, **SECONDED** Cr Fishwick that the confidential item in relation to the Burns Beach Café/Restaurant – Expressions of Interest be **DEFERRED** pending the adoption of the *Burns Beach Master Plan* by Council.

The Motion was Put and

CARRIED (7/0)

In favour of the Motion: Cr Amphlett, Mayor Pickard, Crs Corr, Fishwick, Hollywood, Norman and Thomas.

URGENT BUSINESS

Nil.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 6.55pm; the following Committee Members being present at that time:

Cr Geoff Amphlett, JP
Mayor Troy Pickard
Cr Brian Corr
Cr Russ Fishwick, JP
Cr Kerry Hollywood
Cr Mike Norman
Cr Sam Thomas

Impact on 20 Year Strategic Financial Plan of Reports to Council – June 2014 to September 2014

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
1	Tender 006/14 – Construction of a Five Level Multi Storey Car Park	24 Jun 2014	CJ094 -06/14	\$4.5		<p>Council accepted the tender submitted by Georgiou Group Pty Ltd for the construction of a five level multi-storey car park as specified in Tender 006/14 for the fixed lump sum of \$14,729,866 (GST Exclusive) for completion of the works within 52 weeks from possession of the site</p> <ul style="list-style-type: none"> • Adopted SFP has included a pre-tender estimate for the project of (\$20.5 million) • The revised estimated cost, taking account of the confirmed tender is (\$17.8 million). This includes other costs (parking infrastructure, project management costs) • Therefore, there is a potential savings of \$2.7 million • There are still many uncertainties and contingencies regarding the construction which may impact on this project, and therefore only a \$2.0million saving has been modelled at this stage. This will be further evaluated when the SFP is updated in 2015.
2	Disposal of Lot 971 (52) Creaney Drive, Kingsley	24 Jun 2014	CJ103 – 06/14	(\$7.1)		<p>Council decided to cease the planned sale of Lot 971. Issues are:</p> <ul style="list-style-type: none"> • Adopted SFP has included estimated \$4 million proceeds from the sale of Lot 971 within financial year 2015-16. These proceeds were set aside for the construction of Joondalup Performing Arts & Cultural Facility (JPACF) • The total impact including inflation and loss of interest is (\$7.1 million) • The next update of the SFP in 2015 will review the financing of the JPACF and consider how the shortfall is made up.
3	Active Reserve and Community Facilities Review	15 Jul 2014	CJ116 -07/14		(\$3.0)	<p>Council noted the review of Active Reserves and Community Facilities, and agreed that the findings should be used in the development of budgets, Capital Works Program (CWP) and 20 Year SFP. Although Council did not commit to the timings or priority each project it is deemed prudent to consider the potential impacts within the SFP and include within this report (within the “Other Impacts” section).</p>

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
						<p>The report to Council included several tables (floodlighting, Toilets/Change-rooms, Refurbishments and Redevelopments). Within each table there is a list of projects, in priority order based on the finding of the review. The tables also list the year that the project is currently included within the CWP or SFP, some projects were shown as “n/a” as they were not currently listed. The report indicated the potential timing of projects, based on the priority and the interval between projects (e.g. one refurbishment a year).</p> <p>The changes listed below are based on the potential year that the project may be completed, based on the priority and interval within the report:</p> <ul style="list-style-type: none"> • Floodlighting upgrades. <ul style="list-style-type: none"> - Chichester Park (2015-16) is subject to comment as part of Item 7 below (CSRFF application). - Warrandyte Park (2016-17) is now estimated to cost (\$700,000) instead of (\$450,000). - Admiral Park (2016-17) estimated cost of (\$600,000) instead of (\$411,600). - Kingsley Park estimated cost of (\$600,000), planned for 2017-18, previously not included, however there is (\$325,000) within the adopted CWP that year for Moolanda Park and other floodlighting. - Beldon Park cost of (\$400,000) in 2018-19, would replace (\$325,000) currently included in the CWP. - From 2019-20 to 2030-31, there is one floodlighting project assumed per year at a cost of (\$400,000) except for 2028-29 where (\$200,000) is estimated. The SFP currently has (\$750,000) per year included from 2019-20 to 2023-24, and (\$1,000,000) each year thereafter for lighting. There is no specific detail of the individual projects that comprise the amounts in the SFP, although these do exclude the City Centre Street lighting project which is separately identified. Based on the values held in 2017-18 and 2018-19 for floodlighting upgrades, it is assumed that from 2019-20 onwards there is (\$325,000) allocated for floodlighting and

