



# City of Busselton

*Geographe Bay*

COUNCIL AGENDA

## Supplementary Items

*22 April 2020*

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

[city@busselton.wa.gov.au](mailto:city@busselton.wa.gov.au)

CITY OF BUSSELTON

SUPPLEMENTARY ITEMS FOR THE COUNCIL MEETING TO BE HELD ON 22 APRIL 2020

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## 14. ENGINEERING AND WORK SERVICES REPORTS

### 14.1 BUDGET AMENDMENT REQUEST/REVIEW - ENGINEERING WORKS & SERVICES FOR APRIL 2020

<b>STRATEGIC GOAL</b>	6. LEADERSHIP Visionary, collaborative, accountable
<b>STRATEGIC OBJECTIVE</b>	6.1 Governance systems, process and practices are responsible, ethical and transparent.
<b>SUBJECT INDEX</b>	Budget Planning and Reporting
<b>BUSINESS UNIT</b>	Engineering and Works Services
<b>REPORTING OFFICER</b>	Director, Engineering and Works Services - Oliver Darby
<b>AUTHORISING OFFICER</b>	Director, Engineering and Works Services - Oliver Darby
<b>NATURE OF DECISION</b>	Executive: substantial direction setting, including adopting strategies, plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships, reviewing committee recommendations
<b>VOTING REQUIREMENT</b>	Absolute Majority
<b>ATTACHMENTS</b>	Attachment A Detail of Amendments <a href="#">↓</a> 

### OFFICER RECOMMENDATION

That the Council endorse the requested budget amendments in accordance with section 6.8(1) of the *Local Government Act 1995* in relation to the following items as outlined in the report and Attachment A, resulting in a zero impact on the City's budgeted net current position:

1. **Geographe Leisure Centre (GLC) Extra Improvements**
2. **Old Butter Factory Project**
3. **Port Geographe Boat Ramp Renewal Works**
4. **College Avenue Cycle Path**
5. **Carey Street Asphalt Overlay and Kerbing**

### **EXECUTIVE SUMMARY**

This report seeks Council approval of budget amendments as detailed in this report. Adoption of the officer recommendation will result in a zero impact on the City's budgeted net current position.

### **BACKGROUND**

In accordance with section 6.8(1) of the *Local Government Act 1995* a local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure:

- Is incurred in a financial year before the adoption of the annual budget by the local government;
- Is authorised in advance by Council resolution - absolute majority required; and
- Is authorised in advance by the Mayor in an emergency.

It is also good management practice to revise the adopted budget when it is known that circumstances have changed. Approval is therefore sought for the budget adjustments detailed in the attachment for the reasons specified.

**OFFICER COMMENT**

Council adopted its 2019/2020 municipal budget on Wednesday 31 July 2019 with a balanced budget position. Since then officers have identified budgets that require adjustment.

There are five items detailed in the attachment and their net effect on the budget position is nil. These adjustments are where new expenses are matched with new grants / contributions, or where expenses are reallocated within business units to meet revised needs.

Budget Adjustment Items**1. Geographe Leisure Centre (GLC) Extra Improvements – Add project scope**

There is currently \$596,400 budgeted for capital works at the GLC for financial year 2019/20. \$525,900 of this is from the Geographe Leisure Centre Reserve while the remaining \$43,500 represents municipal funds. To date \$132,000 of planned works have been completed.

The remaining funds in this year's capital budget for the GLC are for the following items:

- Modification to the Mechanical Services Switch Board (MSSB) to increase power to air handling units to improve the air change rate
- A secondary heat exchange unit to be installed to further improve ventilation rates (to bring them within Australian Institute of Refrigeration, Air Conditioning and Heating guidelines)
- Removal of existing Stadium air-conditioning units, including removal of roof sheets
- New secondary pump to be installed, and install additional pipework, valves and control points. The design intent is to maintain the pool water temperature at 26-27 degrees
- Install new temperature sensors and associated pipework and controls to monitor and control the geothermal water temperature both up and down stream of the heat exchanger

The recent closure of the GLC due to the Covid-19 pandemic has presented a unique opportunity to progress certain types of planned future works that would ordinarily impact on users of the facility.

