



4 December 2019

Contact for Apologies: General Manager

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File Ref: GOV9.14.041

Dear Board Member

NOTICE OF MEETING

Notice is hereby given pursuant to the Victor Harbor Horse Tram Authority Charter and Section 87(4) of the Local Government Act, 1999, as amended that a meeting for the **Victor Harbor Horse Tram Authority** has been called for:-

DATE: Thursday 5 December 2019

TIME: 10.30 am

PLACE: Not applicable (meeting will be conducted via circular resolution)

Please find enclosed a copy of the Agenda for the meeting.

Yours faithfully

Megan Whibley

General Manager

Victor Harbor Horse Tram Authority

Please be advised that filming, photography and audio recording may take place at this meeting when the public and media are not lawfully excluded under Section 90 of the Local Government Act 1999.



Date: Thursday 5 December 2019

Time: 10.30am

Location: Not applicable (meeting was conducted via circular resolution)

In accordance with the Code of Practice for Meeting Procedures for the Victor Harbor Horse Tram Authority provides Board Meetings for the purpose of Clause 2.4.4 of the Charter, the contemporary linking together by telephone, audio-visual or other instantaneous means of the Board Members provided that at least a quorum is present, is deemed to constitute a meeting of the Board. Each of the Board Members taking part in the telecommunications meeting, must at all time during the telecommunications meeting be able to hear and be heard by each of the other Board Members present. At the commencement of the meeting, each Board Member must announce his/her presence to all other Board Members taking part in the meeting. A board Member must not leave a telecommunications meeting by disconnecting his/her telephone, audio-visual or other communication equipment, unless that Board Member has previously notified the Chair of the meeting.

A proposed resolution in writing and given to all Board Members in accordance with procedures determined by the Board will be a valid decision of the Board and will constitute a valid decision of the Authority where a majority of Board Members vote in favour of the resolution by signing and returning the resolution to the General Manager or otherwise giving written notice of their consent and setting out the terms of the resolution to the General Manager. The resolution will be deemed a resolution of the Board and will be as valid and effective as if it had been passed at a meeting of the Board duly convened and held.

On behalf of the General Manager, the Corporate and Customer Service Administration Officer of the City of Victor Harbor emailed to the Victor Harbor Horse Tram Authority Board Members of on Thursday 5 December 2019, at 10.30am.

The purpose of the Circular Resolution Agenda was to seek (via circular resolution) the Boards Members decision relating to Victor Harbor Horse Tram Authority Board Budget Bid planning for 2020/21.

1. Attendance

Paul Brown (Chair) (via email)
Cr Carol Schofield AM (via email)
Nigel Catt (via email)
Rachel Kennedy (via email)
Natasha Hunt (via email)



Megan Whibley (General Manager VHHTA)

Karen Rokicinski (Director Corporate and Customer Service CVH)

Pauline Corcoran (Minute Secretary CVH)

2. Apologies

Nil

3.1 Report

Proposed Capital Budget Bids to Council for 2020/213

3.2 Circular Resolution

Attachment A Budget Bid Circular Resolution9

Please be advised that filming, photography and audio recording may take place at this meeting when the public and media are not lawfully excluded under Section 90 of the Local Government Act 1999.



Meeting **Victor Harbor Horse Tram Authority**
Date **5 December 2019**
From **Megan Whibley**
Subject **Proposed Capital Budget Bids to Council for 2020/21**
Report Number **3.1**

RECOMMENDATION

1. That the Victor Harbor Horse Tram Authority Board receive and note the report on Proposed Capital Budget Bids to Council for 2020/21.
2. That the Victor Harbor Horse Tram Authority Board endorse the Proposed Capital Budget Bids for 2020/21 as detailed in this report, and provide these to Council for their consideration.

INFORMATION

Purpose

The purpose of this report is to endorse the proposed capital budget bids for 2020/21 to provide them to Council for their consideration.