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
						<p>therefore an addition (\$75,000) is assumed to be required each year (except for 2018-29).</p> <ul style="list-style-type: none"> • Sports Infrastructure. Various minor amounts are noted, these are assumed to be available within the Parks equipment program.
						<ul style="list-style-type: none"> • Toilets/Change-rooms – one project to be considered each year at varying amounts. The SFP currently assumes (\$2 million) per year for Major Building Construction from 2019-20 to 2023-24, and then (\$2.3 million) thereafter. The SFP does not include specific details of each project, but it is reasonable to assume the amounts currently included will be adequate to cover the items noted in the Active Reserve Review, even though there are varying amounts required each year. • Facility Refurbishments. 13 separate projects were listed; items 1 to 8 are already included in the adopted CWP/SFP. There are other changes as follows: <ul style="list-style-type: none"> - Ellersdale Park Clubroom estimated cost of (\$850,000) planned for 2018-19, not previously included. - MacNaughton Park Clubroom, Kinross now planned for 2019-20 at a cost of (\$850,00), this was previously included in 2018-19 at a cost of (\$700,000). There is (\$2,000,000) already allocated in 2019-20 for Building Construction Works, but this is not assumed to cover all of the cost of MacNaughton Park, and an additional (\$500,000) is added to 2019-20. - Items 11 to 13 relate to costs of (\$250,000) for 2020-21 and 2021-22, and (\$500,000) for 2022-23. It is assumed that the estimate for Building Construction Works within the SFP is sufficient. • Facility Redevelopments. There are 12 projects listed, the majority of which are already included in the SFP, or there is no financial estimate included within the Active Reserve review. The only change noted at this stage is:

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
						<ul style="list-style-type: none"> - Chichester Park redevelopment (\$4 million) now planned for 2019-20, was previously assumed to be 2018-19.
4	Penistone Park, Greenwood – Proposed Redevelopment	19 Aug 2014 & 16 Sep 2014	CJ146-08/14	\$0.2		<p>Council approved the redevelopment of Penistone Park, subject to successful CSRFF application. The project was approved at the August Council Meeting and the amounts were subsequently updated in September following advice from CSRFF regarding potential funding:</p> <ul style="list-style-type: none"> • Adopted SFP has included: <ul style="list-style-type: none"> - (\$240,000) in 2014-15 for planning costs - (\$3,580,000) in 2015-16 for construction - proceeds assumed of \$1,273,000, subject to successful CSRFF application. • The revised costs and grant application are: <ul style="list-style-type: none"> - (\$240,000) in 2014-15 for planning costs (no change) - (\$3,288,700) in 2015-16 for construction - proceeds if CSRFF application successful of \$907,133 - net cost to the City in 2015-16 of (\$2,381,567). • The total impact including inflation and interest is \$200,000.
5	Tender 019/14 – Supply and Laying of Asphalt Major Works	16 Sep 2014	Tbc	\$6.4		<p>Council approved the tender submitted by Asphaltech Pty Ltd for the supply and laying of asphalt – major works.</p> <ul style="list-style-type: none"> • Budget for 2014-15 included \$3 million for this works. • Adopted 20 Year SFP uses the budget 2014-15 as the baseline plus any known changes. No estimated changes to the contract were assumed in the 20 year SFP and therefore the Adopted SFP includes \$3 million for each year of the plan. • Tender received has an annual cost (excluding CPI) of \$2.6 million, and therefore there will be a saving of \$400,000 within each year of the SFP. • The total benefit, including inflation and interest is estimated at \$6.4 million.

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
6	Implications of all City controlled on and off street parking being made free on Saturdays and Sundays – [29136]	16 Sep 2014	CJ166-09/14	(\$3.3)		<p>Council approved the removal of paid parking in City controlled areas on Saturdays and also the restrictions. The financial impacts are.</p> <ul style="list-style-type: none"> • City currently has a surplus of \$139,000 per year for Saturday parking. This comprises of \$153,000 revenue and (\$14,000) expenses. • Total impact on the Adopted 20 year SFP is estimated at (\$3.3 million).
7	Community Sporting and Recreation Facilities Fund 2014-15	16 Sep 2014	CJ167-09/14	(\$0.4)		<p>Council endorsed the application to CSRFF for funding. The estimated costs of projects, and assumed funding are different to the amounts included in the Adopted SFP as follows</p> <ul style="list-style-type: none"> • Floodlighting at Chichester Park, Woodvale (2015-16) <ul style="list-style-type: none"> - Adopted SFP included (\$500,000) costs and \$166,667 funding - Revised estimates are (\$702,045) costs and \$234,015 funding • Ocean Reef Park, Ocean Reef – Floodlighting and Cricket Infrastructure upgrade Project in 2015-16. <ul style="list-style-type: none"> - Adopted SFP has no estimates included for this project - Revised estimates are (\$502,640) costs and \$167,546 funding • Total impact on the Adopted 20 year SFP is estimated at (\$400,000).
8	Confidential – Tender 01410 Processing Co-Mingles Recyclables – [53119]	16 Sep 2014	CJ170-09/14	n/a		<p>This report will have financial implications for the City, with possible reduced costs. The income for the City (refuse removal) will also be affected equally and therefore at this stage the impacts on the SFP are assumed to be neutral.</p>