This budget amendment seeks to an additional \$330,000 of capital works to the 2019/20 budget comprising the following:

1. \$110,000 for the installation of a Fire Indictor Panel and an Emergency Warning Intercommunication System. This project represent works to be brought forward from the 2020/21 draft budget. These works to be funded from the Geographe Leisure Centre Reserve via a top up of funds from the General Building Reserve.
2. \$100,000 for the refurbishment of the wet side change rooms. This project represent works rescheduled from 2020/21. These works will also be funded from the Geographe Leisure Centre Reserve via a top up of funds from the General Building Reserve.
3. \$100,000 for renewal works specifically associated with the cleaning and repainting of the structural steel, treating corrosion, replacing wall linings and repainting walls. This project represents works to be brought forward via scheduled planning from the 2021/22 financial year. These works will also be funded from the Geographe Leisure Centre Reserve via a top up of funds from the General Building Reserve.
4. \$20,000 in additional budget for a new Security System estimated to cost \$50,000. \$30,000 is already available in this year's budget against Cost Code B9609 titled; GLC Stadium Expansion. This preliminary budget associated with planning for the GLC Stadium Expansion to be repurposed to be used to install a Security System at the GLC.

## **2. Old Butter Factory – Increase project scope**

There is currently \$650,385 of carried forward capital budgeted works associated with the Old Butter Factory for major repairs from the 27<sup>th</sup> March 2018 fire. These works are funded from the General Building Reserve with reimbursements from an insurance claim, based on progress. To date \$605,286 of planned works have been completed.

This amendment seeks to add additional budget totalling \$150,000 for the following:

1. \$100,000 for structural integrity works to the building. These items were identified whilst undertaking the works associated with the fire damage. These works were required to be rectified or the building would have continued to be structurally unsound. Unfortunately these items cannot be claimed through insurance as they are a latent defect associated with the building structure.
2. \$50,000 in additional works to make the upper floor BSA (fire) compliant so it can continue to be used as a museum.

This extra budget is to be drawn down from the General Building Reserve.

## **3. Port Geographe Boat Ramp Renewal Works (C1512) – Increase Grant Revenue**

There is \$470,810 of capital budgeted works associated with replacing the Port Geographe Boat Ramp – Boat Launching Jetties. These works are now complete and City Officers are currently in the process of seeking payment for the \$165,000 in Regional Boating Facility Scheme Grant. Due to the additional costs incurred in replacing all three finger jetties with floating pontoons an application was made under the terms of the grant agreement seeking an additional 10% in grant funding over and above the original grant amount. This submission was approved securing an extra \$16,500 in grant funding to be applied to this project.

## **4. College Avenue Cycle Path (F0019) – Reduce Grant Revenue**

There is \$360,000 of capital budgeted works associated with the College Avenue Cycle Path Project. These works are now nearing completion with only a small number of invoices outstanding from suppliers. Under this grant the City has already received \$144,000 of the \$180,000 grant as payments in advance. This project is based on a 50/50 co-contribution basis. The project will come in under budget to the value of \$72,000 and as such the last progress claim totalling \$36,000 will not be made. These surplus monies have already been redistributed by the Department of Transport.

## **5. Carey Street - Asphalt Overlay & Kerbing (W0231)**

There is \$175,000 of capital budgeted works associated with the road renewal project Carey Street - Asphalt Overlay & Kerbing. With the popularity of the Busselton Foreshore, continued use of the Barnard Park Ovals and the opening of the new Tennis Centre, the scope of works for this project has changed, specifically to add in off-street car parking and a footpath.

To this end, a request is made to postpone the Georgette Street - reconstruction & kerbing project valued at \$67,000 and reallocate these Main Roads WA Direct grant funds towards the Carey Street project. The Georgette Street - reconstruction & kerbing project has subsequently been budgeted for completion in 2020/21.