Background

On Wednesday 4 December 2019, Ms Pauline Corcoran sent an email to board members requesting members to endorse the proposed capital budget bids for 2020/21, in order to provide them to Council for their consideration.

The VHHTA Code of Practice for Meeting Procedures states:

“A proposed resolution in writing and given to all Board Members in accordance with procedures determined by the Board will be a valid decision of the Board and will constitute a valid decision of the authority were a majority of Board Members vote in favour of the resolution by signing and returning the resolution to the General Manager. Or otherwise given written notice of their consent and setting out the terms of the resolution of the General Management. The resolution will be deemed a resolution of the Board and will be as valid and effective as if it had been passed at a meeting of the Board duly convened and held.”

As a board member of the Authority you need to vote on the circular resolution contained in this report. Board members must sign and return **Attachment A**, if they are in favour of the resolution.

If the majority of the Board members vote in favour, the resolutions will be deemed a resolution of the Board.

Commentary

A number of Victor Harbor Horse Tram Authority Board (the Board) discussions have taken place in relation to capital projects that will be required in future budgets to further the needs and success of the Horse Drawn Tram operation. A number of these projects have been specifically identified as priority actions within the recently endorsed VHHTA Business Plan 2019-21, and all proposed capital budget bids align with the strategic direction of the business plan. Many also align with recommendations of the former Victor Harbor Horse Drawn Tram Committee, as detailed in their report to Council in September 2017.

The role of the Board, as detailed in the VHHTA Charter, is to provide recommendations to Council in relation to the setting of their 2020/21 Capital budget, as relevant to the needs of the Victor Harbor Horse Tram Authority. The final determination as to whether these capital works will progress sits with Council as the owner of the assets.

The following tables show the individual capital budget bids that are recommended to be proposed by the Board to Council for 2020/21. The bids are presented in the format required by City of Victor Harbor as part of their budget planning processes.

1. BUSINESS DETAILS			
Department:	VHHTA	Manager:	Meg Whibley
Activity Area:	VHHTA	Prepared By:	Meg Whibley

2. 2020/21 ANNUAL BUSINESS PLAN – BUDGET BIDS		
Proposed Bids: Stable at Canton place \$100,000	Description:	<i>Provide description, location, & estimated budget</i> Stable construction at Canton Place – two stages) First stage - use existing funds from 2019/20 budget to build outer construction \$80,800) Second stage - do the fit out of the interior \$100,000- stabling, staff room/presentation room, 1/3 concrete area, amenities, earth works, rain water tanks, wash down area and tie up area.
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> Opportunities and necessity to improve these aspects were identified by the former Victor Harbor Horse Drawn Tram Committee, in their report of September 2017 and have continued as discussion by current Board. Priority recognised in current VHHTA Business Plan 2019-21: Operations Excellence <ol style="list-style-type: none"> 1. <i>Develop the Front-of-House and Stables</i> <ul style="list-style-type: none"> o <i>Build/develop an appropriate stable facility for the horses</i> o <i>Liaise with City of Victor Harbor around the needs of the Authority to ensure that appropriate grazing land is available for the horses</i>
	Approval:	<i>Board Approval</i>
		Yes / No

