

<b>8.2 COUNCIL RECESS PERIOD 2021-2022 - RECEIVING OF ITEMS DEALT WITH UNDER DELEGATED AUTHORITY BETWEEN 15 DECEMBER 2021 AND 1 FEBRUARY 2022</b>
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- Attachments:**
1. Lease of 596 (Lots 49 & 50) Beaufort Street Mount Lawley for Barlee Street Car Park
  2. Britannia Reserve Lighting Project - Change of Scope Request (002)

**RECOMMENDATION:**

That Council RECEIVES the report on the items of business dealt with under delegated authority during the over the Council recess period, 15 December 2021 and 1 February 2022, which are:

1. Lease of 596 (Lots 49 & 50) Beaufort Street, Mount Lawley for Barlee Street Car Park; and
2. Britannia Reserve Lighting Project - Change of Scope Request.

**PURPOSE OF REPORT:**

To advise Council of the items approved under delegated authority during the 2021-22 Council recess period, being 15 December 2021 and 1 February 2022.

**BACKGROUND:**

At the Ordinary Meeting of Council held on 14 December 2021 Council resolved as follows:

*“That Council DELEGATES BY ABSOLUTE MAJORITY, pursuant to section 5.42 of the Local Government Act 1995, to the Chief Executive Officer, the power to deal with any items of business that may arise between 15 December 2021 to 1 February 2022, and which are not the subject of delegated authority already granted by Council, subject to:*

1. *Reports being issued to all Council Members for a period of three business days prior to the delegated decision being made and no requests for ‘call-in’ of the matter being received from Council Members;*
2. *Reports being displayed on the City’s website for a period of three business days prior to the delegated decision being made;*
3. *A report summarising the items of business dealt with under delegated authority being submitted for information to Council at its Ordinary Meeting to be held on 8 February 2022; and*
4. *A Register of Items Approved under this Delegated Authority being kept and made available for public inspection on the City’s website during the period that the delegation applies.*

**DETAILS:**

Two reports to be approved by the Acting Chief Executive Officer under delegated authority were considered over the Council recess period.

Item	Responsible Directorate	Subject	Decision and Date
1	Strategy & Development	Lease of 596 (Lots 49 & 50) Beaufort Street, Mount Lawley for Barlee Street Car Park	Approved under delegated authority on 27 January 2022
2	Infrastructure & Environment	Britannia Reserve Lighting Project - Change of Scope Request	Approved under delegated authority on 27 January 2022

These reports were circulated to Council Members on 21 January 2022 and displayed on the City’s website for a period of three business days, commencing on 24 January 2022.

The City received no requests from Council Members for the reports to be called in to be considered at the 1 February 2022 Council Meeting. A point of clarification was provided in respect to Item 1 - Lease of 596 (Lots

49 & 50) Beaufort Street, Mount Lawley for Barlee Street Car Park. The optional lease term is at the discretion of the lessee (the City).

On this basis, and following appropriate due diligence, the Acting Chief Executive Officer authorised the reports under delegated authority on 27 January 2022, subject to the optional lease term in Item 1 being at the sole discretion of the lessee (the City).

**CONSULTATION/ADVERTISING:**

Nil.

**LEGAL/POLICY:**

Section 5.42(1) of the *Local Government Act 1995* provides that a local government may delegate to the CEO any of its powers or the discharge of any of its duties under this Act, other than those requiring an absolute or special majority decision (see section 5.43).

**RISK MANAGEMENT IMPLICATIONS:**

Low: It is low risk for Council to receive this report on items dealt with under delegated authority during the Council Recess Period.

**STRATEGIC IMPLICATIONS:**

Innovative and Accountable

*Our community is aware of what we are doing and how we are meeting our goals*

**SUSTAINABILITY IMPLICATIONS:**

Nil.

**FINANCIAL/BUDGET IMPLICATIONS:**

Nil

**COMMENTS:**

Nil.