It has been estimated that \$236,000 is required to complete these works thus \$6,000 of the original Carey Street budget totalling \$175,000 can be retained in the Road Asset Renewal Reserve.

### **Statutory Environment**

Section 6.8 of the *Local Government Act 1995* refers to expenditure from the municipal fund that is not included in the annual budget. Any adjustments to a budget allocation must be made by an absolute majority decision of the Council. Additionally, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

### **Relevant Plans and Policies**

The proposed budget amendment is supported by the City's asset management plan, capital works program and long term financial plan.

### **Financial Implications**

The financial implications of this recommendation are contained within the report and the attached spreadsheet detail.

### **Stakeholder Consultation**

No external stakeholder consultation was required or undertaken in relation to this matter.

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. There are no risks identified of medium or greater level.

### **Options**

The Council could decide not to go ahead with the proposed budget amendment requests.

### **CONCLUSION**

Council's approval is sought to amend the budget as per the details contained in this report.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Should the officer recommendation be endorsed, the associated budget amendment will be processed within a month of being approved.

**BUDGET AMENDMENTS TABLE**  
**AS AT MARCH YTD 2020**

ADJUSTMENTS IMPACTING BUDGET BALANCE:										
FUNDS TRANSFER (FROM)					FUNDS TRANSFER (TO)			NET BUDGET CHANGE	NET BUDGET CHANGE	OFFICER COMMENTARY
BA REF #	ITEM #	ACCOUNT CODE STRING	DESCRIPTION	AMOUNT	ACCOUNT CODE STRING	DESCRIPTION	AMOUNT			

ADJUSTMENTS WITH NO IMPACT ON BUDGET BALANCE:										
FUNDS TRANSFER (FROM)					FUNDS TRANSFER (TO)			PROJECT CLOSING BALANCE	BUDGET RESERVE CLOSING BAL	OFFICER COMMENTARY
BA REF #	ITEM #	ACCOUNT CODE STRING	DESCRIPTION	PROJECT OPENING BALANCE	ACCOUNT CODE STRING	DESCRIPTION	AMOUNT			
1	1	Reserve ID 10	General Building Reserve	310,000	Reserve ID 42	Geographe Leisure Centre Reserve	310,000	NA	404,291	Top up GLC Reserve to accommodate these extra works. General Building Reserve to be reimbursed in 2020/21.
1	2	Reserve ID 42	Geographe Leisure Centre Reserve	310,000	522.89596.3280.00000	GLC Building Improvements	310,000	879,400	NA	Extra works brought forward due to GLC being closed. More details provided in the report.
1	3	B9609	GLC Stadium Expansion	30,000	NA	Rename - GLC Security System	30,000	30,000	NA	The original budget was assigned for preliminary works associated with a GLC Stadium Expansion Project. These funds are now not required. Now to be used to install a security system at the GLC.
1	3	Reserve ID 42	Geographe Leisure Centre Reserve	20,000	522.89609.3280.00000	Renamed - GLC Security System	20,000	50,000	NA	This is \$20k for the security system to be drawn directly from the Geographe Leisure Centre Reserve from the available balance prior to the top up.
2	1	Reserve ID 10	General Building Reserve	150,000	522.89610.3280.00000	Old Butter Factory - Building Upgrade (Fire Damage)	150,000	800,385	NA	Add additional \$150,000 for extra works to the old butter factory. Further detail in the report.
3	1	510.C1512.1215.0000	Port Geographe Boat Ramp Renewal Works	(165,000)	510.C1512.1215.0000	Port Geographe Boat Ramp Renewal Works	(16,500)	(181,500)	NA	Extra grant revenue
3	2	510.C1512.3280.0000	Port Geographe Boat Ramp Renewal Works	470,810	510.C1512.3280.0000	Port Geographe Boat Ramp Renewal Works	16,500	487,310	NA	Extra contractor budget
4	1	510.F0019.1215.0000	College Avenue Cycle Path	(180,000)	510.F0019.1215.0000	College Avenue Cycle Path	(36,000)	(144,000)	NA	Reduced the Grant funding by \$36,000 based on the final project cost
4	2	510.F0019.3280.0000	College Avenue Cycle Path	360,000	510.F0019.3280.0000	College Avenue Cycle Path	72,000	288,000	NA	Reducing the Project budget by \$72,000 being \$36,000 in grant funding not required and \$36,000 being returned to the Footpath Reserve as per line entry below.
4	3				Reserve # 40	Footpath / Cycleway Reserve	36,000	-	76,767	The budgeted closing balance for this Reserve as per the 10 Year Plan is \$40,767. This is adding back the unexpended \$36,000 of City Footpath / Cycleway Reserve monies to the Reserve balance.
5	1	541.S0324.1210.0000	Georgette Street - Reconstruction & Kerbs Direct Grant	(67,000)	541.W0231.1210.0000	Carey Street - Asphalt Overlay & Kerb	(67,000)	(67,000)	NA	Move direct grant from Georgette to Carey Street project
5	2	541.S0324.3280.0000	Georgette Street - Reconstruction & Kerbs - Contractor	67,000	541.W0231.3280.0000	Carey Street - Asphalt Overlay & Kerb	67,000	175,000	242,000	Move corresponding budget from Georgette to carey Street
5	3	541.W0231.3280.0000	Carey Street - Asphalt Overlay & Kerb	242,000	Reserve # 65	Roads Asset Renewal Reserve	6,000	236,000	395,438	Taking \$6,000 from Carey Street and returning this amount to the Road Reserve.
				1,305,810			892,000			

