



TOWN OF VINCENT

"Enhancing and celebrating our diverse community"

MINUTES

SPECIAL COUNCIL MEETING

<p>3 MAY 2011</p>

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Minutes of the Special Meeting of Council of the Town of Vincent held at the Administration and Civic Centre, 244 Vincent Street, Leederville, on Tuesday 3 May 2011, commencing at 6.00pm.

1. (a) DECLARATION OF OPENING

The Presiding Member, Mayor Nick Catania, declared the meeting open at 6.05pm.

(b) ACKNOWLEDGEMENT OF COUNTRY STATEMENT

“We acknowledge that this land that we meet on today is part of the traditional land of the Nyoongar people. We acknowledge them as the traditional custodians of this land and pay our respects to the Elders; past, present and future”.

2. APOLOGIES/MEMBERS ON APPROVED LEAVE OF ABSENCE

(a) Apologies:

Cr Taryn Harvey – apology due to work commitments.

(b) Present:

Mayor Nick Catania, JP	Presiding Member
Cr Matt Buckels	North Ward
Cr Anka Burns	South Ward
Cr Steed Farrell	North Ward
Cr Sally Lake (<i>Deputy Mayor</i>)	South Ward
Cr Warren McGrath	South Ward
Cr Dudley Maier	North Ward
John Giorgi, JP	Chief Executive Officer
Rob Boardman	Director Development Services
Rick Lotznicker	Director Technical Services
Mike Rootsey	Director Corporate Services
Beatrice Thomas	Journalist – “ <i>The West Australia</i> ”
David Bell	Journalist – “ <i>The Perth Voice</i> ”

2 members of the Public present.

(c) Members on Leave of Absence:

Cr Joshua Topelberg – due to work commitments.

3. (a) PUBLIC QUESTION TIME & RECEIVING OF PUBLIC SUBMISSIONS

The following submission was made by a person in the Public Gallery:

- Michelle Price of Redfern Street, North Perth – Item 7.1 particularly allocation of funds to Kyilla Primary School. Stated the following:
 - Kyilla is a small School of approximately 200 students – majority of whom reside in the Town.
 - The School was established in the 1940’s and is looking its age – tired and not very stimulating.
 - The P&C is looking to embark on a long term project to improve the School grounds as it is widely recognised that natural environment significantly enhances children’s learning behaviour and health – impacting on every aspect of their development.
 - Despite the lacklustre environment Kyilla is regularly noted as performing “*above its weight*”.

- Things being considered in the plans are:
 - Shade – there is very little usable shade for students. None of their playground equipment is shaded;
 - Seating – there is very little seating for students. Therefore would like to provide some for children to use; and
 - General aesthetics of the School grounds – hope to include waterwise and native gardens, including a natural interactive play areas. Also vegetable gardens, composting and worm farms, which hopefully will encourage students and their families to consider how they may utilise these in their own homes.
- Some say that School Grounds are an Education Department responsibility. However, there are many things that should be for the Education Departments responsibility and should not have to be funded by the P&C but the reality is, if they do not do these things, they will never get done.
- Being a small School with a lovely community, they have a very limited parent base – therefore funds are limited.
- Encouraged the Council to consider offering their support to Kyilla both through monetary assistance and possibly exploring further ways for Kyilla and the Council to develop a partnership that benefits not only the School, but by extension the North Perth Community.
- It is not unprecedented for the Council to assist and forge partnerships with local Schools i.e. Mt Hawthorn Primary School and Kyilla would like to be extended similar opportunities as have been shown to them.
- Extended an invitation to any Councillor that would like to visit the School to contact her to view the grounds to discuss how they can work together.

There being no further speakers, Public Question Time closed at approx. 6.11pm.

4. APPLICATIONS FOR LEAVE OF ABSENCE

Nil.

5. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

Nil.

6. DECLARATION OF INTERESTS

- 6.1 Cr Burns declared an Impartiality interest in Item 7.1 – Draft Annual Budget 2011/2012. The extent of her interest being that she lives on part of Wasley Street which is in the Draft Budget 2011/2012 which is part of the Road to Recovery Program.
- 6.2 Cr Burns declared an Impartiality interest in Item 7.1 – Draft Annual Budget 2011/2012. The extent of her interest being that she, her husband and other family members are directors and shareholders (as trustees or through other companies) of a company which leases a property at 560 Beaufort Street, Mt Lawley. (Declared at approximately 9.29pm).
- 6.3 Cr McGrath declared an Impartiality interest in Item 7.1 – Draft Annual Budget 2011/2012. The extent of his interest being that he lives on Palmerston Street. The Draft Budget contains two items:
- Palmerston Street to Randall Street Bicycle Network; and
 - Robertson Park – Drainage basin.

All Councillors stated that as a consequence, there may be a perception that their impartiality on the matter may be affected and declared that they would consider this matter on its merits and vote accordingly.

7.1 Draft Annual Budget 2011/2012

Ward:	Both	Date:	29 April 2011
Precinct:	All	File Ref:	FIN0025
Attachments:	Nil		
Tabled Items:	2011/2012 Draft Annual Budget		
Reporting Officer:	M Rootsey, Director Corporate Services		
Responsible Officer:	John Giorgi, Chief Executive Officer		

OFFICER RECOMMENDATION:

That the Council;

- (i) *APPROVES IN PRINCIPLE the Draft Budget 2011/2012 as Tabled;*
- (ii) *subject to clause (i) being approved, ADVERTISES the Draft Budget 2011/2012 for public comment for a period of fourteen (14) days in accordance with Policy No. 4.1.5 – Community Consultation and considers any submissions which may be received;*
- (iii) *subject to clause (i) being approved, in the event that a second Budget Special Council Meeting is not required, APPROVES BY AN ABSOLUTE MAJORITY to authorise the Chief Executive Officer to amend the adopted Budget Timetable to:*
 - (a) *delete the 2nd Budget Briefing/Special Council Meeting on 17 May 2011; and*
 - (b) *vary the dates for the advertising of the Draft Budget for community consultation and the closing date for receiving of public submissions; and*
- (iv) *NOTES that a Special Meeting of the Council will be held on 5 July 2011 to consider any submissions received and to adopt the Budget 2011/2012.*

Moved Cr Farrell, Seconded Cr Lake

That the recommendation be adopted.

The Presiding Member stated that as the Director Corporate Services had briefed Council Members at the briefing session held on Wednesday 27 April 2010, he would consider the Draft Budget in sections. He would call on Councillors to speak in turn for each section.

At approximately 6.13pm the Presiding Member suggested that Standing Orders be suspended to enable Council Members to have free and open debate on each item.

PROCEDURAL MOTION (6.13pm)

Moved Cr Farrell, Seconded Cr Lake

That Standing Orders be suspended to enable Council Members to have free and open debate on each item.

PROCEDURAL MOTION PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

Discussion ensued on the various items. All Councillors were given the opportunity to speak on the Item.

PROCEDURAL MOTION (at 7.16pm)

Moved Cr Farrell, **Seconded** Cr Buckels

That Standing Orders be resumed.

PROCEDURAL MOTION PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

The Presiding Member, Mayor Catania asked for any amendments to be moved, preferably in the order in which they were discussed, whilst Standing Orders were suspended.

AMENDMENT NO 1

Moved Cr Maier, **Seconded** Cr Buckels

(Page 1.9) That the Unisex Self Cleaning Toilet for the Mt Lawley Area (\$160,000) be deleted and \$77,000 of that money be allocated to the Weld Square Stage 2 Upgrade Program (Page 1.4) (\$160,000), thereby increasing the amount to \$237,000.

AMENDMENT NO 1 PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 2

Moved Cr Maier, **Seconded** Cr McGrath

(Page 2.4) That the Kyilla Primary School Improvements Project of \$10,000 be deleted.

Debate ensued.

AMENDMENT NO 2 PUT AND LOST (3-4)

For: Cr Lake, Cr McGrath, Cr Maier

Against: Mayor Catania, Cr Buckels, Cr Burns, Cr Farrell

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 3

Moved Cr Farrell, **Seconded** Cr Buckels

(Page 2.4) That the Kyilla Primary School Improvements Project of \$10,000 be a changed from a "Priority 2" to a "Priority 1" and be included under an appropriate "Grant/Donation" Category.

Debate ensued.

AMENDMENT NO 3 PUT AND CARRIED (4-3)

For: Mayor Catania, Cr Buckels, Cr Burns, Cr Farrell

Against: Cr Lake, Cr McGrath, Cr Maier

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

PROPOSED AMENDMENT

Moved Cr Maier, Seconded Cr

(Page 2.4) That the grant/donation to the Kyilla Primary School Improvements Project be changed and titled "Primary School Improvements" – so that it is available to all Schools in the Town.

The Presiding Member, Mayor Nick Catania ruled that he could not accept the proposed amendment as it was contrary to the amendment which was just considered and approved.

AMENDMENT NO 4

Moved Cr Maier, Seconded Cr Lake

(Page 3.2) That the Ceiling Mounted Digital Projector – Local History Centre (\$4,000) "Priority 2" (in the Deleted List) be changed to a "Priority 1" and be included in the Draft Budget.

Debate ensued.

AMENDMENT NO 4 PUT AND CARRIED (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

Note: The Council requested that the Deputy Mayoral allowance shown on Page 4.3 be changed from \$15,000 to \$12,000 (to reflect the decision made at the Ordinary Meeting of Council held on 19 April 2011).

AMENDMENT NO 5

Moved Cr Maier, Seconded Cr Buckels

(Page 4.23) That the Refuse Site Tipping Costs be reduced from \$1,700,000 to \$1,200,000 and the shortfall be funded by the Carry Forward amount of \$500,000.

Debate ensued.

AMENDMENT NO 5 PUT AND CARRIED (4-3)

For: Cr Buckels, Cr Lake, Cr McGrath, Cr Maier

Against: Mayor Catania, Cr Burns, Cr Farrell

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 6

Moved Cr Maier, Seconded Cr Buckels

(Page 4.26) That the Town Planning Study – West Perth Regeneration Plan (\$10,000) be deleted (as the Council has previously resolved to hold in abeyance any further work on this matter).

AMENDMENT NO 6 PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 7

Moved Cr Maier, Seconded Cr McGrath

(Page 4.42 and 4.65) That the Harmony Week Program (\$25,000) be included in the Concerts in the Park Program (and the concerts include multicultural artists) as part of the overall concert program.

Debate ensued.