## DELEGATED AUTHORITY REPORT AGENDA

21 JANUARY 2022

**LEASE OF NO. 596 (LOTS: 49 & 50) BEAUFORT STREET, MOUNT LAWLEY FOR BARLEE STREET CAR PARK****Attachments:** Nil**RECOMMENDATION****That Council:**

1. **APPROVES** a lease by the City of Lots 49 and 50 on Plan 692, known as 596 Beaufort Street, Mount Lawley from Elaine Marea Palassis and Palassis Holdings Pty Ltd (ACN 008 779 128) subject to the following:
  - 1.1 **Term:** 5 years
  - 1.2 **Option term:** 5 years
  - 1.3 **Rent:** \$80,000 per annum at CPI
  - 1.4 **Outgoings:** Payable by the City, includes utilities, rates and levies
  - 1.5 **Public Liability:** City to effect and maintain public liability insurance
2. **AUTHORISES** the affixing of the Common Seal of the City of Vincent to the Lease in accordance with the City's Execution of Documents Policy.

**PURPOSE OF REPORT:**

To consider a proposed new lease by the City of Lots 49 and 50 on Plan 692, known as No. 596 Beaufort Street, Mount Lawley (Premises) from Elaine Marea Palassis and Palassis Holdings Pty Ltd (CAN 008 779 128) (Owners).

**BACKGROUND:**

The City owns Lot 48 on Plan 692, known as No. 590 Beaufort Street, Mount Lawley (**Lot 48**). On 29 March 2001, the City leased Lots 49 and 50 on Plan 692 known as No. 596 Beaufort Street, Mount Lawley (**Premises**) (located on the two lots adjacent to Lot 48) from Theo Anthony Palassis, George Anthony Palassis and Palassis Holdings Pty Ltd respectively (**Lease**). The Premises and Lot 48 together comprise the Barlee Street Car Park.

At its Ordinary Council Meeting on 20 October 2020, Council approved the grant of an extension of lease of the Premises for a further one year expiring on 13 February 2022. There is no holding over provision in the Lease.

At its Ordinary Council Meeting on 22 June 2021, Council by absolute majority removed the first hour free parking fees for the Barlee Street Car Park.

At the Council Workshop on 2 November 2021, Administration presented the outcome of the removal of first hour free parking fees. This showed a significant increase to the City's car parking revenue.

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The table below is an update of the car park revenue, noting the consistent increase in revenue following the removal of the first hour free parking fees.

<b>BARLEE ST CAR PARK (monthly revenue)</b>			
	<b>Free Transactions</b>	<b>Paid Transactions</b>	<b>Total Revenue</b>
<b>March 2021</b>	3383	1669	\$6,529.81
<b>April 2021</b>	2907	2863	\$6,029.89
<b>May 2021</b>	3254	1978	\$8,452.11
<b>June 2021</b>	3047	1654	\$6,813.75
<b>July 2021</b>	2179	2517	\$10,002.29
<b>August 2021</b>		3493	<b>\$14,228.89</b>
<b>September 2021</b>		3650	<b>\$15,690.42</b>
<b>October 2021</b>		3817	<b>\$16,824.04</b>
<b>November 2021</b>		3637	<b>\$16,226.32</b>
<b>December 2021</b>		3585	<b>\$16,149.76</b>

**DETAILS:**New Lease

Administration has entered into preliminary discussions with the Owner's representative on various lease options. The Owner's representative has advised that their client is in current contract negotiations regarding development of the Premises but was supportive of the entering into a longer term lease with the City. The key terms proposed:

Term:	5 years
Option to extend:	5 years
Rent:	\$80,000 per annum at CPI
Outgoings:	Payable by the City, includes management fee, utilities, rates and levies
Public Liability:	City to effect and maintain public liability insurance

Administration is supportive of entering into a new lease term with the Owners for the following reasons:

- The City has been generating consistent revenue of approximately \$15,000 per month (equivalent to \$180,000 per annum) since the removal of 'first hour free' parking fee;
- Rent was previously well over \$100,000 per year, discounted to \$60,000 this year due to pandemic. The proposed rent of \$80,000 is reasonable given the revenue being generated by the City and the historic rent paid;
- The revenue assumptions of \$15,000 per month are based on no increase in parking fees or occupancy over five years;
- Based on these assumption the lease would be budget positive for the City throughout the term, resulting in a bottom line of approximately \$50,000 a year for the City;
- The lease ensures the continued operation of the Barlee Street Car Park for the Beaufort Street Town Centre; and
- The lease would allow the City to continue exploring the potential of pedestrian spaces at Grosvenor Road or Barlee Street as requested by Council at its Ordinary Council Meeting on 22 June 2021.