## 14.2 BUDGET AMENDMENT REQUEST/REVIEW - CITY CENTRE EASTERN LINK STAGE 1

<b>STRATEGIC GOAL</b>	6. LEADERSHIP Visionary, collaborative, accountable
<b>STRATEGIC OBJECTIVE</b>	6.1 Governance systems, process and practices are responsible, ethical and transparent.
<b>SUBJECT INDEX</b>	Budget Planning and Reporting
<b>BUSINESS UNIT</b>	Engineering and Facilities Services
<b>REPORTING OFFICER</b>	Manager, Engineering and Technical Services - Daniell Abrahamse
<b>AUTHORISING OFFICER</b>	Director, Engineering and Works Services - Oliver Darby
<b>NATURE OF DECISION</b>	Executive: substantial direction setting, including adopting strategies, plans and policies (excluding local planning policies), tenders, setting and amending budgets, funding, donations and sponsorships, reviewing committee recommendations
<b>VOTING REQUIREMENT</b>	Absolute Majority
<b>ATTACHMENTS</b>	Attachment A <a href="#">Budget Amendment Table</a>  Attachment B <a href="#">Letter from Department of Infrastructure, Transport, Cities and Regional Development – Approval of Additional Bridge Funding</a> 

### OFFICER RECOMMENDATION

**That the Council endorse the requested budget amendment in accordance with section 6.8(1) of the *Local Government Act 1995*, relating to the City Centre Eastern Link Stage 1 Project, as detailed this report and Attachment A, resulting in a zero impact on the City's budgeted net current position.**

### **EXECUTIVE SUMMARY**

This report seeks Council approval of budget amendments as detailed in this report and as detailed in Attachment A, in relation to the City Centre Eastern Link Stage 1 Project. Adoption of the officer recommendation will result in a nil impact on the City's budgeted net current position.

### **BACKGROUND**

In accordance with section 6.8(1) of the *Local Government Act 1995* a local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure:

- Is incurred in a financial year before the adoption of the annual budget by the local government;
- Is authorised in advance by Council resolution - absolute majority required; and
- Is authorised in advance by the Mayor in an emergency.

It is also good management practice to revise the adopted budget when it is known that circumstances have changed.

