

# Urgent Business Item

## For the Ordinary Council Meeting

**Location:** Council Chambers, Municipal Offices  
62-68 Ovens Street, Wangaratta

**Date:** Tuesday, 20 February 2018

**Time:** 6.00pm



RURAL CITY OF  
**WANGARATTA**

Brendan McGrath  
Chief Executive Officer



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## **OFFICERS' REPORTS**

### **15. INFRASTRUCTURE SERVICES**

#### 15.6 REVIEW OF 2017/18 CAPITAL PROJECTS

**Meeting Type:** Ordinary Council Meeting  
**Date of Meeting:** 20 February 2018  
**Author:** Manager - Infrastructure Planning and Delivery  
**File Name:** Budgeting - 2017/18  
**File No:** F17/5

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### **Executive Summary**

This report has been presented to Council to provide a summary of the detailed 2017/18 Capital Expenditure (CAPEX) delivery review. A number of projects are behind schedule, whilst others have been completed under budget or are predicted to require additional funds. This report tries to provide a realistic view of what is achievable in the balance of the financial year and recommends some changes to enable the most efficient result.

#### **RECOMMENDATION:**

##### ***That Council:***

- 1. *Brings forward the Swinburne Pavilion floor renewal project from 2018/19 for delivery in 2017/18 and \$45,000 to be funded from the 2017/18 Community Rural Planning budget;***
- 2. *Allocates \$50,000 of the 2017/18 Building Renewal Budget to the delivery of the Coronation Kindergarten project;***
- 3. *Allocates \$35,000 of the 2017/18 Community Rural Planning Budget to the delivery of the Murrumgee Hall project;***
- 4. *Allocates \$50,000 of the 2017/18 Reseal Budget to the delivery of the Thompson Street (Street Renewal) project;***
- 5. *Approves the budget increase of \$27,000 to complete the Merriwa Park Pump Repair project and that the additional funds needed be absorbed by project savings in 2017/18;***
- 6. *Approves Option 2 for the HP Barr Oval Two Drainage and Restoration project (\$330,000) and the Barr 2 Oval Optus Tower project (\$172,000) and carry over project costs and approve an additional \$450,000 in the 2018/19 budget for delivery in 2018/19; and***
- 7. *Allocate \$20,000 to the children's garden design project.***
- 8. *Allocate \$40,000 to the Eldorado Hall roof project.***

## **Background**

A summary of the projects that require consideration for delivery timing or budget changes are as follows:

1. Coronation Kindergarten project has received some grant funding that requires work to commence this financial year and thus it is recommended to bring forward \$50,000.
2. Swinburne Pavilion floor renewal project was scheduled for completion in 2018/19, the project is ready for delivery and can be brought forward.
3. The Murrumgee Hall project has been out for competitive quotes and based on the final design/scope the most competitive quote was \$94,000 which is \$35,000 above the current budget. The work is much needed and the quotes are considered to represent value for money.
4. Two quotes were recently received for the Merriwa Park pump replacement project, revised budget of \$71,000. One quote was non-conforming and the other was over budget by \$27,000. Given the urgency of these works, this report recommends that works proceed and the over spend be absorbed by 2017/18 budget savings as follows:

<b>Project</b>	<b>Savings</b>
Merriwa Park Asbestos Remediation Works	\$7,396
Reception Area CCTV Upgrade	\$5,135
Newman Street Drainage	Estimated \$23,044

5. Full investigation and detailed design for the HP Barr Oval 2 Drainage and Restoration Project have resulted in a significant increase in cost estimate of \$450,000. The value and requirement for this project needs to be re-assessed by Council and if it is to proceed additional funds need to be allocated.
6. The final detailed design for the Thompson Street project estimates a shortfall in the budget of \$50,000, this will be tested at tender stage but this report recommends an increase to that budget.
7. The children's garden is a part of the Yarrunga Pool redevelopment project. Completing the design of the children's garden in this financial year will enable detailed estimates to be undertaken so that construction can be completed in the 2018/19 year.
8. In order to enable the solar project on the Eldorado Hall, as part of the Rural Community Planning Project, to proceed the hall needs to be re-roofed.

## **Implications**

### **Policy Considerations**

There are no specific Council policies or strategies that relate to this report.

## Financial/Economic Implications

Financial implications are as follows:

Project	2017/2018 Approved Budget \$	This Proposal \$	Variance \$	Comments
Coronation Kindergarten	0	50,000	50,000	Fund from 2017/18 Buildings Renewal Project
Murmungee Hall	59,000	94,000	35,000	Fund from 2017/18 Rural Community Planning Project
Swinburne Pavilion floor renewal project	0	45,000	45,000	Fund from 2017/18 Rural Community Planning Project
Pump Repair Merriwa Park	71,000	98,000	27,000	Absorbed by 2017/18 project savings
HP Barr Oval 2 Drainage & Restoration	330,000	780,000	450,000	Refer to 'Options for Consideration'
Thompson Street (Urban Street Renewal)	500,000	550,000	50,000	Fund from 2017/18 Reseal Project
Children's garden design	0	\$20,000	\$20,000	Fund from the 2017/18 bike path renewal budget
Eldorado Hall roof project	0	\$40,000	\$40,000	Fund from 2017/18 Rural Community Planning Project

## Legal/Statutory

There are no legal/statutory implications identified for the subject of this report.

## Social

There are no social impacts identified for the subject of this report.

## Environmental/Sustainability Impacts

There are no environmental/ sustainability impacts identified for this subject of this report.

## 2013 – 2017 Council Plan (2016 Revision)

This report supports the 2017-2021 Council Plan:

**Goal**

We are Established

**We will focus on our business:**

By enhancing the way we plan and deliver infrastructure projects

**The non-negotiables**

We will achieve a 90% annual completion rate for our capital project delivery

**Strategic Links****a) Rural City of Wangaratta 2030 Community Vision**

N/A

**b) Other strategic links**

N/A

**Risk Management**

N/A

**Consultation/Communication**

N/A

**Options for Consideration**

Increased costs to projects discussed in this report can be covered by committing funds/savings from other 2017/18 projects with the exception of the HP Barr Oval 2 Drainage and Restoration project (note that the delivery of Barr 2 Oval Optus Tower is dependent on the approved design of the drainage and restoration works).

- Option 1: To increase the HP Barr Oval 2 Drainage and Restoration project budget by \$450,000 and commence the delivery of this project and the Barr 2 Oval Optus Tower project in 2017/18.
- Option 2: Carry over funds for both projects - HP Barr Oval 2 Drainage and Restoration (\$330,000) and Barr 2 Oval Optus Tower (\$172,000) and approve an additional \$450,000 in the 2018/19 budget for delivery of these projects in 2018/19.
- Abandon the HP Barr Oval 2 Drainage and Restoration project and deliver Barr 2 Oval Optus Tower in 2017/18.

**Conclusion**

This report summarises the findings of a detailed review of the 2017/18 CAPEX program and recommends changes to allow the most efficient delivery of the program.

**Attachments**

Nil.

**ATTACHMENTS**