	Comments:	Inadequate facilities at present shedding. No electricity, no toilets, no area for housing triton and float that is secure. Indoor stables required for the housing of sick or injured horses, out of public view. Additional own source revenue - offer of VIP experiences at the stable facilities. With the uncertainty of the continuous operation of the Tram during the construction of the new Causeway it will be imperative that another income source is developed.	
Proposed Bids: Stable Solar panels \$20,000	Description:	<i>Provide description, location, & estimated budget</i> Solar panels to be installed at the new stable once built so as to generate power and hopefully be self-sufficient - \$20,000 plus gain government \$ to match \$20,000	
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> With the potential opportunity to build the new stable this would make it a more viable proposition. The former Victor Harbor Horse Tram Committee identified in their September 2017 report to Council a strong need to seek opportunities to reduce costs without reducing the quality of the Horse Tram service. Priority recognised in current VHHTA Business Plan 2019-21: Finance 2. <i>Develop and Diversify Income Streams</i>	
	Approval:	<i>Board Approval</i>	
		Yes / No	Date:
	Comments:	Opportunity to reduce expenses and reliance on Council support – a key priority recognized by the former Victor Harbor Horse Drawn Tram Committee and a focus of the current VHHTA Board. This proposal, whilst incurring an upfront cost to Council, would reduce expenses in relation to electricity over the longer term.	
Proposed Bids: New platform on Granite Island \$20,000	Description:	<i>Provide description, location, & estimated budget</i> Demolish the old platform and re build a new one. Looking at a rustic wooden construction to match the heritage look.	
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> First identified by the former Victor Harbor Horse Drawn Tram Committee, in their report to Council in September 2017 and discussion has continued with the current Board. Priority recognised in current VHHTA Business Plan 2019-21: Operations Excellence 1. <i>Develop the Front-of-House and Stables</i>	
	Approval:	<i>Board Approval</i>	
		Yes / No	Date:
	Comments:	The existing is rusted and looking really rundown. Drawings are being sought at the moment.	
Proposed Bids: Tram refurbishment \$60,000	Description:	<i>Provide description, location, & estimated budget</i> Each tram requires a major refurbishment to inspect integrity of the framework and the outer panels, as well as sand back and repaint. Estimated cost of \$20,000 per tram	
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> It has been over three years since this was done and routine maintenance has stalled over the past few years. It is an important safety requirement to have well maintained trams and equipment.	

		Requirement for preventative maintenance works and plans were identified by the former Victor Harbor Horse Drawn Tram Committee, in their report of September 2017 and have continued as discussion by current Board. The need to reduce risk through appropriate asset management is a priority recognised in current VHHTA Business Plan 2019-21: Operations Excellence 3. Recognise and reduce risk to the Authority) Update maintenance records, schedule and asset management systems
	Approval:	Board Approval
		Yes / No Date:
	Comments:	Preventative maintenance is more effective than reactive maintenance and can be effective in saving money over the longer term.

Proposed Bids: Fencing of grazing land (SA Water) \$15,000	Description:	<i>Provide description, location, & estimated budget</i> New fencing for the SA Water land (subject to the SA Water land being purchased or longer term care and control being secured for use by Council and the VHHTA)
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> The need to improve conditions on the grazing lands was identified in the September 2017 report from the Victor Harbor Horse Drawn Tram Committee (the Committee) to Council. With negotiations now further progressed in relation to securing the SA Water land as a more permanent grazing site, further upgrades are required, as identified previously by the Committee, to render it suitable for long-term grazing. Priority recognised in current VHHTA Business Plan 2019-21: Operations Excellence 1. Develop the Front-of-House and Stables o Liaise with City of Victor Harbor around the needs of the Authority to ensure that appropriate grazing land is available for the horses
	Approval:	Board Approval
		Yes / No Date:
	Comments:	Fencing is inadequate at present. This spend will not be required if the land does not transfer to Council, or if care and control is not secured for the longer term – if this ends up being the case then further discussions will be required to determine stabling location and needs into the future.

Proposed Bids: Rail Repairs on Granite Island \$50,000	Description:	<i>Provide description, location, & estimated budget</i> Degree of required works unknown at this stage, but there is a high likelihood that some further capital funds will be required as track condition is deteriorating on Granite Island.
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> Not all of the line has been repaired as part of capital project in 2019/20 and further works have been identified, through visual inspection, as likely over the 2020/21 financial year. The need to reduce risk through appropriate asset management is a priority recognised in current VHHTA Business Plan 2019-21:

