



**Minutes
Special Council Meeting**

16 January 2007
Council Chambers, 2-4 Stephen Street, Bunbury

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SPECIAL COUNCIL MEETING

Minutes of a Special Meeting of the Bunbury City Council held in the Council Chambers, City of Bunbury Administration Building, 2-4 Stephen Street, Bunbury on Tuesday, 16 January 2007.

MINUTES 16 January 2007

1. DECLARATION OF OPENING BY THE MAYOR

His Worship the Mayor opened the meeting at 6:02 pm.

2. RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

Members of Council	
Presiding Member:	His Worship the Mayor, Mr D Smith
Deputy Presiding Member:	Deputy Mayor, Councillor J Jones
Members:	Councillor W Major
	Councillor A Leigh
	Councillor W Lambert
	Councillor S Craddock
	Councillor T Smith
	Councillor R Frisina
	Councillor D Wenn
	Councillor T Dillon
	Councillor S Rooney
	Councillor L Rose
Executive Management Team (Non-Voting)	
Chief Executive Officer:	Mr G Trevaskis
Executive Manager Corporate Services:	Mr K Weary
Executive Manager City Services:	Mr M Scott
Acting Executive Manager City Life:	Mr D Marzano
Council Officers (Non-Voting):	
Administration Officer Corporate Services:	Mrs E Allan
City Accountant	Mr D Ransom
Others (Non-Voting):	
Members of the Public:	0
Members of the Press:	0

APOLOGIES AND LEAVE OF ABSENCE

Cr McCleary – Leave of Absence

Cr Wenn gave notice that he would be retiring from the meeting at 7:20 pm.

3. PUBLIC QUESTION TIME - AS SPECIFIED UNDER SECTION 5.24 OF THE LOCAL GOVERNMENT ACT 1995

Nil.

4. DISCLOSURES OF INTEREST

Cr Dillon disclosed a Conflict of Interest (Code of Conduct) in the item titled “5.1: *Back Beach Stage 3: Tender 2006/07-14 Bunbury Coastal Enhancement Project – Stage III – Revised*” as his daughter is the Manager of one of the landscaping companies that have tendered for Stage III.

Cr Leigh disclosed a Financial Interest in the item titled “5.2: *South West Sports Centre Management Options*” as his company has quoted for the aluminium seating in the stadium. He advised that the interest declared was not related to the management of the Centre, was considered insignificant and he would not be leaving the meeting during discussion and vote on the item.

5. BUSINESS OF THE MEETING

Cr Dillon disclosed a Conflict of Interest (Code of Conduct) in Item 5.1 as his daughter is the Manager of one of the tenderers on the contract. He left the meeting at 6:07 pm for the duration of discussion and the vote on Item 5.1.

Pursuant to Standing Order 15.10, the following Procedural Motion was adopted prior to any discussion:

COUNCIL DECISION 01/07

Moved Cr Craddock

Seconded (not required)

The meeting exclude members of the public to permit Confidential Business (as defined by the Local Government Act 1995) to be discussed.

CARRIED

11 Votes "For" / Nil Votes "Against"

**5.1 BACK BEACH STAGE 3: TENDER 2006/07-14 BUNBURY COASTAL
ENHANCEMENT PROJECT – STAGE III – REVISED CIVIL CONTRACT**

File Ref:	New File
Applicant/Proponent:	Michael Scott
Author:	Michael Scott, Executive Manager City Services
Executive:	Greg Trevaskis, Chief Executive Officer

Summary

At the Council Meeting held 12 December 2006, a recommendation to reject tenders and delay the commencement of works was not accepted. Council Decided (256/06):

Council Decision 256/06

- “1. *The matter be deferred for consideration as soon as practical in 2007.*
2. *The Mayor and Executive to seek alternative and additional funding for the project.”*

During discussion Council instructed officers to investigate a reduction in the scope of the project to complete works to William Street without compromising the design or appearance of the final product.