AMENDMENT NO 7 PUT AND LOST (1-6)

For: Cr Maier

Against: Mayor Catania, Cr Buckels, Cr Burns, Cr Farrell, Cr Lake, Cr McGrath

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 8

Moved Cr Maier, Seconded Cr Buckels

(Page 4.75) That the Kerbside Parking Unallocated Locations (\$1,360,000) be reduced to \$1,224,000.

Debate ensued.

The Chief Executive Officer advised that a comprehensive report relating to the Carparking Strategy is currently being prepared for consideration at the Ordinary Meeting of Council to be held on 10 May 2011 and recommended that this matter be considered as part of that report.

Debate ensued.

The Mover, Cr Maier Withdrew his amendment. The Seconder, Cr Buckels agreed.

AMENDMENT NO 9

Moved Cr McGrath, Seconded Cr Lake

(Page 3.1) That the Refrigerated/Heating/Cooling Unit for the front rooms of the Loftus Community Centre (\$32,000) be changed from a "Priority 2" to a "Priority 1", and be included in the Draft Budget and that it be funded from Muni/Reserve.

Debate ensued.

The Director Corporate Services advised that there were insufficient funds in the Community Centre Reserve Fund to fully fund the \$32,000 and, as such, it should be funded from the Municipal Fund.

AMENDMENT NO 9 PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 10

Moved Cr McGrath, Seconded Cr Lake

(Page 3.5) That the Pansy Street Carpark Lighting (\$15,500) be included in the Draft Budget as a "Priority 1" and it be funded from the "Cash-in-lieu Parking Fund".

Debate ensued.

AMENDMENT NO 10 PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 11

Moved Cr Buckels, Seconded Cr Farrell

(Page 1.3) That the Local Bicycle Network Plan (\$10,000) be increased to \$30,000.

Debate ensued.

AMENDMENT NO 11 PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 12

Moved Cr Buckels, Seconded Cr McGrath

(Page 1.5) That the Half Basketball Court for Weld Square (\$12,000) be increased to \$25,000 and that the Director Technical Services be requested to investigate the size of the Proposed Court and also the need to include appropriate fencing around the Court.

Debate ensued.

AMENDMENT NO 12 PUT AND CARRIED (6-1)

For: Mayor Catania, Cr Buckels, Cr Burns, Cr Farrell, Cr Lake, Cr McGrath

Against: Cr Maier

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 13

Moved Cr Buckels, Seconded Cr Lake

(Page 3.4) That the Installation of Shade Sails for Britannia Reserve (South) (\$30,000) be changed from a "Priority 2" to a "Priority 1" and be included in the Draft Budget.

Debate ensued.

AMENDMENT NO 13 PUT AND CARRIED (6-1)

For: Mayor Catania, Cr Buckels, Cr Burns, Cr Farrell, Cr Lake, Cr McGrath

Against: Cr Maier

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 14

Moved Cr Buckels, Seconded Cr Farrell

(Page 1.5) That the Electric BBQ for Britannia Reserve (South) (\$15,000) be deleted – as this area is located close to the current dog exercise area and may cause conflict between the various dog owners and users.

Debate ensued.

AMENDMENT NO 14 PUT AND LOST (2-5)

For: Cr Buckels, Cr Burns

Against: Mayor Catania, Cr Farrell, Cr Lake, Cr Maier, Cr McGrath

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 15

Moved Cr Maier, Seconded Cr McGrath

That a new clause be inserted as follows:

“REQUESTS the Chief Executive Officer to include an item on the Agenda for the Special Meeting of Council of 17 May 2011 which addresses the creation of two new Reserve Funds to hold funds for:

- (a) “Parking Funded Town Centre Upgrades”; and*
- (b) “Parking Funded Alternative Transport Initiatives”.*”

Debate ensued.

AMENDMENT NO 15 PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 16

Moved Cr McGrath, Seconded Cr Farrell

(Page 4.66) That the amount for Environmental Grants be increased from \$10,000 to \$15,000.

Debate ensued.

AMENDMENT NO 16 PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 17

Moved Cr Burns, Seconded Cr Farrell

That clauses (ii) and (iii) be deleted and clause (i) be amended to read as follows:

“(i) APPROVES IN PRINCIPLE the Draft Budget 2011/2012 as Tabled and notes that this will be further considered at the Special Meeting of Council to be held on 17 May 2011;”

Debate ensued.

AMENDMENT NO 17 PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

MOTION AS AMENDED PUT AND CARRIED (6-1)

For: Mayor Catania, Cr Buckels, Cr Burns, Cr Farrell, Cr Maier, Cr McGrath

Against: Cr Lake

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

COUNCIL DECISION ITEM 7.1

That the Council;

- (i) APPROVES IN PRINCIPLE the Draft Budget 2011/2012 as Tabled and notes that this will be further considered at the Special Meeting of Council to be held on 17 May 2011, subject to the following changes:**
- (a) (Page 1.9) That the Unisex Self Cleaning Toilet for the Mt Lawley Area (\$160,000) be deleted and \$77,000 of that money be allocated to the Weld Square Stage 2 Upgrade Program (Page 1.4) (\$160,000), thereby increasing the amount to \$237,000;**
 - (b) (Page 2.4) That the Kyilla Primary School Improvements Project of \$10,000 be a changed from a “Priority 2” (in the Deleted List) to a “Priority 1” and be included under an appropriate “Grant/Donation” Category;**
 - (c) (Page 3.2) That the Ceiling Mounted Digital Projector – Local History Centre (\$4,000) “Priority 2” be changed to a “Priority 1” and be included in the Draft Budget;**
 - (d) (Page 4.23) That the Refuse Site Tipping Costs be reduced from \$1,700,000 to \$1,200,000 and the shortfall be funded by the Carry Forward amount of \$500,000;**
 - (e) (Page 4.26) That the Town Planning Study – West Perth Regeneration Plan (\$10,000) be deleted (as the Council has previously resolved to hold in abeyance any further work on this matter);**
 - (f) (Page 3.1) That the Refrigerated/Heating/Cooling Unit for the front rooms of the Loftus Community Centre (\$32,000) be changed from a “Priority 2” to a “Priority 1”, and be included in the Draft Budget and that it be funded from Muni/Reserve;**

- (g) *(Page 3.5) That the Pansy Street Carpark Lighting (\$15,500) be included in the Draft Budget as a “Priority 1” and it be funded from the “Cash-in-lieu Parking Fund”;*
- (h) *(Page 1.3) That the Local Bicycle Network Plan (\$10,000) be increased to \$30,000;*
- (i) *(Page 1.5) That the Half Basketball Court for Weld Square (\$12,000) be increased to \$25,000 and that the Director Technical Services be requested to investigate the size of the Proposed Court and also the need to include appropriate fencing around the Court;*
- (j) *(Page 3.4) That the Installation of Shade Sails for Britannia Reserve (South) (\$30,000) be changed from a “Priority 2” to a “Priority 1” and be included in the Draft Budget; and*
- (k) *(Page 4.66) That the amount for Environmental Grants be increased from \$10,000 to \$15,000;*
- (iii) *REQUESTS the Chief Executive Officer to include an item on the Agenda for the Special Meeting of Council of 17 May 2011 which addresses the creation of two new Reserve Funds to hold funds for:*
 - (a) *“Parking Funded Town Centre Upgrades”;* and
 - (b) *“Parking Funded Alternative Transport Initiatives”;* and
- (iv) *NOTES that a Special Meeting of the Council will be held on 5 July 2011 to consider any submissions received and to adopt the Budget 2011/2012.*

PURPOSE OF REPORT:

To present and consider the Draft Budget for the financial year 2011/2012, prior to advertising for public comment.

BACKGROUND:

The budget timetable for the 2011/2012 Draft Annual Budget was adopted at the Ordinary Meeting of Council held on 7 December 2010, as follows:

<u>DATE</u>	<u>ITEM</u>
<i>28 March - 22 April</i>	<i>Chief Executive Officer and Directors to review 1st Draft Budget</i>
<i>22 April</i>	<i>1st Draft Budget issued to Council Members</i>
<i>28 April</i>	<i>Briefing provided to Council Members on Draft Budget</i>
<i>3 May</i>	<i>1st Budget briefing/Special Council Meeting (open to the public)</i>
<i>17 May</i>	<i>2nd Budget briefing/Special Council Meeting (open to the public) – if required</i>
<i>18 May – 24 May</i>	<i>Budget documentation finalised for public comment</i>
<i>25 May</i>	<i>Advertise for public comment (14 days)</i>
<i>7 June</i>	<i>Public comment closes</i>
<i>8 June - 14 June</i>	<i>Final Budget documentation and report for Council prepared</i>
<i>14 June</i>	<i>Issue Agenda report</i>
<i>5 July</i>	<i>Adoption of Annual Budget at the Special Council meeting</i>

A briefing for the Council Members was held on Wednesday 27 April 2011.

DETAILS:

Draft Budget

The Draft Budget 2011/2012 as presented proposes the funds for the new capital works as follows:

Land and Buildings	\$4,747,400
Infrastructure	\$4,895,748
Plant and Equipment	\$1,126,500
Furniture and Equipment	\$137,500

The Town’s Administration has prepared the draft budget and has included the following:

- (a) Council adopted programs;
- (b) Items from Council Resolutions;
- (c) Council Members’ requests;
- (d) Ratepayer/resident requests; and
- (e) Projects identified by the Town’s Administration.

The Town’s Administration has used the following criteria to determine project priorities:

<i>Priority</i>	<i>Rating</i>	<i>Criteria</i>
1	Very High	Adopted program/legislative requirement/safety issue/significant community benefit
2	High	Considered necessary/demonstrated cost benefits/Community need
3	Medium	Desirable/may benefit the Community
4	Low	“Nice to do”/not a priority
5	Very Low	Minimal demonstrated benefit/need

The budget for recurrent operating expenditure is \$42,056,478.

The rates figure on the summary page of the Draft Budget of \$21,964,885 represents the funds that would be generated from a rates calculation at this point of time using the existing rate in the dollar, plus an estimate of the existing rates from the new areas using the Town’s rate in the dollar, therefore taking into account any interim accounts that would be applicable for the full year. The value of operating revenue other than rates income is \$19,996,890.

As the summary indicates, if all the works included on the Draft Budget 2011/2012 as presented are funded, the Council will need an estimate increase of **3.98%** in the rate in the dollar to meet all of the requests.

It should be noted that the inflation rate is estimated to be **3.5%** (State Consumer Price Index) for 2011/12 and the Local Government Index is estimated to be between 3.5% and 4.5% for the same period.

