

IN1 – Increase to the Capital Budget Program 2018/19

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274044

TRIM 3311

EXECUTIVE SUMMARY

- The purpose of this report is to update Council and revise a number of programs within the 2018/19 Major Works Program, particularly in relation to grant funding for specific projects and project management resourcing.
- It is recommended that the 2018/19 Major Works Program be revised in line with confirmed funding offers and project management allocations to the total program amounts:

Road Renewal Program:	\$9,632,148
Road Upgrade Program:	\$ 450,000
Footpath New Program:	\$ 558,640
Buildings Renew:	\$ 775,000
Open Space Renew:	\$ 375,000
Open Space New:	\$2,300,000

REPORT

A number of funding agreements have been confirmed for 2018/19 since the development of the Draft 2018/19 Annual Capital Works Program that informed the Budget adopted by Council on 18 June 2018. These include:

Road Renewal Program

Moreton Park Road Disaster Relief Grant

Sections of the embankment leading to the freeway overbridge on Moreton Park Road failed during the June 2016 storm event, and funding applied for under the Natural Disaster Relief and Recovery Arrangements (NDRRA).

However, the severity of the damage was not immediately apparent until detailed site investigations were carried out and design options explored. This was carried out during 2017/18 with an extension of time and confirmation of amount. This was approved in May 2018 with a total project allocation of \$587,076.

Expenditure relating to site investigations, design and documentation was claimed in 2017/18 and the remaining allocation of \$476,648 requires inclusion in the 2018/19 road renewal program.

We note that the tender process for the project is near complete with works expected to commence in Q1 of the financial year.

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Blaxland Crossing Bridge Bearing Replacement

The bridge bearing replacement works will continue into July with completion and site clean-up in August. With expenditure to date and claimed in 2017/18 for works completed; a total of \$280,000 needs to be included in the 2018/19 Road Renewal Program, using restricted funds brought forward from the unexpended 2017/18 allocation. It is noted that the budget is on a 50/50 share with Penrith City Council and as such the Penrith City Council's share for the 2018/19 budget will be \$140,000 and the contribution income budget will be increased accordingly.

Road Renewal Program: $\$8,800,500 + \$476,648 + \$280,000 = \$9,557,148$

Road Upgrade Program

Silverdale Road, Wallacia

It is proposed to introduce funding to commence a route feasibility investigation for the upgrade of Silverdale Road between Blaxland Crossing Bridge and Farnsworth Avenue to inform the revision of the Development Contributions Plan as well as potential grant opportunities such as rounds 3 & 4 of the Western Sydney Infrastructure Program.

Prince Street, Picton

It is also proposed to introduce funding towards pursuing detailed design of intersection upgrades at each end of Prince Street, Picton. Upgrades to these intersections has been identified as critical as part of the overall draft Picton CBD Masterplan, which is being finalised, and pursuing detailed investigations and design will assist in early delivery of these projects once the masterplan is finalised and adopted.

Both these projects are in line with the adopted Development Contributions Plan (2011), and it is proposed to introduce \$100,000 for each project with further adjustments carried out at subsequent quarterly reviews if required.

Road Renewal Program: $\$250,000 + \$100,000 + \$100,000 = \$450,000$.

Footpath New Program

Walton Street Safer Communities Grant

Council have been successful in securing a grant under the Federal Government's Department of Industry, Innovation & Science's Safer Communities Program for street lighting for Walton Street, Picton.

The funding totals at \$223,300; however, it is to be administered in stages with \$178,640 to be claimed in 2018/19 and the remaining \$44,660 to be claimed in 2019/20.

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The Walton Street street lighting project has been identified as a high priority program and, as it is predominately to improve pedestrian safety, has been listed under the Footpath New Program.

As such \$178,640 needs to be included in the 2018/19 Footpath New Program (and \$44,660 included in considerations for the 2019/20 program).

Footpath New Program: $\$380,000 + \$178,640 = \$558,640$.

Project Management Internal Costs

Currently, internal project management/administration resources are funded under operational salary budget. However, if a project was to be managed using external resources, these resources would be charged directly against the relevant projects leading to a disparity in project costs.

To correct this disparity, it is proposed to charge internal project management costs against relevant projects and it has been estimated that a total of 75% of the salary allocation for these resources could be allocated across the capital works program (equates to \$75,000 per employee).

Council currently employs two Project Management Officers. The first works on Transport Assets and predominately against the Road Renewal Program (i.e. 100% road renew).

The second resource works with the Open Space and Buildings programs (i.e. 33% open space new, 33% open space renew and 33% buildings renew).

Road Renewal Program:	$\$9,557,148^* + \$75,000 = \$9,632,148$
Open Space New:	$\$2,275,000 + \$25,000 = \$2,300,000$
Open Space Renew:	$\$ 350,000 + \$25,000 = \$ 375,000$
Buildings Renew:	$\$ 750,000 + \$25,000 = \$ 775,000$.

* This figure includes the changes proposed under the section *Road Renewal Program (Moreton Park Road Disaster Relief Grant and Blaxland Crossing Bridge Bearing Replacement)*.

CONSULTATION

Nil.

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FINANCIAL IMPLICATIONS

The 2018/19 Capital Works Program budget allocations are to be amended as follows:

Program	Original Budget	Variation	Proposed Budget
Road Renewal	\$8,800,500	\$831,648	\$9,632,148
Road Upgrade	\$ 250,000	\$200,000	\$ 450,000
Bridge Program	\$ 883,500	-	\$ 883,500
Kerb & Gutter (new)	\$ 300,000	-	\$ 300,000
Kerb & Gutter (renew)	\$ 365,000	-	\$ 365,000
Footpaths (new)	\$ 380,000	\$178,640	\$ 558,640
Footpaths (renew)	\$ 300,000	-	\$ 300,000
Public Transport Fac (renew)	\$ 53,000	-	\$ 53,000
Traffic Facilities (new)	\$ 50,000	-	\$ 50,000
Traffic Facilities (renew)	\$ 210,000	-	\$ 210,000
Open Space (new)	\$2,275,000	\$ 25,000	\$2,300,000
Open Space (renew)	\$ 350,000	\$ 25,000	\$ 375,000
Buildings (new)	\$ 750,000	\$ 25,000	\$ 775,000
Plant Fleet	\$ 500,000	-	\$ 500,000
Car Fleet	\$ 110,000	-	\$ 110,000
Stormwater Drainage	\$ 204,000	-	\$ 204,000
Other Projects	\$ 50,000	-	\$ 50,000
	\$ 15,831,000	\$ 1,285,288	\$ 17,116,288

The additional capital works program expenditure will be funded as follows:

Additional developer contributions funding	\$ 200,000
Additional grant funding	\$ 178,640
Contribution from Penrith City Council	\$ 140,000
Reintroduce prior year unexpended reserve funding	\$ 616,648
Reduction in operating budget (project mgmt salaries)	\$ 150,000
	\$ 1,285,288

ATTACHMENTS

Nil.

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RECOMMENDATION

That the 2018/19 Major Works Program be revised in line with confirmed funding offers and project management allocations to the total program amounts:

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- Road Upgrade Program: \$ 450,000
- Footpath New Program: \$ 558,640
- Open Space New: \$2,300,000
- Open Space Renew: \$ 375,000
- Buildings Renew: \$ 775,000