Impact on 20 Year Strategic Financial Plan of Reports to Council – June 2014 to September 2014

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
1	Tender 006/14 – Construction of a Five Level Multi Storey Car Park	24 Jun 2014	CJ094 -06/14	\$4.5		<p>Council accepted the tender submitted by Georgiou Group Pty Ltd for the construction of a five level multi-storey car park as specified in Tender 006/14 for the fixed lump sum of \$14,729,866 (GST Exclusive) for completion of the works within 52 weeks from possession of the site</p> <ul style="list-style-type: none"> • Adopted SFP has included a pre-tender estimate for the project of (\$20.5 million) • The revised estimated cost, taking account of the confirmed tender is (\$17.8 million). This includes other costs (parking infrastructure, project management costs) • Therefore, there is a potential savings of \$2.7 million • There are still many uncertainties and contingencies regarding the construction which may impact on this project, and therefore only a \$2.0million saving has been modelled at this stage. This will be further evaluated when the SFP is updated in 2015.
2	Disposal of Lot 971 (52) Creaney Drive, Kingsley	24 Jun 2014	CJ103 – 06/14	(\$7.1)		<p>Council decided to cease the planned sale of Lot 971. Issues are:</p> <ul style="list-style-type: none"> • Adopted SFP has included estimated \$4 million proceeds from the sale of Lot 971 within financial year 2015-16. These proceeds were set aside for the construction of Joondalup Performing Arts & Cultural Facility (JPACF) • The total impact including inflation and loss of interest is (\$7.1 million) • The next update of the SFP in 2015 will review the financing of the JPACF and consider how the shortfall is made up.
3	Active Reserve and Community Facilities Review	15 Jul 2014	CJ116 -07/14		(\$3.0)	<p>Council noted the review of Active Reserves and Community Facilities, and agreed that the findings should be used in the development of budgets, Capital Works Program (CWP) and 20 Year SFP. Although Council did not commit to the timings or priority each project it is deemed prudent to consider the potential impacts within the SFP and include within this report (within the “Other Impacts” section).</p>

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
						<p>The report to Council included several tables (floodlighting, Toilets/Change-rooms, Refurbishments and Redevelopments). Within each table there is a list of projects, in priority order based on the finding of the review. The tables also list the year that the project is currently included within the CWP or SFP, some projects were shown as “n/a” as they were not currently listed. The report indicated the potential timing of projects, based on the priority and the interval between projects (e.g. one refurbishment a year).</p> <p>The changes listed below are based on the potential year that the project may be completed, based on the priority and interval within the report:</p> <ul style="list-style-type: none"> • Floodlighting upgrades. <ul style="list-style-type: none"> - Chichester Park (2015-16) is subject to comment as part of Item 7 below (CSRFF application). - Warrandyte Park (2016-17) is now estimated to cost (\$700,000) instead of (\$450,000). - Admiral Park (2016-17) estimated cost of (\$600,000) instead of (\$411,600). - Kingsley Park estimated cost of (\$600,000), planned for 2017-18, previously not included, however there is (\$325,000) within the adopted CWP that year for Moolanda Park and other floodlighting. - Beldon Park cost of (\$400,000) in 2018-19, would replace (\$325,000) currently included in the CWP. - From 2019-20 to 2030-31, there is one floodlighting project assumed per year at a cost of (\$400,000) except for 2028-29 where (\$200,000) is estimated. The SFP currently has (\$750,000) per year included from 2019-20 to 2023-24, and (\$1,000,000) each year thereafter for lighting. There is no specific detail of the individual projects that comprise the amounts in the SFP, although these do exclude the City Centre Street lighting project which is separately identified. Based on the values held in 2017-18 and 2018-19 for floodlighting upgrades, it is assumed that from 2019-20 onwards there is (\$325,000) allocated for floodlighting and