CONSULTATION/ADVERTISING:

The Council’s Policy No. 4.1.5 “*Community Consultation*” prescribes the Draft Budget to be advertised on a local basis for a period of 14 days. Copies of the Draft Budget will also be placed on the Town’s website, placed in the Library and sent to the Community/Business Groups.

The approved Budget timetable provides for two Special Council Meetings (3 and 17 May 2010) to consider the matter. The second meeting will only be held if it is required.

In both 2009 and 2010, a second meeting was not required. Should this be the case in 2011, it will be appropriate for the Council to amend the Budget timetable to reflect the changes.

LEGAL/POLICY:

Adoption of Budget

The amendments to the Local Government Act (1995) now allow a Council to adopt its budget prior to the end of the financial year 30 June 2010. This year it is scheduled that the Council will adopt the budget at a Special Meeting of Council on 5 July 2011.

A local government is required to adopt its Annual Budget by 30 August 2011. Failure to do so will require a report to the Department of Local Government.

There is no legal requirement for a Local Government to advertise their Draft Budget for Community Consultation. However, as the Council is aware, the Town has been advertising its Draft Budget for Community Consultation for a number of years in accordance with Community Consultation Policy No. 4.1.5.

RISK MANAGEMENT IMPLICATIONS:

Medium/High: When setting the annual Budget, the Town is exposed to financial risk over the long term if little regard is given to both revenue and expenditure implications beyond the budget period. Failure to adopt the annual Budget by 30 August 2011 will be a breach of the Local Government Act.

STRATEGIC IMPLICATIONS:

The Council's budget process is in accordance with the Council's Plan for the Future and Strategic Plan 2011-2016, Objective "4. Leadership, Governance and Management":

"4.1.2 Manage the organisation in a responsible, efficient and accountable manner"

"4.1.4 Plan effectively for the future:

SUSTAINABILITY IMPLICATIONS:

The Town has been independently assessed as being viable and sustainable and in July 2009, as part of the Structural Reform process, received a Category 1 Ranking from the Department of Local Government.

A Category 1 Ranking states:

"Evidence indicates that there is existing organisational and financial capacity to meet current and future community needs. Local Governments should still consider reform opportunities which enhance service provision to local and regional communities."

The Town is in a sound financial position, with considerable funds held in reserve, borrowings covered by money-back guarantees, a significant future revenue from its share of the Tamala Park land and with potential income from the future developments in Leederville.

FINANCIAL/BUDGET IMPLICATIONS:

The approval in principle of the Draft Budget is essential to maintain the timeframe to allow adoption of the Annual Budget in line with the Council approved timetable.

This will then ensure funding for the operations of the next financial year.

COMMENTS:

The 2011/2012 Annual Budget has been prepared in improved economic conditions. A vigorous approach has been applied to the preparation of the Draft Budget 2011/2012 whilst also recognising the long term financial planning framework and linkage to the Council's long term objectives.

The Draft Budget 2011/2012 provides funding for a comprehensive Capital Works Programme to provide good quality infrastructure for the Town. Furthermore, the Operating Budget includes monies to provide and maintain the current level of service for the ratepayers and community.

It is recommended the Council consider and approve, in principle, the Draft Budget 2011/2012 and for this to be advertised for public comment.

At 8.25pm the Presiding Member, Mayor Nick Catania called an adjournment of the meeting for approximately 5 minutes.

The Meeting resumed at 8.30pm, with the following persons present;

Mayor Nick Catania, JP	Presiding Member
Cr Matt Buckels	North Ward
Cr Anka Burns	South Ward
Cr Steed Farrell	North Ward
Cr Sally Lake (<i>Deputy Mayor</i>)	South Ward
Cr Warren McGrath	South Ward
Cr Dudley Maier	North Ward
John Giorgi, JP	Chief Executive Officer
Rob Boardman	Director Development Services
Rick Lotznicker	Director Technical Services
Mike Rootsey	Director Corporate Services
Beatrice Thomas	Journalist – “ <i>The West Australia</i> ”
David Bell	Journalist – “ <i>The Perth Voice</i> ”

No members of the Public were present.

7.2 Beatty Park Leisure Centre Redevelopment – Approval of Final Concept Plans and Calling of Tenders

Ward:	South	Date:	29 April 2011
Precinct:	Smith Lake	File Ref:	CMS0003
Attachments:	001 – Revised Working Drawings (7.2A); 002 – Proposed Car Park Plans (7.2B); 003 – Business Plans (7.2C); 004 – Financial Estimates; Summary (7.2D); 005 – Indicative Project Budget (7.2E); 006 – Indicative Costings (7.2F); 007 – Costings (7.2G); 008 – Indicative Costings (7.2H)		
Tabled Items:	-		
Reporting Officers:	D Morrissy, Manager Beatty Park Leisure Centre; M Rootsey, Director Corporate Services; John Giorgi, Chief Executive Officer		
Responsible Officer:	John Giorgi, Chief Executive Officer		

REVISED OFFICER RECOMMENDATION:

That the Council;

- (i) **APPROVES** of:
 - (a) *the revised Concept Plans, Perspective Drawing, No’s A003, A200, A202, B200, and C200, for the Beatty Park Leisure Centre Redevelopment, as shown in Appendix 7.2A;*
 - (b) *the revised Concept Plan No. 2620-CP-01G for the Beatty Park Leisure Centre Car Park, as shown in Appendix 7.2B;*
 - (c) *the Indicative Project Budget, as outlined in this report and as shown in Confidential Appendix 7.2E; and*
 - (d) *the revised Indicative Timeline for the redevelopment, as outlined in this report;*

- (ii) *AUTHORISES the Chief Executive Officer to:*
- (a) *advertise a construction tender for Stage 1 of the redevelopment, as a whole project with options for specified items using the Criteria detailed in this report;*
 - (b) *make minor changes to the concept plans and perspective drawings, as required, in response to feedback that may arise during the tender process, and report back on these changes, if any, prior to awarding of the tender construction contract; which may arise during construction to the Beatty Park Leisure Centre project, as required, subject to the cost not exceeding the overall approved Project Budget; and*
 - (c) *advertise a tender for the Geothermal Energy System including options of:*
 - 1. *a suitable Contractor/organisation to drill, supply and commission the bore and install the associated plant and equipment for the Town; and/or*
 - 2. *a joint venture partnership with a private consortium/organisation and the Town to deliver the project. The tender shall invite the tenderer to present viable implementation models to include cost/benefit analysis of funding, design and operation; and*

(iii) *NOTES:*

- (a) *the detailed Business Cases and associated Financial Reports as summarised in this report and 'Laid on the Table' as Confidential "Commercial-in-Confidence" documents as shown in Appendix 7.2C;*
- (b) *that the Town's request to the Federal Minister of Infrastructure and Transport for a meeting and additional funding, was unsuccessful;*
- (c) *a meeting is being arranged for the Mayor and Chief Executive Officer to meet with the Federal Minister for Infrastructure and Transport to explore funding opportunities for the Project, whilst in Canberra for the ALGA National Congress in June 2011; and*
- (d) *a project Gantt Chart will be prepared by a Project Scheduler Consultant, indicating the construction program and indicative times and this will be presented to the Council, for approval concurrent with the awarding of a construction tender.*

Moved Cr Farrell, Seconded Cr Burns

That the recommendation, together with the following changes, be adopted:

1. *That a new subclause (iii)(e) be inserted as follows:*

“(iii)(e) that, subject to clause (ii)(a) above being approved, the Tender documentation will request separate prices for the various components in Stage 1 (e.g. new extension, new 50 metre pool, plant room upgrade, indoor pool refurbishment, dive pool refurbishment and new learner pool etc.) and this will enable the Council to determine which of those components to proceed with once, precise costs have been identified.”;

2. *That a subclause (i)(c) be renumbered as subclause (iii)(f) and the remaining subclause (d) to change to (c); and*

3. *That a new subclause (ii)(d) be inserted as follows:*

“(ii)(d) further pursue external funding, including but not exclusively through the Federal Minister of Infrastructure and Transport, for the redevelopment of this regionally significant infrastructure/facility;”

Debate ensued.

AMENDMENT NO 1

Moved Cr Maier, Seconded Cr Buckels

That subclause (iii)(a) be deleted and a new subclause (ii)(e) be inserted as follows:

“(ii)(e) make the attachments to this report public;”

Debate ensued.

AMENDMENT NO 1 PUT AND CARRIED (4-3)

For: Cr Buckels, Cr Lake, Cr McGrath, Cr Maier

Against: Mayor Catania, Cr Burns, Cr Farrell

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

AMENDMENT NO 2

Moved Cr Buckels, Seconded Cr Lake

That a new clause (iv) be inserted as follows:

“(iv) REQUESTS that:

(a) an external review of the various business cases be undertaken to provide updated financial estimates for the various business cases and alternative scenarios which include the cost of servicing loans and provide a Net Present Value analysis of those options; and

(b) a report be provided to the Council prior to (or concurrently with) any report concerning the awarding of the tenders.”

Debate ensued.

Cr Farrell departed the Chamber at 9.10pm.

Debate ensued.

Cr Farrell returned to the Chamber at 9.11pm.

Debate ensued.

AMENDMENT NO 2 PUT AND CARRIED (4-3)

For: Cr Buckels, Cr Lake, Cr McGrath, Cr Maier

Against: Mayor Catania, Cr Burns, Cr Farrell

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

Debate ensued.

MOTION AS AMENDED PUT AND CARRIED UNANIMOUSLY (7-0)

(Cr Harvey was an apology for the meeting. Cr Topelberg was on approved leave of absence.)