Officers were also instructed to negotiate a revised costing with the single civil works tenderer was so that contractor mobilisation and works could commence as soon as possible.

A Council decision is required to accept this revised tender and scope of works.

Background

The single civil tenderer agreed to the alternative scope of works and submitted a revised cost proposal which has been provided confidentially **under separate cover** referred to as CR4. Works would commence in accordance with the original timeline in February 2007. In order for the works timeline to be achieved, the civil contractor required confirmation of acceptance of the revised tender price.

At a meeting to discuss this request for acceptance of the revised price the Mayor requested the Executive Manager City Services contact all Councillors by telephone to advise them and to record each Councillor’s preference for the proposal.

All Councillors agreed to the revised scope of works and acceptance of the civil works revised tender.

Strategic and/or Regional Outcomes

The Bunbury Coastal Enhancement Project is consistent with Council's strategic goals including: *"Retain, rehabilitate and protect our natural environment"*; *"Have a built environment, which is safe, accessible, functional, attractive and sympathetic with the natural environment"*; and *"Maintain and develop the City's open space facilities."*

The Bunbury Coastal Enhancement Project will improve visual amenity along the coastline, improve public open space facilities for the community of Bunbury and the Region.

Community Consultation

A Public Workshop facilitated by the City was held at the Hungry Hollow Restaurant on 6 September 2006 together with two site meetings with groups of Ocean Drive residents. Comments received from the Workshop were forwarded to the Consultant Design Team (CDT) and a copy has previously been provided to Councillors.

Further, in accordance with and pursuant to Section 3.51 of the Local Government Act 1995, Council called for public submissions relating to the proposed realignment of Ocean Drive into a boulevard. An advertisement was placed in the Bunbury Mail on the 18 November 2006 for a period of fourteen (14) days.

Councillor/Officer Consultation

Council Briefing Sessions have provided details of tender submissions and construction options.

The Back Beach Stage 3 Project Control Group has endorsed the revised proposal now being presented to Council.

Analysis of Financial and Budget Implications

The current scope of works and cost would impact on Council's capacity to deliver its entire programme of works and projects and manage its debt.

The revised tender price for the civil works component of the project (at \$2.63M) is within the budget for the Project.

Economic, Social, Environmental and Heritage Issues

Economic

The upgrading and enhancement of Rocky Point-Wyalup and the Back Beach has stimulated commercial development. Completion of the Hungry Hollow Precinct will encourage further development.

Social

Upon the development of Rocky Point-Wyalup and the Back Beach these areas have been extensively used for social gatherings. Upon the development of enhanced facilities at Hungry Hollow it is envisaged that further social ambience will be created.

Environmental

Management of stormwater discharge and stormwater quality will assist to ensure a balance between environmental solutions and technical requirements.

Heritage

The City is aware that an area of mythological significance to the Noongar people exists within the confines of Stage III. To address this and other heritage matters a Management Plan has been drawn up and agreed.

Council Policy Compliance

The tender process and the negotiated revision complies with the requirements of Work Procedure SP4.6 (Tender Procedure)

Legislative Compliance

The calling of tenders was undertaken in accordance with the provisions of the Local Government (Functions and General) Regulations 1996.

Delegation of Authority

The tender exceeds \$50,000 and is submitted to Council for approval.

Relevant Precedents

Previous stages associated with Rocky Point-Wyalup and the Back Beach have been submitted to Council for approval.

Options

Option 1: Per the Executive Recommendation.

Option 2: Should Council believe further deliberation is necessary, the alternative option would be to return the matter to committee.

Conclusion

The Executive believe that the Executive Recommendation is the correct course of action.

AT THE COUNCIL MEETING

The Executive Recommendation was moved Cr Major, seconded Cr Wenn.

The Mayor put the Motion to the vote and it became a Council Decision.