		Operations Excellence 3. <i>Recognise and reduce risk to the Authority</i> o <i>Update maintenance records, schedule and asset management systems</i>	
	Approval:	<i>SMT Approval</i>	
		Yes / No	Date:
	Comments:	Works are preventative to avoid further tram derailments and ensure ongoing ability to deliver the Horse Tram service. Note that these works will be required even with the new causeway construction plans.	
Proposed Bids: Round Yard for training at Canton with viewing platform \$20,000			
	Description:	<i>Provide description, location, & estimated budget</i> With the idea to promote the VIP experiences at Canton, a proper round yard for displaying different training methods. To include a raised platform for VIPs to enhance the visual experience.	
	Identification:	<i>How was the project identified?(AMP / Site Inspection / Community Survey)</i> First identified by the former Victor Harbor Horse Drawn Tram Committee, in their report of September 2017 and have continued as discussion by current Board. Priority recognised in current VHHTA Business Plan 2019-21: Finance 1. <i>Develop and Diversify Income Streams</i>	
	Approval:	<i>SMT Approval</i>	
		Yes / No	Date:
	Comments:	Enhance the VIP experience and increase VHHTA own source revenue.	

Other proposals discussed by the Board which have not been recommended as 2020/21 capital budget bids with this report, are omitted due to current uncertainty over the causeway and the future location of horse tram operations over to Granite Island. Other priorities presented for consideration in the table above, largely relate to horse wellbeing, staff and public safety and works which will improve the ability of the VHHTA to generate own source revenue or reduce operational expenditure.

RISK ASSESSMENT

Financial Management – The proposed budget bids will impact on Council’s capital budget, with a number of the bids designed to improve the operational bottom line into the future by increasing VHHTA own source revenue or reducing expenses. The risk is assessed as **high**.

Service Delivery – A number of these projects are identified as priority actions within the VHHTA Business Plan 2019-21 and if not supported, may impact on the ability of the VHHTA to improve the operational bottom line over the coming years. Other projects are being proposed to reduce risk to safety and may impact on the ability of the VHHTA to operate, particularly preventative maintenance tasks which have fallen behind over recent years and are required to be done to ensure ongoing safety of operations. It is important to note that a decision to resolve contrary to the recommendation would elevate the risk. The risk is assessed as **low**.

Socio Political, Community Issues / Reputation – There is likely to be some angst in relation to the expense of the 2020/21 capital budget bid proposals as some members of community are keen to see a reduction in costs being incurred by the Council in support of the VHHTA. This is likely to be mitigated to some degree by the proposals either addressing safety/wellbeing needs or seeking to reduce expenses in the longer term. The risk is assessed as **medium**.

Infrastructure & Assets – A number of these projects are identified priorities to address preventative maintenance tasks which have fallen behind over recent years and are required to be done to ensure ongoing safety of operations and reduce the costs of reactive works and downtime of operations. If budget bids addressing preventative maintenance are not supported, the associated risk would elevate. The risk is assessed as **low**.

Employee Safety / Public Safety – A number of these projects are identified as priority actions to ensure ongoing safety of operations for staff and the public. It is important to note that a decision to resolve contrary to the recommendation would elevate the risk. The risk is assessed as **low**.

BUDGET IMPLICATIONS

The total cost of the proposed capital budget bids is \$285,000. Details of individual bids are contained in the table above. These proposed budget bids would directly impact Council's capital budget, rather than the budget of the VHHTA, if they were to be supported by the Board and by Council.



RECOMMENDATION

1. That the Victor Harbor Horse Tram Authority Board receive and note the report on Proposed Capital Budget Bids to Council for 2020/21.
2. That the Victor Harbor Horse Tram Authority Board endorse the Proposed Capital Budget Bids for 2020/21 as detailed in this report, and provide these to Council for their consideration.

I hereby, vote in favour of the above recommendations:

Signature

Paul Brown

Independent Board Member

Signature

Nigel Catt

Independent Board Member

Signature

Rachel Kennedy

Independent Board Member

Signature

Natasha Hunt

Independent Board Member

Signature

Cr Carol Schofield AM

Elected Member Representative