COUNCIL DECISION ITEM 7.2

That the Council;

(i) **APPROVES** of:

- (a) *the revised Concept Plans, Perspective Drawing, No's A003, A200, A202, B200, and C200, for the Beatty Park Leisure Centre Redevelopment, as shown in Appendix 7.2A;*
- (b) *the revised Concept Plan No. 2620-CP-01G for the Beatty Park Leisure Centre Car Park, as shown in Appendix 7.2B; and*
- (c) *the revised Indicative Timeline for the redevelopment, as outlined in this report;*

(ii) **AUTHORISES** the Chief Executive Officer to:

- (a) *advertise a construction tender for Stage 1 of the redevelopment, as a whole project with options for specified items using the Criteria detailed in this report;*
- (b) *make minor changes to the concept plans and perspective drawings, as required, in response to feedback that may arise during the tender process, and report back on these changes, if any, prior to awarding of the tender construction contract;*
- (c) *advertise a tender for the Geothermal Energy System including options of:*
 - 1. *a suitable Contractor/organisation to drill, supply and commission the bore and install the associated plant and equipment for the Town; and/or*
 - 2. *a joint venture partnership with a private consortium/organisation and the Town to deliver the project. The tender shall invite the tenderer to present viable implementation models to include cost/benefit analysis of funding, design and operation;*
- (d) *further pursue external funding, including but not exclusively through the Federal Minister of Infrastructure and Transport, for the redevelopment of this regionally significant infrastructure/facility; and*
- (e) *make the attachments to this report public;*

(iii) **NOTES:**

- (a) *that the Town's request to the Federal Minister of Infrastructure and Transport for a meeting and additional funding, was unsuccessful;*
- (b) *a meeting is being arranged for the Mayor and Chief Executive Officer to meet with the Federal Minister for Infrastructure and Transport to explore funding opportunities for the Project, whilst in Canberra for the ALGA National Congress in June 2011;*
- (c) *a project Gantt Chart will be prepared by a Project Scheduler Consultant, indicating the construction program and indicative times and this will be presented to the Council, for approval concurrent with the awarding of a construction tender;*
- (d) *that, subject to clause (ii)(a) above being approved, the Tender documentation will request separate prices for the various components in Stage 1 (e.g. new extension, new 50 metre pool, plant room upgrade, indoor pool refurbishment, dive pool refurbishment and new learner pool etc.) and this will enable the Council to determine which of those components to proceed with once, precise costs have been identified; and*
- (e) *the Indicative Project Budget, as outlined in this report and as shown in Appendix 7.2E; and*

(iv) **REQUESTS that:**

- (a) *an external review of the various business cases be undertaken to provide updated financial estimates for the various business cases and alternative scenarios which include the cost of servicing loans and provide a Net Present Value analysis of those options; and*
- (b) *a report be provided to the Council prior to (or concurrently with) any report concerning the awarding of the tenders.*

ADDITIONAL INFORMATION:

New clause (ii)(b) has been prepared in response to a request from Cr McGrath.

New clauses (iii)(c) and (d) are to provide additional information.

Stage 1 Tender Documentation – Indicative Components

In the interest of obtaining the best tender price, the Project Quantity Surveyor and Architect recommend that items 1 to 4 be considered as one price component and items 5 and 6 as a separate price component.

1. New Extension/Building

- Demolition;
- External works;
- New entry, admin, kiosk kitchen, servery, tiling to existing pool seating area, gymnasium, aerobic, change rooms;
- Swim school and pool supervisor;
- Associated services;
- Separate costing-Rain water tanks for storage of water for re-use for flushing of toilets;
- Separate costing-Solar photovoltaic cells (20kW);
- Green Star Accreditation;
- Building Management System; and
- Independent Commissioning of Facility.

2. Existing Change Rooms, Crèche and Staff Facilities

- Demolition;
- External works – outdoor play;
- New change rooms, family change, crèche and staff facilities;
- Refurbish existing corridor; and
- Associated services.

3. New 50 metre Outdoor Pool

- Demolition;
- New 50m pool and ramp;
- New concourse paving and drainage;
- Pool plant refurbished and pipe work;
- New backwash tank;
- Permanent service access through existing building; and
- Associated services – inc. geothermal interface.

4. Geothermal Service Connection

- Demolition;
- Trenching required;
- New pipe work and connection to plant room;
- Rectification work to car park, paving, landscaping, irrigations and existing services, existing building; and
- Associated services – inc. geothermal interface.

5. Existing Dive Pool Refurbished and New Learners Pool

- Demolition;
- Dive pool converted to water polo pool with wet deck;
- New Learners pool;
- New concourse paving and drainage;
- Pool plant refurbished to suit;
- New raised grass area;
- New outdoor showers; and
- Associated services – inc. geothermal interface.

6. Existing Indoor Pool Refurbished

- Demolition;
- New tiling to existing pool;
- Slide pool modified;
- New pool features;
- Pool plant refurbished to suit; and
- Associated services – inc. geothermal interface.

Project Gantt Chart and Timeline

As mentioned in the report, the project will take about 18 months to complete. The Town has engaged a specialist Project Planner – *Terry Preedy and Associates* – as he is considered one of the best in the business and will be meeting with him, once a decision is made about calling a construction tender. The Town will be asking him to provide the necessary Gantt Chart to ensure that the critical areas of the centre will be out of action for the least period of time - thereby causing the least inconvenience to the centre patrons. He will also be asked to provide the Chart to allow for the most cost effective construction timeline/methodology (which is a key component of the Tender Criteria), prior to the construction tender being advertised.

The Gantt Chart will also provide information to prospective tenderers, so that they can provide more precise construction costs. However, it should be noted, that the Gantt Chart may change, depending upon the tenders received. This information will be reported to the Council for approval, prior to awarding of the Construction tender.

Meeting with the Federal Minister for Infrastructure and Transport

The Council has approved of the Mayor and Chief Executive Officer to attend the ALGA National Congress in late June 2011. It is therefore appropriate that a meeting be held with the Minister whilst in Canberra.

Loan Repayments Over a 20 Year Period

Loan	Interest Rate	Period	Monthly Repayment	Annual Payment
\$5.5M	6.23%	20 years	\$40,413.37	\$484,960
\$7.5M	6.23%	20 years	\$55,109.14	\$661,310
\$10.5M	6.23%	20 years	\$77,152.80	\$925,834

Independent External Review of Financial Matters

In October 2010, written quotations were requested from three independent medium sized accounting Firms to review and verify the financial estimates and business cases. Two Firms declined to submit a quotation, due to their heavy workload. A quotation of \$15,000 was received from the remaining Firm.

Based on the above quotation, and bearing in mind that this time of the year is traditionally busy (due to end of financial year) it is estimated that an independent external review of the various business cases and financial details, as prepared by the Town's Director Corporate Services could cost up to \$15,000.

PURPOSE OF REPORT:

The purpose of this report is to obtain the Council's approval for the final concept plans for the redevelopment of the Beatty Park Leisure Centre and seek approval to call a tender for construction and geothermal energy installation

BACKGROUND:

At the Ordinary Meeting of Council held on 28 September 2010, Item 9.3.4, the following resolution was adopted in regard to the redevelopment of the Beatty Park Leisure Centre:

"That the Council;

(i) *APPROVES:*

- (a) *of the revised Concept Plans for the Beatty Park Leisure Centre Redevelopment as shown in Appendix 9.3.4A;*
- (b) *of a Staged Redevelopment of Beatty Park Leisure Centre as follows:*
 - 1. *Stage 1 May 2011 - October 2012*
New Extension, Geothermal Energy System, new 50 metre Outdoor Pool, Plant Room and associated equipment Upgrade;
 - 2. *Stage 2: 2012 – 2013 financial year*
Car park Upgrade, associated landscaping and refurbishment of existing Gymnasiums;
 - 3. *Stage 3: 2013 - 2014 financial year*
New outdoor Learners' Pool, replacement of the indoor Water Slide, Spa area renovation and upgrade of dive pool;
 - 4. *Stage 4: 2014 - 2015 financial year*
Upgrade Grandstand/Heritage works;
- (c) *of the installation of a Geothermal Energy System for heating of water at the Beatty Park Leisure Centre; and*
- (d) *the revised Timeline for the redevelopment, as outlined in this report;*

(ii) *AUTHORISES the Chief Executive Officer to:*

- (a) *call an expression of interest for a consortium or consultant to project manage the installation of the Geothermal process, including the engagement of Drilling Contractors to undertake the work for the Geothermal process and installation of the necessary plant equipment. The expression of interest should invite the tenderer to present any other viable alternative implementation models (to include cost/benefit analysis) to that proposed by Council (e.g. external party funded, designed, built and operated rather than Council funded and operated); and*
- (b) *instruct the project Architect to:*
 - (1) *prepare working drawings, detailed specifications and tender documentation for the Redevelopment; and*
 - (2) *ensure the final design represents Best Practice in environmentally sustainable design and/or construction, with reference to Green Building Council Australia categories of assessing the environmental impact of a building and providing corresponding initiatives that improve or have the potential to improve the environmental performance of the building (applied principally to the new extension, but examining opportunities to retro fit within the existing building where works are planned to take place);*

(iii) *NOTES:*

- (a) *the detailed Business Case and associated Financial Reports as summarised in this report and 'Laid on the Table' as Confidential "Commercial-in-Confidence" documents; and*
- (b) *that a report will be submitted to the Council in November 2010 on the options to stage, together with corresponding timelines, and fund the Project, including options for the allocation of the upfront offer payment (\$5 million) and annual fees funds, which may be received from the State Government for the long term lease of nib Stadium. The stage options to be presented will include:*
 - (1) *the recommended staging plan in the report to the Council in the Agenda for the Ordinary Meeting of Council of 28 September 2010;*
 - (2) *an option with the new extension and refurbishment of the Administration and Entrance commencing in 2012 instead of 2011; and*
 - (3) *an option with the installation of the new outdoor 50 metre x 10 metre lane pool commencing in 2012 instead of 2011;*
- (iv) *REQUESTS a meeting with the Federal Minister of Infrastructure and Transport in regard to funds required urgently for works needed for the continued operation of the aquatic facility originally built for the 1962 Commonwealth Games. This request will be made by the Mayor on behalf of Council and the Vincent community and follows an original letter sent by the Chief Executive Officer on 29 July 2010;*
- (v) *REQUESTS that the Chief Executive Officer update the Business Case and associated Financial Reports to provide separate business cases for:*
 - (a) *installation of the geothermal unit plus plant;*
 - (b) *new extension/refurbished administration/entrance; and*
 - (c) *the other items listed in Stages 1A and 1B; and*
- (vi) *REQUESTS the Chief Executive Officer includes projections if membership does not reach 3,500 (e.g. memberships of 2,500 and 3,000)."*

Previous Reports to the Council

The following reports have been presented to the Council on the Beatty Park Leisure Centre, on 7 December 2010, 9 November 2010, 28 September 2010, 9 March 2010, 6 October 2009, 14 April 2009, 16 December 2008, 8 April 2008, 11 December 2006 and 28 March 2006.

Presentation to a Forum

This matter was presented to a Special Confidential Forum held on 29 March 2011, whereby the Project Architect and Consultants made a presentation to the Council Members.