It is also noted that the registered proprietor of Lot 49 on Plan 692 has changed since executing the Lease and it is in the parties' best interest to enter into new lease arrangements.

**CONSULTATION/ADVERTISING:**

Subject to Council approval, Administration will continue to negotiate with the Owners on finalising and execution of the lease.

**LEGAL/POLICY:**

The City is the tenant and section 3.58 of the *Local Government Act 1995 (WA)* does not apply as there is no disposition of property by the City.

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## RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to enter into a 5 year lease term based on the negotiated rent and projected income surplus that will be generated over the lease term.

## STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Connected Community

*Our community facilities and spaces are well known and well used.*

Thriving Places

*We encourage innovation in business, social enterprise and imaginative uses of space, both public and private.*

Innovative and Accountable

*Our community is satisfied with the service we provide.*

## SUSTAINABILITY IMPLICATIONS:

Nil.

## FINANCIAL/BUDGET IMPLICATIONS:

The table below shows the surplus generated based on the negotiated annual rent of \$80,000 plus CPI and outgoings.

Items	2026/27 projected	2025/26 projected	2024/25 projected	2023/24 projected	2022/23 projected	2021/22 to date
<b>Income</b>						
Parking revenue (ticket machines + permits) **	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$85,818
Parking Infringements	\$5,000	\$5,000	\$5,000	\$ 5,000	\$ 5,000	\$ 3,010
<b>Total Income</b>	<b>\$185,000</b>	<b>\$185,000</b>	<b>\$185,000</b>	<b>\$185,000</b>	<b>\$185,000</b>	<b>\$ 88,828</b>
<b>Expenditure</b>						
Carpark Cleaning	-\$1,000	-\$1,000	-\$1,000	-\$ 1,000	-\$ 1,000	-\$ 917
Allocation of maintenance of grounds (inc. refresh and line marking (every 4 years)	-\$1,000	-\$1,000	-\$1,000	-\$ 1,000	-\$ 1,700	-\$1,000
Utilities	-\$2,900	-\$2,900	-\$2,900	-\$ 2,900	-\$ 2,900	-\$ 1,349
Rent (inc. management fee) – 5 year projection @ 2.5% CPI	-\$94,905	-\$92,751	-\$90,650	-\$ 88,600	-\$ 86,600	-\$ 38,500
Rates + levy	-\$30,000	-\$30,000	-\$30,000	-\$30,000	-\$30,000	-\$13,255
Carpark operation costs	-\$6,700	-\$6,700	-\$6,700	-\$6,700	-\$6,700	-\$5,207
<b>Total Expenditure</b>	<b>-\$136,505</b>	<b>-\$134,351</b>	<b>-\$132,250</b>	<b>-\$130,200</b>	<b>-\$122,200</b>	<b>-\$60,228</b>
<b>Surplus</b>	<b>\$48,495</b>	<b>\$50,649</b>	<b>\$52,750</b>	<b>\$ 54,800</b>	<b>\$ 62,800</b>	<b>\$28,600</b>

\*\* Revenue projections have been maintained for 5 years and does not take into account any increase to parking fees.

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COMMENTS:

The Lease allows the City to investigate pedestrian spaces within the Beaufort Street Town Centre while providing adequate parking to businesses and visitors to the Town Centre. The Lease provides a revenue opportunity to the City throughout this process.

APPROVAL:

<p>Approved <input checked="" type="checkbox"/></p> <p>Declined <input type="checkbox"/></p>	<p>CEO Signature: </p> <p>Date: 27/01/2022 18:34</p>
<p>Comments:</p>	<p>Approved subject to the Option Term being at the City of Vincent's sole discretion.</p>

## DELEGATED AUTHORITY REPORT AGENDA

21 JANUARY 2022

## BRITANNIA RESERVE LIGHTING PROJECT - CHANGE OF SCOPE REQUEST

Attachments: 1. Project Scope - Original & Proposed

**RECOMMENDATION**

That Council:

1. **APPROVES** a reduction in scope to the sports lighting renewal project at Britannia Reserve as set out in this Report to better align with the allocated budget and;
2. **APPROVES** a budget reallocation of capital funds (\$60,000) originally allocated for the purchase of an elevated work platform to the capital project budget for the Britannia Reserve Lighting renewal project.