COUNCIL DECISION 02/07

Moved Cr Major
Seconded Cr Wenn

1. *Council endorse its interim decision to award the revised civil works tender to APH for the Back Beach Stage 3 Project to William Street at a cost of \$2.63M so that work can commence as soon as possible in February 2007.*
- 1.1 *The successful tender price be recorded in the Council Minutes.*
2. *The Executive Manager City Services negotiate with the two landscape tenderers for a revision in landscape works to meet standards to be determined by Council's appointed Project Control Group and the revised extent of works (note: acceptance of a final landscape design tender will be the subject of a Council decision when negotiated).*

CARRIED

11 Votes "For" / Nil Votes "Against"

Tenderer	Final cost
APH	\$2.63M

Cr Dillon returned to the meeting chamber at 7:02 pm.

5.2 SOUTH WEST SPORTS CENTRE MANAGEMENT OPTIONS

File Ref:	A01965-02
Applicant/Proponent:	Internal Report
Author:	David Ransom, City Accountant
Executive:	Ken Weary, Executive Manager Corporate Services

Summary

The South West Sports Centre is currently under an interim management arrangement (until 28 February 2007) with Belgravia Leisure Pty Ltd and the long-term management of the SWSC is required to be determined by Council.

Management options for the South West Sports Centre include the following:

1. Council call tenders for the management of the South West Sports Centre.

Recreation and leisure industry professionals would manage the SWSC on a two-year contract on a fee-for-service basis. The contract would include key performance indicators and any extension of the contract term would be at the sole discretion of Council.

As with the current interim management arrangement, the management group would employ the SWSC's staff and provide payroll services, with the City providing accounting services and financial reporting.

2. The South West Sports Centre is managed internally by the City.

The City employs a centre manager and centre staff to run the South West Sports Centre under the responsibility of an executive manager.

The City would require an additional two staff to undertake human resources, payroll, records management and information technology. An overview of activities to be undertaken is **attached** at Appendix 1.

3. Council creates an incorporated body to manage the South West Sports Centre.

Similar to the management structure of the Bunbury Regional Entertainment Centre, the City would create an incorporated body to manage the South West Sports Centre. A Board of Management would run the incorporated body with members of the Board appointed by Council.

The Board of Management would employ a centre manager and centre staff to run the SWSC. As with Option 2, additional staff resources would be required by the Incorporated Body for financial reporting and other accounting services, human resources management, payroll services, records management, information technology and management support.

The incorporated body, which becomes a separate legal entity, would operate the SWSC under a Management Agreement and submit an Annual Business Plan for operating and capital funding to operate the SWSC. An incorporated body could be established within a two (2) to three (3) month time frame.

Background

Belgravia Leisure Pty Ltd is providing interim management services to the South West Sports Centre until 28 February 2007.

As Manager for the SWSC, Belgravia Leisure's responsibilities include the following:

- * Management of staff including: training; recruitment; inductions; and performance management.
- * Programming of the SWSC, including development and introduction of new programs, bookings, club and association liaison, coordination and administration.
- * Marketing of the programs and services offered by the SWSC.
- * Risk Management of the SWSC and centre activities.
- * Human resource services and support including industrial relations.
- * Management support provision to the Centre Manager and senior staff team.
- * Supply and contract coordination for all supplies, goods and services.
- * Information technology support and advise.

Strategic and/or Regional Outcomes

Ensuring that the South West Sports Centre is managed appropriately supports Council's Strategic Plan of having diverse recreational and leisure opportunities. The SWSC provides a comprehensive range of facilities and services to the local community and the South West Region.

Community Consultation

Council's decision on the most appropriate management of the SWSC will not impact the community and will not require community consultation.

The Fees and Charges for the South West Sports Centre as identified in the 2006/2007 Business Plan, were advertised in the South West Times on the 23 November 2006.