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
						<p>therefore an addition (\$75,000) is assumed to be required each year (except for 2018-29).</p> <ul style="list-style-type: none"> • Sports Infrastructure. Various minor amounts are noted, these are assumed to be available within the Parks equipment program.
						<ul style="list-style-type: none"> • Toilets/Change-rooms – one project to be considered each year at varying amounts. The SFP currently assumes (\$2 million) per year for Major Building Construction from 2019-20 to 2023-24, and then (\$2.3 million) thereafter. The SFP does not include specific details of each project, but it is reasonable to assume the amounts currently included will be adequate to cover the items noted in the Active Reserve Review, even though there are varying amounts required each year. • Facility Refurbishments. 13 separate projects were listed; items 1 to 8 are already included in the adopted CWP/SFP. There are other changes as follows: <ul style="list-style-type: none"> - Ellersdale Park Clubroom estimated cost of (\$850,000) planned for 2018-19, not previously included. - MacNaughton Park Clubroom, Kinross now planned for 2019-20 at a cost of (\$850,00), this was previously included in 2018-19 at a cost of (\$700,000). There is (\$2,000,000) already allocated in 2019-20 for Building Construction Works, but this is not assumed to cover all of the cost of MacNaughton Park, and an additional (\$500,000) is added to 2019-20. - Items 11 to 13 relate to costs of (\$250,000) for 2020-21 and 2021-22, and (\$500,000) for 2022-23. It is assumed that the estimate for Building Construction Works within the SFP is sufficient. • Facility Redevelopments. There are 12 projects listed, the majority of which are already included in the SFP, or there is no financial estimate included within the Active Reserve review. The only change noted at this stage is:

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
						<ul style="list-style-type: none"> - Chichester Park redevelopment (\$4 million) now planned for 2019-20, was previously assumed to be 2018-19.
4	Penistone Park, Greenwood – Proposed Redevelopment	19 Aug 2014 & 16 Sep 2014	CJ146-08/14	\$0.2		<p>Council approved the redevelopment of Penistone Park, subject to successful CSRFF application. The project was approved at the August Council Meeting and the amounts were subsequently updated in September following advice from CSRFF regarding potential funding:</p> <ul style="list-style-type: none"> • Adopted SFP has included: <ul style="list-style-type: none"> - (\$240,000) in 2014-15 for planning costs - (\$3,580,000) in 2015-16 for construction - proceeds assumed of \$1,273,000, subject to successful CSRFF application. • The revised costs and grant application are: <ul style="list-style-type: none"> - (\$240,000) in 2014-15 for planning costs (no change) - (\$3,288,700) in 2015-16 for construction - proceeds if CSRFF application successful of \$907,133 - net cost to the City in 2015-16 of (\$2,381,567). • The total impact including inflation and interest is \$200,000.
5	Tender 019/14 – Supply and Laying of Asphalt Major Works	16 Sep 2014	Tbc	\$6.4		<p>Council approved the tender submitted by Asphaltech Pty Ltd for the supply and laying of asphalt – major works.</p> <ul style="list-style-type: none"> • Budget for 2014-15 included \$3 million for this works. • Adopted 20 Year SFP uses the budget 2014-15 as the baseline plus any known changes. No estimated changes to the contract were assumed in the 20 year SFP and therefore the Adopted SFP includes \$3 million for each year of the plan. • Tender received has an annual cost (excluding CPI) of \$2.6 million, and therefore there will be a saving of \$400,000 within each year of the SFP. • The total benefit, including inflation and interest is estimated at \$6.4 million.

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
6	Implications of all City controlled on and off street parking being made free on Saturdays and Sundays – [29136]	16 Sep 2014	CJ166-09/14	(\$3.3)		<p>Council approved the removal of paid parking in City controlled areas on Saturdays and also the restrictions. The financial impacts are.</p> <ul style="list-style-type: none"> • City currently has a surplus of \$139,000 per year for Saturday parking. This comprises of \$153,000 revenue and (\$14,000) expenses. • Total impact on the Adopted 20 year SFP is estimated at (\$3.3 million).
7	Community Sporting and Recreation Facilities Fund 2014-15	16 Sep 2014	CJ167-09/14	(\$0.4)		<p>Council endorsed the application to CSRFF for funding. The estimated costs of projects, and assumed funding are different to the amounts included in the Adopted SFP as follows</p> <ul style="list-style-type: none"> • Floodlighting at Chichester Park, Woodvale (2015-16) <ul style="list-style-type: none"> - Adopted SFP included (\$500,000) costs and \$166,667 funding - Revised estimates are (\$702,045) costs and \$234,015 funding • Ocean Reef Park, Ocean Reef – Floodlighting and Cricket Infrastructure upgrade Project in 2015-16. <ul style="list-style-type: none"> - Adopted SFP has no estimates included for this project - Revised estimates are (\$502,640) costs and \$167,546 funding • Total impact on the Adopted 20 year SFP is estimated at (\$400,000).
8	Confidential – Tender 01410 Processing Co-Mingles Recyclables – [53119]	16 Sep 2014	CJ170-09/14	n/a		<p>This report will have financial implications for the City, with possible reduced costs. The income for the City (refuse removal) will also be affected equally and therefore at this stage the impacts on the SFP are assumed to be neutral.</p>