

Late Item 13.1 Financial Commitment in the 2015/16, 2016/17 and 2017/18 Budgets

File Reference: 00025
Location: Shire of Pingelly
Applicant: Gavin Pollock, Chief Executive Officer
Author: Gavin Pollock, Chief Executive Officer
Date: 14 July 2015
Disclosure of Interest: Nil
Attachments: Nil
Previous Reference: 11.1.4 Project Manager 17 June 2015,
11.1.2 Endorsement of Concept Drawings for the New Recreation
and Cultural Centre 20 May 2015

Summary:

Council to approve and commit financial funds for the 2015/16, 2016/17 and 2017/18 financial years to support the National Stronger Regions Fund grant application for the Recreation and Cultural Centre.

Background:

The Shire of Pingelly has endorsed the concept drawings for a new Recreation and Cultural Centre, as well as approving a \$2,500,000 loan in the 2014/15 budget that has now been approved by Treasury and was drawn down on 30 June 2015. Council also committed \$250,000 in the 2014/15 financial year for preliminary investigation in to the project and has included the same amount in the draft 2015/16 budget that is to be adopted by Council in early August 2015.

The Recreation and Cultural Centre building is estimated to cost about \$5,850,000 with council committing \$2,500,000 of loan funds and \$500,000 of reserve funds totalling a \$3,000,000 as a contribution to the building.

It is estimated that an additional \$2,480,000 will be required for service upgrades, site works, design costs, building fees, tender documentation, project management, demolition and contingencies or variations.

Round two of the National Stronger Regions Fund is a funding source that can match infrastructure projects dollar for dollar as long as the applicant has already secured committed funding to make the matching contribution. The funding round two closes on 31 July 2015.

Comment:

The proposed financial funding strategy would only take effect as a result of a successful grant application for the National Stronger Regions Fund that is expected to be announced in December 2015.

If the Shire's grant application for the National Stronger Regions Fund was unsuccessful the project would be reviewed and staged over a number of years to eventually deliver the required project and outcomes.

The project would commence in April 2016 with construction starting in October 2016 with a completion date being August 2017.

Consultation:

Cr Lange, Cr Marshall, Mark Casserly - CCI Strategic and Tammy King - Grants Empire.

Statutory Environment:

Local Government Act 1995.

Policy Implications:

The New Recreation and Cultural Centre will assist Council in replacing a number of outdated buildings in poor condition and deliver one asset that will be energy efficient and meet the Shire's asset management strategy.

Financial Implications:

Council's commitment would be \$2,500,000 of loan funds for the Recreation and Cultural Centre already secured and invested, \$500,000 from the Building and Recreation reserve with current balance of \$861,328, with continued contribution of \$250,000 for the 2015/16 and 2016/17 financial years that totals \$500,000 to cover design, tender documents, demolition, site works and utility upgrades prior to construction commencing, \$250,000 in the 2017/18 financial year to cover any financial variations and contingencies, \$105,000 for the 2015/16, 2016/17 and 2017/18 financial years that total \$315,000 to fund a Project Manager who will oversee and coordinate the development of the Recreation and Cultural Centre project from start to finish.

Council's total committed contribution over the three financial years would be \$4,065,000 and with a successful grant application this could be matched dollar for dollar equalling \$8,130,000.

Strategic Implications:

In appointing a Project Manager it will enable the project to be given the required attention to ensure a quality delivered project along with attracting maximum grant funding. The Project Manager will also be developing the strategic objectives for the completed site in relation to current and future stages of development for the new Pingelly Medical Centre and Ageing in Place units.

Voting Requirements:

Absolute Majority

11822 Moved Cr Steel Seconded Cr Mulroney

Recommendation:

That Council

- 1. Endorse the submission of a grant application for round two of the National Stronger Regions Fund for the Recreation and Cultural Centre Project.**
- 2. Endorse the financial commitment up to \$4,065,000 only in the event of a successful National Stronger Regions Fund application for the Recreation and Cultural Centre Project as a dollar for dollar contribution.**
- 3. Endorse the financial commitments being for the 2015/16, 2016/17 and 2017/18 financial years;**
 - \$2,500,000 of loan funds for the Recreation and Cultural Centre already secured and invested.**
 - \$500,000 from the Building and Recreation reserve account with current balance of \$861,328.**
 - \$250,000 for the 2015/16 and 2016/17 financial years that totals \$500,000 to cover design, tender documents, demolition, site works and utility upgrades prior to construction commencing.**
 - \$250,000 in the 2017/18 financial year to cover any financial variations and contingencies.**
 - \$105,000 for the 2015/16, 2016/17 and 2017/18 financial years that total \$315,000 to fund a Project Manager for three years who will oversee and coordinate the development of the Recreation and Cultural Centre project from start to finish.**

11823 Moved Cr Steel Seconded Cr Mulroney

Council Decision:

That Council

- 1. Endorse the submission of a grant application for round two of the National Stronger Regions Fund for the Recreation and Cultural Centre Project.**
- 2. Endorse the financial commitment up to \$4,065,000 only in the event of a successful National Stronger Regions Fund application for the Recreation and Cultural Centre Project as a dollar for dollar contribution.**
- 3. Endorse the development of the Recreation and Cultural Centre Precinct that will deliver the long term vision of creating economic opportunities which will provide growth, employment and deliver a vibrant community.**
- 4. Endorse the financial commitments being for the 2015/16, 2016/17 and 2017/18 financial years;**
 - \$2,500,000 of loan funds for the Recreation and Cultural Centre already secured and invested.**
 - \$500,000 from the Building and Recreation reserve account with current balance of \$861,328.**
 - \$250,000 for the 2015/16 and 2016/17 financial years that totals \$500,000 to cover design, tender documents, demolition, site works and utility upgrades prior to construction commencing.**
 - \$250,000 in the 2017/18 financial year to cover any financial variations and contingencies.**
 - \$105,000 for the 2015/16, 2016/17 and 2017/18 financial years that total \$315,000 to fund a Project Manager for three years who will oversee and coordinate the development of the Recreation and Cultural Centre project from start to finish.**

Note: Point number 3 was added to further explain and demonstrate the future development of the precinct

Carried 6:0