Councillor/Officer Consultation

Councillors have previously discussed the future management of the South West Sports Centre at the Councillor Briefing Session on the 7 November 2006 and adopted the 2006/2007 Business Plan for the South West Sports Centre at the Council Meeting 21 November 2006.

At the Briefing 7 November 2006, Councillors reviewed the following Reports:

- * A comparison of costs between Belgravia and the City of Bunbury managing the SWSC which is provided confidentially **under separate cover** referred to as CR1.
- * An analysis of internal versus external management of the South West Sports Centre (advantages and disadvantages) which is **attached** at Appendix 2.
- * At the Council Briefing held 7 November 2006, it was acknowledged that a Tender would be called for the management of the Centre, and in accordance with this position a specialist recreation facility consultant was engaged to prepare tender specifications in order that the Tender could be advertised late January or in the first week of February 2007.

Since the Council Briefing, Cr Frisina has proposed an alternative management structure utilising an incorporated body. Cr Frisina will address Council on his proposal.

Analysis of Financial and Budget Performance

The budgeted contribution required from the City of Bunbury to fund the South West Sports Centre for 2006/2007 is \$536,155. A review of income and expenditure for the past 4 years is as follows.

YEAR	INCOME	EXPENDITURE	COUNCIL CONTRIBUTION
2005/2006	\$1,779,904	\$2,328,280	\$548,376
2004/2005	\$1,808,865	\$2,340,269	\$531,404
2003/2004	\$1,891,760	\$2,485,269	\$593,509
2002/2003	\$1,877,230	\$2,254,832	\$377,602

Council has sought advice in respect to employee/award compliance associated with the SWSC should the City of Bunbury assume responsibility. Advice received is that should Council decide to take over management of the SWSC, the existing certified Salaries and Wages Agreement in place is able to be transmitted to the City in respect to all employees who transfer employment to the City with the transmission of the business. The reduced costs associated with this process totalling \$212,177 are provided confidentially **under separate cover** referred to as CR2.

Under the current contract management arrangement, Council has assumed responsibility for:

- * Monthly Financial Reporting
- * Certification of Purchase Orders above \$2,000
- * Internal Audit and matching of Invoices to approved Orders
- * Payment of Accounts (average 175 a month)
- * Review Budget to Actual income and expenditure figures
- * Report Financial Statements and Financial Position to Council monthly
- * Reimburse Belgravia payroll costs fortnightly
- * Finance administration support

Note: Human resource management, industrial relations and the payment of wages to approximately 62 staff at the South West Sports Centre is undertaken by Belgravia.

An Operations Report (including the Financial Management Reports) for the four months ending 31 December 2006 showing a \$49,330 favourable position against budget and is provided confidentially **under separate cover** referred to as CR3.

The Operations Report updates Councillors on the operations of the SWSC by the Centre Manager, Mr Malcolm Neill from Belgravia Leisure. The Financial Management Report prepared by the City shows that the SWSC is operating financial better than budgeted during the past 4 months with:

- * Revenue 1% (\$7,770) above budget
- * Expenditure 5% (\$41,560) under budget
- * Resulting in a favourable 23% (\$49,330) saving on the budget-to-date to the end of December 2006.

Economic, Social, Environmental and Heritage Issues

The SWSC employs 62 staff members and provides opportunities for an additional 10 staff on a seasonal basis.

Council Policy Compliance

The management options for the South West Sports Centre do not contravene any Council policies.

Legislative Compliance

Should Councillors decide that the South West Sports Centre would be better managed externally, then the proposed management would be required to be put out to tender in accordance with the provisions of the Local Government (Functions and General) Regulations 1996.

ABV Leisure Consultancy Services at a cost of \$4,000 have been engaged to prepare a Tender Specification for the management of the South West Sports Centre. A copy of ABV's Curriculum Vitae is **attached** at Appendix 3. The Draft Tender Specification is expected to

be received Monday 15 January 2007 to be reviewed in readiness for placing the tender advertisement in the last week in January 2007 to allow Councillors to consider tenders received by end of February 2007. If no Tender is accepted, Council would assume responsibility for the management of the SWSC.