Approval is therefore sought for the budget adjustments detailed in the report and attachment for the reasons specified in the officer comment.

### **OFFICER COMMENT**

Council adopted its 2019/2020 municipal budget on Wednesday 31 July 2019 with a balanced budget position. Since then officers have identified budgets that require adjustment.

This budget amendment seeks to, in part, align the City Centre Eastern Link project budget to the recommendations contained in the Council Report dated 25<sup>th</sup> September 2019 titled "Award of Tender RFT11/19 Road Network Upgrade - City Centre Eastern Link Stage 1 and Stage 2A + 2B".

The budget amendment specifically seeks to:

- a) Recognise the three (3) additional sources of funding added to the project budget, to align the overall project budget to the Tender amount, as follows:
  - i. include an additional \$40,900 in funding from City Reserve #223 being the Road Asset Renewal Reserve.
  - ii. include an additional \$250,000 in funding from City Reserve #137 being the Major Traffic Improvements Reserve.
  - iii. include an additional \$500,000 in Federal Government Bridge Renewal Grant funding, as per Attachment B, being letter of award for additional grant funding pursuant to the Causeway Road Bridge Duplication & Variation Instrument.
- b) Reallocate 1/3<sup>rd</sup> (\$250,000) of the City’s Regional Road Group (RRG) own source contribution for the 2019/2020 Causeway Road (S0051) and grant allocation of \$500,000 towards the City Centre Eastern Link Stage 1 for the 2019/20 financial year. Causeway Road 2019/2020 duplication works are to be relisted in 2020/21 budget as part of stage 2A.

Below is an excerpt from the Council report of 25<sup>th</sup> September 2019 detailing the extra funding and the proposed source of that funding:

“City officers proposes that the variance of -\$790,901.14 could be funded as follows:“

Description	Budget
Department of Infrastructure, Transport and Regional Development – Bridge Renewal Grant – Additional Funding - Secured	\$500,000
Transfer additional funding from the Major Traffic Improvements Reserve	\$250,000
Funding from the Roads Asset Reserve	*\$40,901.14
<b>TOTAL</b>	<b>\$790,901.14</b>

Note :-\*Round the 40,901.14 down to \$40,900.

Further to the above, the following amendment will adjust the budget for the City’s record keeping requirements under the Regional Road Group (RRG) funding program:

- i. Reduce the budget for Causeway Road / Rosemary Drive Roundabout from \$1,406,680 by \$750,000 to \$656,680. The \$656,680 represents Main Roads funding that was carried over from the 2018/19 financial year and can be outlaid on the City Centre Eastern Link Stage 1 works. The 2019/20 allocation will be spent on duplication works only being carried out under Stage 2A + 2B in financial year 2020/21.
- ii. Reassign the \$500,000 Main Roads Regional Road Group Causeway Road 2019/20 grant funding to a new Main Roads Cost Code titled Causeway Road Duplication. This will be held and subsequently carried over for the City Eastern Link Stage 2 works to be completed in 2020/21.

- iii. Assign the \$250,000 1/3<sup>rd</sup> City funded contribution to the main City Centre Eastern Link project Cost Code V0002 titled; Eastern Link - Busselton Traffic Study. This money to be spent this financial year.

After making the above adjustments, the budget position remains unchanged.

### **Statutory Environment**

Section 6.8 of the *Local Government Act 1995* refers to expenditure from the municipal fund that is not included in the annual budget. Any adjustments to a budget allocation must be made by an absolute majority decision of the Council. Additionally, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

### **Relevant Plans and Policies**

The proposed budget amendment is supported by the City's asset management plan, capital works program and long term financial plan.

### **Financial Implications**

The financial implications of this recommendation are contained within the report and the attachments provided.

### **Stakeholder Consultation**

No external stakeholder consultation was required or undertaken in relation to this matter.

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. There are no risks identified of medium or greater level.

### **Options**

The Council could decide not to go ahead with the proposed budget amendment request.