DETAILS:

Current Concept Plan on which working drawings have been prepared:

Outlined below is a description of the features of the current concept plan with the reasoning for the inclusion of the major features. The revised concept plans are shown in Attachment 7.2A.

- Construction of a new extension on the north- east side of the building, including;
 - new entrance;
 - new gymnasium;
 - 2 new group fitness rooms;
 - new retail shop;
 - refurbished café and kitchen;
 - new dry area change-rooms.
- refurbished existing change-rooms and toilets;
- new crèche and outdoor crèche area;
- new fit-out for the swim school;
- new 50m pool and concourse;
- retiling of the indoor pool;
- dive pool renovation;
- learner pool addition next to dive pool;
- installation of a Geothermal Energy system; and
- upgrade and refurbishment of the Plant Room.

Reasons for Upgrade of 50 metre Pool:

- Lack of pool space at peak times 5.30am to 7.00am and 4.00pm to 8.00pm.
- Inability to cater for sporting groups and clubs wanting access during the evening.
- Broken tiles inside and outside the pool.
- No expansion gap membranes, which results in a constant loss of water.
- Deteriorating surrounding edge (45m has already been replaced with temporary concrete fill).
- Depth of shallow end does not allow for diving from blocks during swim meets. This restricts the use of the pool. It is also a safety concern.

Reasons for Upgrade of Dive Pool:

- 4.88m depth is no longer needed without dive towers.(dive boards also to be removed due to risks associated with use, antisocial behaviour and lack of opportunity to use).
- Less water to treat and heat, resulting in cost savings.
- Broken tiles inside and outside pool.
- No expansion gap membranes (constant loss of water).
- Deteriorating surrounding edge (similar to 50m pool).
- Safety risks associated with a 4.88m deep pool.

Reason for Upgrade of Plant and Associated Equipment:

- The current plant and equipment is obsolete technology.
- Current plant has barely been touched since 1994, when the indoor pool plant was added.
- Numerous pipes have been patched several times and a number of valves are no longer operational, due to age.
- Health and Safety and maintenance concerns, as most pipework is under the floor level.
- Recent update of the Health Department Code of Practice require higher turnover rates than is currently able to be achieved and different turnover rates for the 2 outdoor pools (3.5hrs 50m pool, 5hrs dive pool).
- Upgrading the plant will decrease water use, through the utilisation of current backwash techniques and less filters.

Reason and Benefits of New and Existing Areas:

- Increased gym and group fitness sizes will allow for an increase in the number of memberships (currently capped at 2000 members due to overcrowding issues).
- The increase in membership numbers will increase turnover in the Café, Retail and Swim School areas.
- Reception and retail together which will provide economies in multi-skilling staff and minimising staffing levels.
- Administration area behind the Reception will allow for better customer service and also allow for economies in staffing levels.
- Crèche close to the entry will enhance customer service for this facility.
- Indoor pool fibreglass flooring is delaminating and causing safety issues. Retile with life expectancy of 20 years plus.
- Learners pool would provide additional pool space for lessons both internally and externally as well as an area for sporting groups to utilise instead of the indoor pool lanes.

Staged Project

Due to funding and logistical reasons, it is still recommended that the Project be staged. It is strongly recommended that the outdoor pools be renovated across two winter seasons (July to July). This will minimise the inconvenience to the patrons, as much as is possible. It will also minimise costs to the Town, as many staff will be requested to take annual leave and/or work reduced hours or be used elsewhere in the Organisation, whilst the pools are shut down. It is proposed to document the project as a whole and require the successful Builder to work closely with the Town. This will also save costs, as it will only involve one Builder on-site for the duration of the project.

Stage 1 – July 2011 – December 2012 - Construction to Commence Mid 2011

This stage will involve:

- construction of a new extension on the north- east side of the building, including;
 - new entrance;
 - new gymnasium;
 - 2 new group fitness rooms;
 - new retail shop;
 - refurbished café and kitchen;
 - new dry area change-rooms
- refurbished existing change-rooms and toilets;
- new crèche and outdoor area;
- new fit-out for the swim school;
- demolition of the existing outdoor 50 metre pool and the adding of two new lanes;
- retiling of the indoor pool;
- dive pool renovation;
- learner pool addition;
- Geothermal Energy system; and
- upgrade and refurbishment of the Plant Room.

Stage 2 – 2012 – 2013 Financial Year – Propose to Commence Mid 2012

This stage will be carried out in the first part of the financial year 2012-2013 (August – October 2012) – as such, additional funding can be budgeted for. Works will involve:

- the upgrade and refurbishment of the car park;
- landscaping, including water sensitive urban design principles; and
- refurbishment of the existing gymnasiums.

Stage 3 – 2013 – 2014 Financial Year

This stage will involve the replacement of the indoor water slides and renovation of Spa area.

Stage 4 – 2014 – 2015 Financial Year

This stage will involve refurbishment of the grandstand and heritage works. Much of this work is yet to be documented and costed.

Geothermal Energy System

The Geothermal Energy System has been identified as a significant component of the proposed redevelopment. The system will have a major impact in reducing the Centre's very high utility costs and it also represents a significant sustainability feature of the refurbishment.

An item on geothermal energy was presented to the Forum in August 2010 and again on 29 March 2011.

Background

Geothermally warmed groundwater is available from the Yarragadee Aquifer across much of Perth. It has been used successfully for 5 pool heating projects in WA (Bicton Baths, Challenge Stadium, Christ Church Grammar School, Claremont Pool and Craigie Leisure Centre) with a sixth installation nearing completion at St Hilda's Anglican School for Girls in Mosman Park.

It involves the drilling of a deep bore to approx 1km and pumping hot water from this bore, which is between 40 and 45 degrees, around the pool or air system heat exchanger. The water is then returned to the aquifer via a shallow bore with no loss of water to the system.

For information, the Town is aware that the City of Canning has commenced construction of its new \$35 million aquatic and community centre. Geothermal energy project has commenced and, at the time of writing this report, the pilot bore had been successfully completed, without any problems.

Benefits

The benefits for Beatty Park Leisure Centre are:

- Substantial reduction in gas costs to heat pools and buildings (approx. \$300,000 per year);
- savings in green house gas emissions (approx. 850 tonnes per year).

Estimated Time

Stage 1 (approx 3-4 weeks): **Completed**

- Preparation of report to determine probable depth for production and injection bores;
- budget cost estimates for drilling and consulting;
- risk assessments and recommendations.

Stage 2 (approx 6-9 months): In Progress

- Prepare conceptual designs of both geothermal and injection bores;
- prepare and distribute tender specifications to competent suitably qualified water well drilling contractors;
- supervision of drilling, bore construction and testing;
- analysis of results and preparation of bore completion report.

Estimated Cost

- Drilling, new equipment and installation – \$2.65 million;
- Consultancies – \$133,000.

Cost Benefit

- Current 2010/2011 budget is \$368,400 for gas this should reduce to \$15,000 - \$50,000 a year (during maintenance of geothermal system or times of peak demand the gas boiler would be used).

Installation of the Geothermal unit plus plant:

Refer to ~~Confidential~~ Appendix 7.2F for indicative costings.

Alternative Geothermal Proposal:

The Town has been approached by a company that has the licences for drilling. This company also claims to have the sole licence to use geothermal energy for commercial purposes in the metropolitan area. Preliminary meetings with this company took place with the Town in 2010.

Under this proposal the company would be responsible for Capital costs for the installation. The Company would then charge Beatty Park for the use of the gas. The initial charge which was presented to the Town was in-line with the current charge received under the current contract from Alinta Gas. Accordingly, the proposal did not offer any financial benefits to the Town.

This company did not submit a tender to provide the consultancy due to some technical consideration of the speed and capacity of the bore which implemented on the financial viability of the project from their prospective. However, a subsequent meeting with this company has regenerated their interest in the viability of the project.

The company advised it will consider submitting an alternative offer when the tender for the Geothermal drilling is called.

Possible Joint Venture Project

The proposed tender should allow the option to test the market place for a joint venture with a private organisation. A joint venture proposal could involve the following option to:

1. Costs to be shared on a mutually beneficial ratio.
2. Risks to be shared.
3. The Town to pay for reduced energy costs for a determined period.
4. The Town to be able to payout the private company at the end of a mutually agreed period.

The tender will allow the flexibility for a private organisation to partner with the Town, without being too prescriptive so as to stifle private enterprise.
The aim would be for a mutually beneficial long term partnership.

Approval to call a tender for the Geothermal drilling and seeking a joint venture is requested.

A final assessment on the alternative offer will follow the tender submission.

Location of Geothermal Bore:

A preferred location for the geothermal bore, as per investigations carried out by geothermal consultants, is in the carpark area of the former entrance/forecourt refer to Appendix 7.2B.

Risks

As with any drilling operation there are a number of risks involved, however as can be seen by the consultant's track record they have always achieved the client's goal.

The main risks are:

- Temperature not hot enough requiring deeper drilling;
- Issues with drilling itself (rock, pockets of air, stopping and starting due to noise concerns).

Sustainability Initiatives

With the redevelopment of the Centre there has been a significant focus on the sustainability aspect of the project. This focus is in accordance with clause (ii)(b)(2) of the Council decision of 28 September 2010.

A Green Star accredited environmental consultant is included in the Project Team and a review of sustainable initiatives has been conducted.

Sustainability items included in the project at this stage are:

Energy	- Building Management Software to efficiently control items such as lights, air conditioning, louvers, pumps, and other electrical items – new building.
	- Efficient lighting including presence detection zoning in rooms and LED's in suitable areas – new building.
	- Variable speed drives on pumps.
	- External shading (passive design).
	- Insulation, glazing and sealing to new building.
	- Automatic louvers on gym area for free cooling.
Water	- Low flow showers.
	- Dual flush toilet cisterns.
	- Waterless urinals.
	- All backwash tanks lined to prevent leaking.
	- Pool blankets.
Management	- Central location of main services.
Indoor Environment Quality	- Carbon Dioxide monitoring in Gym and Aerobic areas linked to building management software and automatic louvers.
Transport	- Access for cars, bikes and pedestrians to be improved as part of car park upgrade.
	- Storage for bikes to be improved (min 56 spaces) with a large proportion undercover.
Materials	- BCA requirements will be met in terms of type of materials used for specific areas.
Land use and ecology	- Sustainable native planting to be incorporated in the car park upgrade.
Emissions	- The geothermal system will reduce the Centre's Carbon dioxide emissions by up to 850 tonnes per year.