**PURPOSE OF REPORT:**

To seek approval for a reduction in scope and change in budget associated with the proposed sports lighting project at Britannia Road Reserve, in order to align with the budget and deliver the project before the Local Roads and Community Infrastructure (LCRI) Phase 2 Federal Government grant expires on 30 June 2022,.

**BACKGROUND:**

On 21 April 2021 the City was successful in securing a \$500,000 Federal Government grant funding through the LRCI programme for proposed new sports ground lighting at Britannia Reserve. The City engaged a consultant to design the proposed lighting scheme who estimated the cost of the scheme to be \$750k. The City has budgeted to contribute \$250,000 toward the project. A condition of the LCRI Federal Grant is that all works are to be completed by 30 June 2022.

The existing lighting system comprises of six light poles together with inefficient halogen luminaires which are all approaching the end of their life expectancy and provide minimal substandard lighting to the reserve.

**DETAILS:**

The new proposed lighting system was designed to illuminate six multi-purpose sports fields used predominantly for both soccer and cricket purposes. The proposed new installation comprises of:

- Eight new 35 metre light poles
- Seventy-two new LED luminaires
- New main site electrical switchboard
- New electrical lighting distribution board
- New electrical cabling

Quotations for the works were sought from WALGA Panel of contractors in November 2021 and four submissions were received. The lowest quotation received exceeded the budget by approximately 25%.

In order to more closely align with the budget amount, a reduced scope of works was compiled providing illuminance to four sporting fields only. The revised scope comprised of:

- Seven new 35 metre light poles
- Fifty-two new LED luminaires
- Retaining the main site electrical switchboard
- New electrical lighting distribution board
- New electrical cabling

A second request for quotation with a reduced scope was issued to the same WALGA Panel respondents in late December 2021. The lowest quotation received for the reduced scope is approximately 2% (\$15,000) above budget.

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The project is proposed to be undertaken this financial year and in order to secure the LCRI grant funding, the Administration seeks Council approval to proceed with this project at this point with the reduced scope.

Given a long lead time for the delivery of the light poles (estimated to be three months), a fluctuating market with rising prices and contractor availability a timely decision is required in order for the project to be delivered and meet the requirements of the grant funding.

The Administration will provide a further report to February Council in order for Council to consider additional funding for the provision of lighting to the two remaining sports fields in order to complete the project as originally scoped (Circa. \$300,000).

**RISK MANAGEMENT IMPLICATIONS**

Low: It is low risk for Council to approve the change of scope.

There is potential project risk in relation to contractual delays and escalation in costs in this project due to:

- Project funding – If the construction is not completed before 30 June 2022 the LCRI grant funding of \$500k may be retracted;
- COVID-19 virus – Supply chain delays in the delivery of the light poles together with escalation costs if there is delay in placing an order; and
- COVID-19 virus – Increasingly restrictive Federal and State Government rules potentially preventing contractors working on this project.

**STRATEGIC IMPLICATIONS:**

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Connected Community

*Our community facilities and spaces are well known and well used.*

Thriving Places

*Our physical assets are efficiently and effectively managed and maintained.*

Innovative and Accountable

*Our resources and assets are planned and managed in an efficient and sustainable manner.*

**FINANCIAL/BUDGET IMPLICATIONS:**

The project is proposed to be undertaken in the 2021/2022 financial year. A total of \$750,000 has been provisioned for as a capital item in 2021/2022 Budget, comprising

- Federal LCRI Phase 2 funding - \$500,000
- Council Capital Works funding - \$250,000

The proposed reduced scope project has been costed at 2% (\$15,000) over the allocated budget. Administration has identified \$60,000 in permanent savings in the fleet budget, as following an operational review the purchase of a new elevated work platform was not considered necessary given how infrequently it is used and that contractors provide their own. It is proposed to reallocate these funds within the Capital Works Programme to fund this additional amount and provide for the additional quoted amount and a 6% contingency.

Administration will provide a further report to February Council in order for Council to consider additional funding for the provision of lighting to the two remaining sports fields in order to complete the project as originally scoped, estimated to be \$300k.



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APPROVAL:

<p>Approved <input checked="" type="checkbox"/></p> <p>Declined <input type="checkbox"/></p>	<p>CEO Signature:  .....</p> <p>Date: <u>27/01/2022 18:39</u> .....</p>
<p>Comments:</p>	<p>Nil.</p>