### **CONCLUSION**

Council's approval is sought to amend the budget as per the details contained in this report.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Should the officer recommendation be endorsed, the associated budget amendment will be processed within a month of being approved.

ADJUSTMENTS IMPACTING BUDGET BALANCE:								
FUNDS TRANSFER (FROM)				FUNDS TRANSFER (TO)				
BUDGET ADJUSTMENT REFERENCE #	ITEM #	ACCOUNT CODE STRING	DESCRIPTION	AMOUNT	ACCOUNT CODE STRING	DESCRIPTION	AMOUNT	OFFICER COMMENTARY
ADJUSTMENTS WITH NO IMPACT ON BUDGET BALANCE:								Reserve Balances are not included in the Budget Amendment
FUNDS TRANSFER (FROM)				FUNDS TRANSFER (TO)				
BUDGET ADJUSTMENT REFERENCE #	ITEM #	ACCOUNT CODE STRING	DESCRIPTION	AMOUNT	ACCOUNT CODE STRING	DESCRIPTION	AMOUNT	OFFICER COMMENTARY
	1				541.V0002.1221.0000	Eastern Link - Buswilton Traffic Study Grant Revenue	(500,000)	500,000 in additional bridge funding from Department of Infrastructure, Transport, Cities and Regional Development under the National Bridge Renewals Program
	1				541.V0002.3240.0000	Eastern Link - Buswilton Traffic Study Contractor Budget	500,000	Adding the extra 500,000 to the existing expenditure budget of \$2.5m bringing it up to \$3m.
	3	Reserve # 50	From the Major Traffic Improvements Reserve	250,000	541.V0002.3240.0000	Eastern Link - Buswilton Traffic Study Contractor Budget	250,000	As per the Council Report 25 Sep 2019 - Major Traffic Improvements Reserve
	4	Reserve # 65	From the Road Asset Renewal Reserve	40,000	541.V0002.3240.0000	Eastern Link - Buswilton Traffic Study Contractor Budget	40,000	As per the Council Report 25 Sep 2019 - Funding from the Road Asset Reserve
	5	541.S0001.3280.0000	Causeway Road / Rosemary Drive Roundabout - Contractors	750,000	541.V0002.3240.0000	Eastern Link - Buswilton Traffic Study Contractor Budget	250,000	Using the Main Roads City own source contribution for this year's Stage 1 works
	6				541.S0001.3240.0000	Causeway Road Duplication Contractors	500,000	Main Roads 2019/20 Causeway Road contractor budget to be used in 2020/21
	7	541.S0001.1210.0000	Causeway Road / Rosemary Drive Roundabout - Grant Revenue	500,000	541.S0001.1210.0000	Causeway Road Duplication - Grant Revenue	500,000	Main Roads 2019/20 Causeway Road duplication grant to be used in 2020/21
				1,540,000			1,540,000	



**Australian Government**  
**Department of Infrastructure, Transport,  
Cities and Regional Development**

Mike Archer  
Chief Executive Officer  
City of Locked Bag 1  
BUSSELTON WA 6280

Dear Mr Archer

**Bridges Renewal Program Funding for the Causeway Road Bridge Duplication**

I am pleased to advise I have approved \$500,000 in additional funding sought by the City of Busselton for the Causeway Road Bridge Duplication project (the Project), in accordance with the *National Land Transport Act 2014* (the Act).

The maximum Australian Government contribution to the Project is now \$1,750,000. A copy of the signed Cost Adjustment Instrument is enclosed for your records.

This additional funding of up to \$500,000 will be incorporated into the milestone schedule, with timing and other details to be negotiated with your Council.

Thank you for your Council's continued commitment to the Australian Government's Bridges Renewal Program.

Yours sincerely

Shona Rosengren  
General Manager  
North West Infrastructure Investment  
Infrastructure Investment Division

11 December 2019

Enc: Signed Cost Adjustment Instrument WPT337025