Optional Sustainability Initiatives (approx. costs):

Item	Indicative Cost
<u>Rainwater Tanks (toilet flushing):</u> Room for storage tanks, cost of storage tanks, cost of hydraulic links to current and new infrastructure	\$200,000
<u>Solar panels for Electricity Generation:</u> 20kW system not including structural assessment and any additional roof work required to support (less than 5% of building requirement)	\$200,000
<u>Grey Water Recycling:</u> Hydraulic links to new infrastructure only, room for storage tanks, room for and cost of plant.	\$850,000

Item	Indicative Cost
<u>Green Star Accreditation:</u> High level advice on green star accreditation	\$12,000
<u>Independent Commissioning of Facility:</u> Seasonal commissioning for efficiencies; Independent commissioning engineer during project design; User manual on operating building efficiently in a non-technical;	\$41,000 \$66,650 \$15,000
<u>Backwash Water Use:</u> Irrigation; Toilet flushing	TBA TBA

Irrigation Water – Trial:

The Water Corporation have agreed to run a six (6) week sampling trial of backwash water at Beatty Park which will involve sending the water off-site for testing to determine what level of filtration would be required to use it for irrigation or other purposes. The Water Corporation advised the following:

“The water quality for irrigation is very achievable with possibly only media filtration (sand filter) after leaving the backwash tank and therefore very economical. The water quality for re-use in the pool is entirely based on risk assessment. The Department of Health would need to be aware of what chemical, microbiological and physical hazards there would be in the backwash water and to then demonstrate how they would be removed, i.e. level of treatment required.

Either scenario (irrigation or pool re-use) would require a Recycled Water Quality Management Plan.”

Car Park – Refer to Plan No. 2620-CP-01G

As previously reported to the Council, the existing Beatty Park car park area comprises 273 bays and was reconfigured and added to by the former Perth City Council in the early 1990’s. The car park design followed the existing ‘lie of the land’ and this has resulted in a fragmented carking layout with restricted access from the west and eastern parts of the car park.

The objectives of the proposed concept re-design for the car park reconfiguration associated with the redevelopment of the leisure centre was undertaken are to:

- Increase the number of car parking spaces
- Retain significant vegetation where ever possible
- Improve car park function
- Improve access and egress
- Match into existing ground levels where ever possible to minimise construction costs
- Incorporate water harvesting principles into the final design wherever possible without compromising the hydraulic capacity of the existing drainage system

Proposed carpark reconfiguration

The initial carpark concept design, resulted in an increase in the number of car bays from 273 to 355, resulting is an additional 62 bays.

Following comments from both the community and the Council, the layout has been revised as follows:

- The proposed northern extension of the carpark to accommodate an additional 13 bays has been modified, due to concerns expressed by Farr Avenue residents regarding the loss of green space. An additional three (3) bays will now be provided.
- Improved universal access has been incorporated allowing for access from Vincent Street to the centre from the central access and the western access. This will result in the loss of an additional two (2) parking bays.

The proposed changes outlined above and as shown on revised Plan No. 2620-CP-01G will result in an increase of 50 bays to a total of 323 bays.

Existing vegetation:

An assessment of the existing vegetation was undertaken and as previously reported to the Council, the proposed car park layout has endeavoured to retain as many significant trees as possible and this has to some extent also dictated the design. Extensive new plantings will be undertaken as part of the reconfigured car park.

Improved function:

As mentioned above, and as previously reported to the Council, the existing car park layout is somewhat fragmented with restricted access from the west and eastern parts of the car park.

The proposed design will allow for 'two way' east/west access along two internal access ways for most of the car park area along Vincent Street. North/south access and vehicle circulation

Existing levels:

The existing ground levels will pose a challenge as the existing car park comprises differing gradients and a number of changes in level. The final detailed design will determine the scope of works however the aim will be to retain as much of the existing pavement as possible to minimise costs while at the same time providing a workable car park.

Proposed Water harvesting:

During the storms of March 2010 there was extensive runoff from the Beatty Park car park which resulted in flooding to properties at the rear of Emmerson Street. The runoff washed 'mulch' and leaves from the car park, and the reserve, onto drainage 'gully grates' and into properties.

Additional drainage has subsequently been installed in the carpark at the rear of the Emmerson Street properties and other preventative measures implemented in the Beatty Park Reserve to mitigate any further such flooding from occurring in the future.

In addition a careful assessment of how "water harvesting" will be incorporated into the proposed car park design will be undertaken at the detailed design stage to ensure that properties downstream are safeguarded from any further possible storm events.

It would be desirable to drain the paved area into garden beds, to act as swales, where ever possible however this will depend on the existing ground levels relative to pavement levels. In addition the gradients of the paved areas will determine the suitability of swales etc to avoid the runoff of mulch/sand during times of severe storm events covering gully grates.

Proposed access and egress:

The reconfigured car park allows for a central two (2) way north south egress/access onto Vincent Street with a central pedestrian refuge. The existing access at this location is out only at present. The other two existing access points onto Vincent Street remain relatively unchanged however a central pedestrian refuge is proposed on the eastern most access point.

Future possible access improvements:

The existing access and egress onto Vincent Street especially during peak periods is problematic. Unfortunately there is no simple solution to provide priority to vehicles exiting the car park unless traffic signals were installed.

Concept Plan No. 2620-CP-01G, as shown in Appendix 7.2B outlines a potential improvement to access/egress comprising the installation of traffic signals at the central access point from Vincent Street to the carpark. This proposal can be considered at a future date.

The signals would be activated by vehicles wishing egress the carpark and by pedestrians wishing to cross Vincent, only and be restricted to 'right out' and 'left and right in'. The eastern access/egress point would be restricted to left in left out. This would result in the following benefits.

- Safe right turn egress
- Safe crossing for pedestrians
- Minimising vehicle movements at egress/access points to improve safety.

The installation of traffic signals will be costed in liaison with Main Roads WA.

Another possible 'future' improvement is the construction of embayed bus parking on Vincent Street to accommodate buses bringing children to the site during school carnivals. This would be able to be accommodated as a result of the proposed carpark reconfiguration resulting in a wider verge area on the Vincent Street frontage. This proposal is also outlined on Plan No 2620-CP-01H, as shown in Appendix 7.2B.

Information on various Options, as requested by Council:

A Staged Redevelopment of Beatty Park Leisure Centre

Stage 1 – July 2011 – December 2012 - Construction to Commence Mid 2011

This stage will involve:

- construction of a new extension on the north- east side of the building, including;
 - new entrance;
 - new gymnasium;
 - 2 new group fitness rooms;
 - new retail shop;
 - refurbished café and kitchen;
 - new dry area change-rooms.
- refurbished existing change-rooms and toilets;
- new crèche and outdoor area;
- new fit-out for the swim school;
- demolition of the existing outdoor 50 metre pool and the adding of two new lanes;
- retiling of the indoor pool;
- dive pool renovation;
- learner pool addition;
- Geothermal Energy system; and
- upgrade and refurbishment of the Plant Room.

Stage 2 – 2012 – 2013 Financial Year – Propose to Commence Mid 2012

This stage will be carried out in the first part of the financial year 2012-2013 (August – October 2012) – as such, additional funding can be budgeted for. Works will involve:

- the upgrade and refurbishment of the car park;
- landscaping, including water sensitive urban design principles; and refurbishment of the existing gymnasiums.

Stage 3 – 2013 – 2014 Financial Year

This stage will involve the replacement of the indoor water slides and renovation of the Spa area.

Stage 4 – 2014 – 2015 Financial Year:

This stage will involve refurbishment of the grandstand and heritage works. Much of this work is yet to be documented and costed.

Construct New Extension and Pool Concurrently:

Advantages:

- More cost effective tender price can be expected;
- Less inconvenience to Centre patrons;
- Project will be completed sooner – i.e. completed within 18 months as opposed to 2 years or longer, if the projects are run as stand-alone projects to commence once after the other;
- Considered to be the best financial outcome in the long term;
- Alleviates the need to spend significant amounts of money on maintenance issues that will be taken care of during the renovation process;
- Best meets the needs of the majority of current users and potential users;
- Less “start-up” and mobilisation costs;
- Less chance to lose long term patrons, who will use another facility during construction;
- More cost effective and efficient to the Town concerning temporarily redeployment of Centre staff (after taking leave, etc);
- An obvious change to the facility which will be noticed by passersby and help to increase patronage;
- Gymnasium is already full during peak times and this option provides extra room for expanding the membership plus another room for expanding programmes;
- Allows for immediate marketing and promotion of the facility as a membership package to entice new users and keep existing ones; and
- Less disruptive to the Centre employees.

Disadvantages:

- Larger initial capital outlay;
- Loan borrowings will be required earlier; and
- Several areas of the Centre will be under construction at the same time.

Refer to ~~Confidential~~ Appendix 7.2E for a detailed cost breakdown.

An option with the new extension and refurbishment of the Administration and Entrance commencing in 2012 instead of 2011 – Refer to Council decision clause (iii)(b).

Construction Pool First:

Advantages:

- Less capital outlay is initially required;
- No loan borrowings will be mutually required;
- Less risk of a serious malfunction occurring to the Plant room and equipment;
- Pool and plant room are in need of major maintenance so this will save money that would otherwise need to be spent on repairs; and
- Extra pool space for clubs, groups, public and swim lessons.

Disadvantages:

- Cost escalation will be incurred for the new extension component.;
- Increased builder costs, as the project will be extended by 5-6 months;
- Income from the new gym is delayed;
- Expectation of the public is delayed;
- Gym is already full and this option provides no extra room for expanding the membership;
- Group Fitness area is already full during peak times and this option provides no extra room for expanding membership;
- Minimal extra income as the pool is a service to the community and user groups (like the Library) not an income generator like the gym;
- Change rooms are of a major concern to users and this does not address any changes room issues; and
- The Centre will be a “construction site” for a longer period.

Costing:

Refer to ~~Confidential~~ Appendix 7.2G.

An option with the installation of the new outdoor 50 metre x 10 metre lane pool commencing in 2012 instead of 2011

Advantages:

- Reduced costs due to cost escalation;
- Gym is already full and this option provides extra room for expanding the membership;
- Group Fitness area is already full during peak times and this option provides extra room for expanding the membership plus another room for expanding programmes;
- Significant income from the gymnasium will be received earlier; and
- An obvious change to the facility which will be noticed by passersby and help to increase patronage.

