

Impact on 20 Year Strategic Financial Plan of Reports to Council – June 2014 to June 2015

ATTACHMENT 1

<u>Quarter 1 June 2014 to September 2014</u>						
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 saving of \$2.7 million. • There are still many uncertainties and contingencies regarding the construction which may impact on this project, and therefore only a \$2.0 million saving has been modelled at this stage. This will be further evaluated when the SFP is updated in 2015.

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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 and 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, <i>Capital Works Program</i> (CWP) and 20 Year SFP. Although Council did not commit to the timings or priority for 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> <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 (for example one refurbishment a year).</p>

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						<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). - Warrantdyte 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

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						<p>floodlighting and 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. Thirteen 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 (\$850,000), this was previously included in 2018-19 at a cost of (\$700,000). There is (\$2 million) already allocated in 2019-20 for building construction works, but

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						<p>this is not assumed to cover all of the cost of MacNaughton Park, and an additional (\$500,000) is added to 2019-20.</p> <ul style="list-style-type: none"> - 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: <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 and 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 19 August 2014 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)

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						<ul style="list-style-type: none"> - (\$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	CJ165-09/14	\$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.
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 Sundays 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).

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No.	Item	Date	Ref.	Commitment \$m	Other Impact \$m	Details
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	\$61.1		<p>The review of the contract for processing of recyclables is estimated to reduce costs by approximately \$2 million per year. The full impacts up to 2032-33 are estimated to be \$61.1 million.</p>
TOTAL JUNE TO SEPTEMBER				\$61.4	(\$3.0)	

Quarter 2 October to December 2014

No	Item	Date	Ref	Commitment \$m	Other Impact \$m	Details
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There were no reports during Quarter 2 that had an impact above the threshold of \$50,000

Quarter 3 January 2015 to March 2015

No.	Item	Date	Ref.	Commitment \$m	Other Impact \$m	Details
1	Tender 044/14 Building Minor Works and Maintenance of Value Less than \$100,000	31 Mar 2015	CJ042 – 03/15	\$2.8m		<p>Council approved the tender submitted by Devereux Family Trust trading as Devco Builders for the provision of building minor works and maintenance of value less than \$100,000</p> <ul style="list-style-type: none"> • Budget for 2014-15 included \$1 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 \$1 million for each year of the plan. • Estimated benefit per year for the contract is \$76,117. • The total benefit within the 20 years of the plan, including inflation and interest is estimated at \$2.8 million.
2	Artificial Shade in City Playgrounds	31 Mar 2015	CJ052 – 03/15	(\$0.5m)		<p>Council adopted the City Playground Shade Policy and approved the introduction of a built shade structure program in the Capital Works Program to accommodate the short listed shade structure installations commencing in 2020-21. The impacts are:</p> <ul style="list-style-type: none"> • (\$120,000) to be added to 2020-21 and 2021-22 • The total cost, including inflation and interest is estimated at (\$523,000)
TOTAL FEBRUARY 2015 to MARCH 2015				\$2.3m		

Quarter 4 April 2015 to June 2015

No.	Item	Date	Ref.	Commitment \$m	Other Impact \$m	Details
1	Request for Funding – Mullaloo Surf Life Saving Club (Facility Refurbishment)	21 Apr 2015	CJ060 – 04/15	(\$1.5m)		<p>Council agreed to list for consideration \$675,000 as a contribution for the refurbishment of the Mullaloo Surf Life Saving Clubroom in 2015-16, subject to funding from other parties (Lotterywest \$675,000 and Mullaloo Surf Life Saving Club \$350,000). Council also requested the City negotiate suitable terms of the proposed rental fee.</p> <p>The cost of \$675,000 was not previously included in the Adopted 20 Year Strategic Financial Plan. The total cost, including inflation and interest is estimated at \$1,545,000.</p>
2	Percy Doyle Reserve – Refurbishment of Existing Facilities	21 Apr 2015	CJ061 – 04/15	(\$1.5m)		<p>Council agreed to the priority list and budget years for future community facility refurbishment projects as outlined in the report.</p> <p>The impacts for Percy Doyle Refurbishments excluding escalation are:</p> <ul style="list-style-type: none"> • Capital Costs increased by \$787,600 (from \$5,466,000 to \$6,253,600) • Contributions from others (Grants and Club contribution) increased by \$140,000 (from \$950,000 to \$1,090,000) • Net one-off impact is an increase of \$647,000 <p>The scheduling of all refurbishment projects were amended, these changes included the advance of some of the Percy Doyle Refurbishment projects and a delay other projects.</p> <p>The total cost of all the changes, including inflation and interest is estimated at \$1,507,000.</p>

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No.	Item	Date	Ref.	Commitment \$m	Other Impact \$m	Details
3	Draft 2015-16 Budget	23 June 2015	CJ085-06/15	-	-	The Draft Budget is used as the baseline for the projected Operating Income and Expenses within the 20 Year Strategic Financial Plan. The changes are numerous and are detailed within the Draft 20 Year Strategic Financial Plan.
4	Tender 007/115 – Provision of Cleaning Services for City Buildings	23 June 2015	CJ101-06/15	\$4.7		<p>Council accepted the tender submitted by Quayclean Australia Pty Ltd for the provision of cleaning services for City buildings</p> <ul style="list-style-type: none"> • Annual Budget for Cleaning (external component only) is \$527,892 • Estimated cost of new contract is \$399,655 • Annual saving of \$128,237 <p>The total benefit within the 20 years of the plan, including inflation and interest is estimated at \$4.7 million.</p>
TOTAL APRIL 2015 to JUNE 2015				\$1.7m		