Delegation of Authority

No delegated authority applies.

Relevant Precedents

Council has previously operated the Bunbury Recreation Centre both internally and through utilising external managers.

Options

Management options for the South West Sports Centre include the following:

1. Council call tenders for the management of the South West Sports Centre.
2. The South West Sports Centre be managed internally by the City.
3. Council creates an incorporated body to manage the South West Sports Centre.

Conclusion

Council is required to determine the long-term management of the South West Sports Centre.

The Executive prefer a short-term (two-year) Contract Management Contract arrangement to allow the opportunity to fully explore the unresolved issues of staff award agreements, Industrial Relations compliance and actual staff requirements associated with the management of the SWSC by the City or an Incorporated Body. The previous management through the BCRA, was an Incorporated Body Management Structure and proved complex in achieving Council's goals. A short-term (two-years) management arrangement ensures the ongoing operations of the SWSC whilst a council working group reviews all aspects of a change of management structure.

It is expected Council will receive competitive tenders for the Contract Management of the Centre as both Belgravia Leisure and YMCA, who are both experienced Leisure Centre operators, have expressed an interest in tendering.

EXECUTIVE RECOMMENDATION

- a) Council call tenders for the management of the South West Sports Centre on a management fee-for-service basis only, for a two (2) year contract period.
- b) Should Council accept the Tender for the Management of the South West Sports Centre, a council working group be appointed to fully explore the costs associated with an alternative management structure for the South West Sports Centre.
- c) Should no tender for the management of the South West Sports Centre be accepted, Council assume responsibility for the management of the South West Sports Centre.

AT THE COUNCIL MEETING

Pursuant to Standing Order 15.6, the following Procedural Motion was adopted to allow free and open discussion on the matter:

COUNCIL DECISION 03/07

Moved Cr Jones

Seconded (not required)

That the Council move into a Committee of the Whole.

CARRIED

12 Votes "For" / Nil Votes "Against"

Pursuant to Standing Order 15.6, the following Procedural Motion was adopted to return proceedings to being conducted in accordance with Standing Orders:

COUNCIL DECISION 04/07

Moved Cr Jones

Seconded (not required)

That the Council move out of a Committee of the Whole.

CARRIED

12 Votes "For" / Nil Votes "Against"

Cr Wenn left the meeting chamber at 7:38 pm for the remainder of the meeting.

COUNCIL DECISION 05/07

Moved Cr Frisina

Seconded Cr Craddock

- a) *That Council not proceed to tendering the Management of the South West Sports Centre (SWSC) at this time.*
- b) *Belgravia is given an extension to their contract to manage the SWSC from 1 March 2007 to 30 April 2007.*
- c) *That an independent investigation of the SWSC be carried out by external consultants before 1 April 2007 to provide a guide for the issues to be addressed in relation to the asset management and replacement at the centre and the issues relating to the management options to be considered by Council.*
- d) *Belgravia be requested to cooperate with external consultants in their independent investigation of the SWSC.*

CARRIED

11 Votes "For" / Nil Votes "Against"

Pursuant to Standing Order 15.10, the following Procedural Motion was moved Cr Jones.

COUNCIL DECISION 06/07

Moved Cr Jones

Seconded (not required)

As Confidential Business (as defined by the Local Government Act 1995) has concluded the meeting once again include members of the public.

CARRIED

11 Votes "For" / Nil Votes "Against"

His Worship the Mayor then read aloud Council Decisions 02/07 and 05/07.

6. CLOSURE OF MEETING

There being no further business, His Worship the Mayor declared the meeting closed at 7:56 pm.

CONFIRMED this day 13 February 2007, to be a true and correct record of proceedings of the Bunbury City Council Meeting held 16 January 2007.

D SMITH
HIS WORSHIP THE MAYOR