Disadvantages:

- Loan borrowings will be required earlier;
- CSRFF funding of \$2.5 million has been allocated to the facility to be used on pools, plant room, geothermal heating and change rooms;
- CSRFF monies cannot be used for the extension component;
- Pool and plant room are in need of major maintenance which will need to come out of the operating budget if no renovation to this area is undertaken. This will then be wasted funds when the area is renovated;
- No extra water space for clubs, groups, public, swim lessons;
- More inconvenient to patrons as an alternative entrance will be required, but the café, indoor pool and Retail shops will still need to be kept operational; and
- The Centre will be a “construction site” for a longer period.

Costing:

Refer to ~~Confidential~~ Appendix 7.2H for indicative costings.

Refurbishment of Outdoor 50 Metre Pool

If a decision to proceed is not made at the Special Meeting of Council 3 May 2011, it will result in the refurbishment of the 50 metre outdoor pool unable to be carried out from July 2011 to July 2012.

The Town's Administration considers it extremely important that the outdoor 50 metre pool upgrade be carried out across 2 winter seasons (July to July) rather than 2 summer seasons (December to December), so as to minimise inconvenience to the public and also minimise costs and financial loss to the Centre, by rostering staff according to demand. (Wherever possible, Centre employees will proceed on leave, work reduced hours or be used temporarily elsewhere in the organisation e.g. relief staff, temporary Rangers, Parks, etc). Advanced notice will be required to inform affected Centre employees.

Financial Estimates – Refer to Previous Council Decision clauses (v) and (vi):

Financial estimates for the period 2011 – 2016 have been prepared for the scenarios listed below. The financial scenarios have been adjusted from previous reports to reflect the budget for 2010/11 and the Draft 2011/12 Budget.

- Full development - 3,500 membership;
- Full development - 3,500 membership - Learning Pool in Stage 1;
- Full development - 3,500 membership (no geothermal);
- Full development - 3,000 membership;
- Full development - 2,500 membership
- No development.

The financial scenario's are considered "commercial-in-confidence" and are attached as ~~Confidential~~ Appendices to this report. Refer to Appendix 7.2C.

Business Cases – Summary

The Business Cases and Financial reports have been prepared by the Director Corporate Services and Manager-Beatty Park Leisure Centre. The Business Case is *Commercial-in-Confidence* and are summarised in Appendix 7.2C. **[The Council resolved to make public the Commercial-in-Confidence and confidential information.]**

The Business Plans and Supporting financial statements are considered confidential and Commercial in Confidence. **[The Council resolved to make public the Commercial-in-Confidence and confidential information.]** The Financial Statements are shown in ~~Confidential~~ Appendix 7.2D. (The Business Plan is provided ~~on a confidential basis~~ to Council Members).

The Business Case for the full Redevelopment scenarios indicates that that the Centre **will operate at a surplus** following the completion of the development of the Centre with a strong position.

Full sets of supporting financial statements for the operation of the Centre for the various development scenarios are included as attachments.

The Beatty Park Leisure Centre Redevelopment based on the attached revised plans have been estimated to cost \$16.5 million.

The funding for this project has been budgeted to be sourced from a combination of State government grant funding, together with the Town's own funds and loan funding.

It has been estimated that as a result of the redevelopment there will be a positive improvement in the financial position of the Centre.

It is evident from the projections outlined in the document that the cash position of the Centre is estimated to move from a negative \$(238,655) in the financial year 2010/11 to a positive cash position in 2012/13 of \$613,049 with a further increase to \$1,363,013 in 2015/16. The operating result is of course impacted by the depreciation charge which will be increased following the completion of the redevelopment.

However a surplus position of \$163,492 is achieved in the year 2013/14, with this increasing to \$586,472 in 2015/16.

The reason for this significant improvement is based on the financial, economic and operational assumptions as outlined in the Business Plan, but the major factors are as follows:

Energy Cost Savings

The installation of the geothermal energy system will reduce energy costs at the centre by an estimated \$300,000 per annum.

Increased Membership

It is estimated that memberships will increase from the current 1900 to 3500 over a three year period. The increase will be attributed to the increase in size of the proposed new gymnasium from 320m² to 750m² and additional group fitness area in the new two level building extension.

Increase in Outdoor 50 metre Pool

The increase in size of the 50 metre outdoor pool to 10 lanes will increase swimming numbers. It will also increase the area of pool for use by the general public, during peak times, thereby resulting in an improved amenity for the public.

New Learners Pool

A new "learners pool" which will be used for swimming lessons is expected to significantly increase capacity at the Swim School, which is currently already at capacity. This pool can also be used for sporting groups outside of lesson times.

It is also expected that the general upgrade of this well established and iconic centre with a new entrance and upgraded change and toilet facilities will attract new memberships.

The financial cash position of the Centre is able to accommodate any of the proposed loan funding repayment schedules.

The Business Plan indicates that the Centre is financially viable with the planned development.

REVISED INDICATIVE TIMELINE AS AT 3 MAY 2011 – PROPOSED STAGE 1:

3 May 2011*	- Council Meeting to approve Final Plans and calling of Tenders.
4 - 13 May 2011	- Preparation of Tender Documentation.
14 May 2011	- Advertise Tenders (allow 1 month).
15 June 2011	- Tenders close.
15 June – 30 June 2011	- Evaluation of Tenders.
5 July 2011*	- Council to consider and determine Tenders.
July 2011 - December 2012	- 18 month construction project.

* *Critical Dates.*

Impact of Not Making or Delaying the Decision due at the Critical Dates

It is important that the Council be advised of the ramifications of not making or significantly delaying the decision, due at the Critical Dates.

Critical Dates

It is important to note that the 3rd of May 2011 is a critical date in the Timeline. A Council decision is essential on this date to ensure that the project can progress as detailed, with a commencement in mid 2011. If decisions are not made or are significantly delayed, the project cannot proceed as outlined in the Indicative Timeline and delays will occur.

TENDER

Current Market Building/Conditions:

The Quantity Surveyor/Cost Consultant engaged to provide the costings for the project has commented on the current market conditions before going to tender.

In his experience, *“this is the best time to be seeking to go to tender. In recent months there has been an increase in the number of tenders being received and the tenders submitted have been at a significant discount to the estimated job cost”*.

It is therefore important that the Council make a decision to take advantage of the prevailing market conditions.

Tender Documentation

The Quantity Surveyor/Cost Consultant has strongly recommended that the Town document the tender for Stage 1 of the redevelopment as a single project, with options for specified items. In his opinion, this will provide the “best value for money”, as a more competitive construction tender can be expected. It will also allow for the Council to identify the various components and consider the various financial implications when determining the tender. This approach is supported, by the Architect, project consultants and Town’s Project Team.

Criteria

The following evaluation criteria will be used for the calling of the construction and geothermal energy system tenders:

Criteria	Weighting
<p>1. Financial Offer/Fee Proposal:</p> <ul style="list-style-type: none"> • This contract is offered on a lump sum (fixed price) fee basis. Include in the lump sum fee all fees, any other costs and disbursements to provide the required service and the appropriate level of the Goods and Services Tax (GST). • Represents the "<i>best value</i>" for money. 	60%
<p>2. History and Viability of Organisation</p> <ul style="list-style-type: none"> • Detail your history, viability and experience. • Demonstrate your capacity and depth to effectively address the range of requirements of the Town. • Demonstrate the financial capacity of the organisation to carry out works for this project. • Demonstrate evidence of stability and experience. • Include at least 3 referees. • Include at least 3 references. 	15%
Criteria	Weighting
<p>3. Methodology, Key Issues and Risk Demonstrate your:</p> <ul style="list-style-type: none"> • Proposed methodology for this project to be completed on time and within budget. • Evidence of successful results, particularly in Western Australia. • Ability to provide a high level of: <ul style="list-style-type: none"> - Site management - Finish of the construction works - Practices regarding industrial relations - Practices regarding environmental protection - Practices providing a safe working environment. • Understanding of the required service by identifying the key issues and risk associated with delivering the project. Explain how you intend to address these issues and risks. 	15%
<p>4. Relevant experience, expertise and project team Demonstrate your:</p> <ul style="list-style-type: none"> • Experience, expertise and project team. • Role and credentials of the key persons in the provision of the service (i.e. formal qualifications and experience). • Ability to provide ongoing availability of sufficient skilled persons capable of performing the tasks consistent with the required standards. • Understanding of the requirements associated with delivering the services to the Town. • Experience and success with recent similar facilities, particularly in Western Australia. 	10%
	100%

CONSULTATION/ADVERTISING:

All tenders will be called in accordance with the Local Government Act and Regulations.

LEGAL/POLICY:

The proposed redevelopment will be advertised in accordance with the Local Government Act tender requirements and Council's policy relating to tenders. All necessary Licences for the proposed bore have been obtained.

RISK MANAGEMENT IMPLICATIONS:

Medium-High: The redevelopment project is significant in terms of magnitude, complexity and financial implications. It will require close management to ensure that costs are strictly controlled, particularly as it involves a Heritage listed building which is 49.5 years old. Notwithstanding the risk, the Town has an experienced project team and a good track record for successfully completing significant infrastructure projects (e.g. Loftus Centre Redevelopment, rectangular stadium, DSR Office Building, Leederville Oval redevelopment).

Failure to make a decision at the critical time will cause delay, with a risk that higher costs may be incurred. It is essential to take advantage of the favourable building market.

The risk of serious plant failure will continue until the plant is replaced and/or upgraded.

STRATEGIC IMPLICATIONS:

This in keeping with the objectives of the Strategic Plan 2011-2016 – Key Result Area One: Natural and Built Environment:

“1.1.4 Enhance and maintain the Town’s infrastructure, assets and community facilities to provide a safe, sustainable and functional environment:

(e) Implement the redevelopment of the Beatty Park Leisure Centre.”

SUSTAINABILITY IMPLICATIONS:

There will be a significant focus of the sustainability of the redevelopment of the Beatty Park Leisure Centre. The use of geothermal techniques has been investigated for use at the Centre for the heating of pool water and the buildings. The use of grey water or backwash water for the flushing of toilets and irrigation of the gardens is currently being investigated. Other areas of water saving or reuse has been investigated by the consultants and included where possible.

Wherever possible, natural light is to be incorporated to reduce the dependence on lighting and the size of the fitness areas have been calculated to allow for growth of programs, especially in areas where demand has increased within the industry over the past five years.

FINANCIAL/BUDGET IMPLICATIONS:

Funding Options:

Listed below are a number of funding options for consideration for the Beatty Park Leisure Centre (BPLC) Redevelopment:

Option 1 – Borrow Funds with the full use of State Government \$5m from nib Stadium lease:

Federal Government	\$0
CSRFF – State Government	\$2,500,000
TOV Beatty Park Reserve Fund	\$3,500,000
State Government – nib Stadium	\$5,000,000
Loan Funds	\$5,500,000
Total:	\$16,500,000

Option 2 – Borrow Funds with the part use of the State Government \$3m from nib Stadium lease:

Federal Government	\$0
CSRFF – State Government	\$2,500,000
TOV Beatty Park Reserve Fund	\$3,500,000
State Government – nib Stadium	\$3,000,000
Loan Funds	\$7,500,000
Total:	\$16,500,000

Option 3 – Borrowed Funds Required without using the State Government \$5m from nib Stadium lease:

Federal Government	\$0
CSRFF – State Government	\$2,500,000
TOV Beatty Park Reserve Fund	\$3,500,000
Loan Funds	\$10,500,000
Total:	\$16,500,000

Funds from the Long Term Lease of nib Stadium

The loan funding can be reduced, if and when the financial offer from the State Government in regard to nib Stadium is received.

On 29 April 2011 the Town received a letter from the Minister for Sport and Recreation concerning the draft Lease and when the Town can expect this \$5 million. The minister has advised (in part) that:

“I confirm my advice of 17 November 2010 that the original offer of 30 August 2010 is subject to a satisfactory conclusion of negotiations with Allia Pty Ltd. I expect that to occur soon and seek your support in working with the Department of Sport and Recreation to reach that conclusion.”

Chief Executive Officer’s Comment:

The Town is aware that the State has recently held a number of meetings with Allia.

The Chief Executive Officer is aware that no time frame has been specified and at the time of writing this report there is no indication as to when the Town will receive the money.

Loan Payment Options:

The funding options above have included loans for either \$5.5 million, \$7.5 million or \$10.5 million, the repayment schedules for these loans are outlined below:

The repayments for these loans are estimated to be as outlined in the tables below:

Loan Amount	Interest Rate	Period	Monthly Repayment	Annual Repayment
\$5,500,000	5.92%	10 Years	\$61,094	\$733,128

Loan Amount	Interest Rate	Period	Monthly Repayment	Annual Repayment
\$7,500,000	5.92%	10 Years	\$83,310	\$999,720

Loan Amount	Interest Rate	Period	Monthly Repayment	Annual Repayment
\$10,500,000	5.92%	10 Years	\$116,634	\$1,399,608

The Town's Administration will make a recommendation on the most suitable funding model, once the tenders have closed and precise cost implications are known.

Other Funding Sources

The Town's Administration has investigated other funding sources and advise as follows:

Federal Government

"REQUESTS a meeting with the Federal Minister of Infrastructure and Transport in regard to funds required urgently for works needed for the continued operation of the aquatic facility originally built for the 1962 Commonwealth Games. This request will be made by the Mayor on behalf of Council and the Vincent community and follows an original letter sent by the Chief Executive Officer on 29 July 2010."

Requests to the Federal Minister of Infrastructure and Transport for funding have been unsuccessful to date. Numerous requests to Federal Member for Perth Stephen Smith to assist with arranging an appointment with the Federal Minister have also been unsuccessful. It is proposed to pursue a meeting with the Federal Minister during attendance by the Mayor and Chief Executive Officer at the ALGA in June 2011.

RLCIP (Regional and Local Community Infrastructure Program) funding

- No rounds available currently and future grants not announced yet.

Environmental Grants – Rainwater Tanks

- The Australian Government's Grants for rainwater tanks are only available for households and Surf Lifesaving Clubs. Therefore, the Town is ineligible.

State Government

Lotterywest – Stage 4 works.

- Heritage Grant for grandstand – amounts vary from \$10,000 to \$200,000.
- Program Funding – \$5,000 to \$50,000 (to enhance current programs or establish new ones that are of benefit to the community).
- Funding for 50th anniversary celebrations – an amount up to \$50,000 could be explored.

Heritage Grants Program – Heritage Council of WA – Stage 4 works.

- Beatty Park is on the State Heritage Register - which means it can apply for up to \$100,000 for conservation works to the facility.

Environmental Grants

As of January 2010, the Office of Energy (OoE) Grants Program (formerly SEDO Grants Program) is closed for applications, and no further funding rounds will be held.

Disability Grants

- The Town of Vincent has applied for 2 grants to assist with the following items;
 - Disabled change facilities (Hoist and adult change table for change rooms);
 - Ramp access to new 50m pool.

CSRFF

The Department of Sport and Recreation have advised that the Town is not eligible to receive any further CSRFF monies, as the Town has already been allocated \$2.5 million.

Separate Business Cases and Associated Financial Reports:

The Business Cases has been prepared for the following options:

1. Full Redevelopment;

A detailed business case has been prepared and is attached as shown in ~~Confidential~~ Appendix 7.2C and Attachment A.

2. New extension/refurbished administration/entrance; and

A detailed business case has been prepared and is attached as shown in ~~Confidential~~ Appendix 7.2C and Attachment B.

3. The other items listed in Stages 1A and 1B;" and

A detailed business case has been prepared and is attached as shown in ~~Confidential~~ Appendix 7.2C and Attachment C.

4. Installation of the geothermal unit plus plant;

A detailed business case has been prepared and is attached as shown in ~~Confidential~~ Appendix 7.2C and Attachment D.

[The Council resolved to make public the Commercial-in-Confidence and confidential information.]

Funding:

An amount of \$10.072 million is included on the 2010/2011 Annual Budget for the proposed redevelopment.

The following is a summary of funding and indicative costs:

Proposed Project Funding – Stage 1	Amount
Funding Source:	
Federal Government	\$0
CSRFF – State Government	\$2,500,000
Town of Vincent Reserve Funds	\$3,500,000
Town of Vincent Internal Funds and Borrowings	\$10,500,000
Total:	<u>\$16,500,000</u>
Stage 1 – Commence mid 2011	
<i>Item:</i>	<i>Indicative Costing</i>
New Redevelopment	\$12,837,000
Geothermal installation including plant	\$2,635,000
Professional Fees:	
Architect	\$610,000
Consultants	\$360,000
TOTAL:	<u>\$16,442,000</u>
<u>OPTIONS</u>	
<i>Item:</i>	<i>Indicative Costing</i>
Rainwater reuse	\$200,000
Solar (20kW System)	\$200,000
Grey water reuse	\$850,000
Green star advice	\$12,000
Seasonal commissioning	\$41,000
Independent engineer during project design	\$66,650
Non technical user manuals	\$15,000
Dive pool refurbishment and new learner pool	\$850,000
Backwash water reuse	TBA*
TOTAL:	<u>\$2,234,650*</u>
**Stage 2: 2012–2013 – financial year- Proposed to commence mid 2012	
<i>Item</i>	<i>Indicative Costing</i>
Car park upgrade and reconfiguration	\$500,000
Landscaping, including water sensitive urban design principles	\$100,000
Refurbishment to existing gym area's	\$100,000
**Subtotal:	<u>\$700,000</u>
**Stage 3: 2013 – 2014 financial year	
<i>Item</i>	<i>Indicative Costing</i>
Refurbishment of lower deck change rooms	\$200,000
Replacement indoor water slides	\$150,000
Spa Sauna Steam room area upgrade	\$250,000
**Subtotal:	<u>\$600,000</u>
**Stage 4: 2014-2015 - financial year	
<i>Item</i>	<i>Indicative Costing</i>
Grandstand – heritage works	TBA

** *Note:* Costings for Stages 2, 3 and 4 are indicative only and are required to be further investigated and refined.

Asset Management:

It is current Asset Management best practice to allow a percentage of the capital expenditure to be set aside annually for future capital replacement. It is recommended a range between 2-3% be used on this project, with a minimum of \$320,000 to be set aside annually for future capital replacement.

In addition, a detailed maintenance programme for the life cycle costs for the Centre will be prepared by the Consultants. This will be carried out at the completion of the construction of Stage 1.

COMMENTS:

The redevelopment/upgrade at Beatty Park Leisure Centre is considered one of the most significant projects undertaken by the Town.

Beatty Park was built in 1962 for the British Empire and Commonwealth Games. The facility is now 49 years old and in urgent need of upgrade.

This project commenced in 2004 and has now progressed to a stage where a Council decision is required, to enable the project to be progressed.

The upgrade of the Centre, particularly the plant room and outside pools, is urgently required, with much of the plant room equipment being the original equipment installed when the Centre was constructed in 1962. If this is not undertaken, there will be dire consequences for the pool operations of the Centre within two to three years. In the interim, the risk of a major plant failure is also of concern.

The new extensions including the gym and group fitness rooms and change rooms, together with the refurbished entrance and upgraded Retail and Café facilities will provide the Centre with a new promotional image. The modernisation of the main entrance frontage will be impressive and iconic. The gym and group fitness will generate considerable income for the future of the Centre.

This area is essential to the financial viability of the Centre, as the current gym is constricted with the space available and membership is currently capped at 2000. This also restricts secondary revenue available from the other programmes offered at the Centre, such as the Café and Retail Shop.

This redevelopment is essential for the future of the Beatty Park Leisure Centre and this design represents an excellent best practise model for the facility, while allowing for expansion of programs to meet community needs and expectations.

Accordingly, Council approval of the Officer Recommendation is therefore requested.

8. CLOSURE

There being no further business, the Presiding Member, Mayor Nick Catania, declared the meeting closed at 9.30pm with the following persons present:

Mayor Nick Catania, JP	Presiding Member
Cr Matt Buckels	North Ward
Cr Anka Burns	South Ward
Cr Steed Farrell	North Ward
Cr Sally Lake (<i>Deputy Mayor</i>)	South Ward
Cr Warren McGrath	South Ward
Cr Dudley Maier	North Ward
John Giorgi, JP	Chief Executive Officer
Rob Boardman	Director Development Services
Rick Lotznicker	Director Technical Services
Mike Rootsey	Director Corporate Services
Beatrice Thomas	Journalist – “ <i>The West Australia</i> ”
David Bell	Journalist – “ <i>The Perth Voice</i> ”

No members of the Public were present.

These Minutes were confirmed by the Council as a true and accurate record of the Special Meeting of the Council held on 3 May 2011.

Signed:Presiding Member
Mayor Nick Catania

Dated this day of 2011