NOTICE OF THE
CITY GOVERNANCE COMMITTEE

Date: Tuesday, 30 June, 2020
Time: 9:00 am
Location: Logan Entertainment Centre
170 W embley Road, Logan Central

Committee Members:
Councillor Bradley (Chairperson)
Councillor Willcocks (Deputy Chairperson)
Councillor Lane
Councillor Russell
Councillor Koranski
Councillor Raven
Councillor Hall
Councillor Frazer
Councillor Heremaia
Councillor Bannan
Councillor Stemp
Councillor Murphy
His Worship the Mayor, Councillor Power
1. **Welcome**

2. **Acknowledgement of Country**

3. **Leave of Absence**

4. **Business Transformation**
   
   4.1 Strategic Asset Management and Maintenance System (SAMMS) 2019-2020 Project Progress Report and Transition Plan

5. **Director of Innovation and City Transformation**
   
   5.1 Covering Report - Innovation and City Transformation Directorate Overview and Update 2020

6. **Finance**
   
   6.1 Executive Financial Performance Report May 2020

7. **Administration**
   
   7.1 Covering report - Proposed acquisition of Council land in Springwood

8. **Confidential Documentation**
   
   This section includes any supporting confidential documentation relating to specified Committee reports.
   
   8.1 Confidential Report - Innovation and City Transformation Directorate Overview and Update 2020
   
   8.2 Confidential Report - Proposed acquisition of land in Springwood
Logan City Council
Committee Business Papers -
Use of Information by Councillors

Please retain the attached Business Paper as it will be considered in conjunction with the recommendations of the relevant Committee meeting by Council.

Councillors are reminded that if a person is convicted of an offence against the following section 171 of the Local Government Act 2009 (Use of information by councillors), that penalties apply.

171 Use of information by councillors

(1) A person who is, or has been, a councillor must not use information that was acquired as a councillor to—

   (a) gain, directly or indirectly, a financial advantage for the person or someone else; or

   (b) cause detriment to the local government.

Maximum penalty—100 penalty units or 2 years imprisonment.

(2) Subsection (1) does not apply to information that is lawfully available to the public.

(3) A councillor must not release information that the councillor knows, or should reasonably know, is information that is confidential to the local government.

Note—

A contravention of subsection (3) is misconduct that is dealt with by the tribunal.
4.1 STRATEGIC ASSET MANAGEMENT AND MAINTENANCE SYSTEM (SAMMS) 2019/2020 PROJECT PROGRESS REPORT AND TRANSITION PLAN

REPORT OF: Business Transformation Manager

REPORT OVERVIEW

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the progress of Strategic Asset Management & Maintenance System (SAMMS) Project and proposed Transition Plan.

Criteria: Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Next Generation Governance

RECOMMENDATIONS

IT IS RECOMMENDED:

That the report be received.

REPORT DETAILS

INTERESTED PARTIES

TechnologyOne

PURPOSE OF REPORT/BACKGROUND

Strategic asset management is an approach that focuses on the provision of sustainable services over the long-term by balancing asset management levels of service, whole-of-life costs and community/organisational risks. A key goal of strategic asset management is to provide continuous alignment between Council’s strategic service aspirations (“what needs to be done”) and the operational activities performed to deliver these services (“what is done/how it is done”).

The project’s objective was to implement a standardised enterprise asset management (EAM) solution across Council. That is, to implement a SAMMS solution and associated business processes that will enable the organisation to have an integrated, standardised and fit-for-purpose system for the management of assets and asset information for the following asset classes:

- Transport (e.g. Road, Bridges, Footpaths etc.);
- Water and Wastewater;
- Stormwater drainage;
- Buildings and other structures;
- Parks and Open Space; and
- Plant and Fleet.
Governance

The SAMMS project initiative was formed in November 2013 within Logan Water as the *Water Asset Maintenance & Management System (WAMMS)* project. As many other functions support asset management including Finance, Procurement, Human Resources and Payroll and the organisational benefits, the project scope was broadened in September 2014 with the inception of SAMMS.

The SAMMS project has been governed by the SAMMS Steering Committee from inception with operational responsibility held with the former Manager of Strategic Projects up to October 2019. The initial SAMMS Project Manager was appointed in January 2016. Implementation commenced in July 2017.

Both Council and the SAMMS project have undergone many changes triggered by a number of key events including but not limited to:

- Political uncertainty with Mayor and Councillor changes;
- Council leadership changes with CEO, ELT and senior staff personnel; and
- Project Manager personnel changes.

In addition to this, the commercial dispute between TechnologyOne and another local government in March 2017 placed a significant impact on the SAMMS project.

The current SAMMS Steering Committee Members are as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Project Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acting Chief Executive Officer</td>
<td>Chair/Sponsor/Member</td>
</tr>
<tr>
<td>Director Organisational Services</td>
<td>Deputy Chair/Member</td>
</tr>
<tr>
<td>Director Innovation &amp; City Transformation</td>
<td>Member</td>
</tr>
<tr>
<td>Acting Director Road and Water Infrastructure</td>
<td>Member</td>
</tr>
<tr>
<td>SAMMS Project Manager</td>
<td>Advisor</td>
</tr>
</tbody>
</table>

SAMMS Phases

The SAMMS project was comprised of three (3) phases:

**Phase 1 - Foundation:** This is the most complex, comprehensive and resource intensive component of the SAMMS Project.

Phase 1 has been underway up to June 2020, with the focus on Plant Fleet Services and Water Branches. The aim was to have Phase 1 rolled out to all other asset classes with completion anticipated in 2020, noting that the completion of Phase 1 was also dependant on the business readiness of each impacted branch.

Key areas that Phase 1 addresses include:

- The design, configuration, building, testing and implementation of the TechnologyOne solution across identified activity areas, including:
  - Mobility platform
  - Asset Management Data Model
  - Asset Register
  - Work Order Management
  - Inspections and Defects
  - Job Costing
  - Core interfaces (ESRI / Pathway / eDOCs)
  - Management Reporting
- Business and process change (process mapping, redesign and new procedure development)
- Staff training (buy-in, system awareness, mobility, procedural changes)
- Business impact (assessing broader activities requiring transition)

The success criteria that the TechnologyOne solution for SAMMS was committed to achieving is as follows:

1. The solution meets all the project objectives.
2. The solution meets its users’ key functional business requirements.
3. The technology component of the solution is deemed fit-for-purpose by the management and staff who use it. The criteria used for this assessment are:
   a. Effectiveness
   b. Efficiency
   c. Reliability
   d. Responsiveness
   e. Ease of use
4. The project is delivered on schedule.
5. The project is delivered within the approved budget.

**Phase 2 - Consolidation:** This phase was to focus on data maturity and investigate capital planning functionality.

**Phase 3 - Transformation:** This phase was to focus on refining and embedding strategic asset management functionality.

The below diagram broadly shows the intended phasing and timing of the SAMMS Project:

![Diagram showing phasing and timing]

**Achievements to Date**

To date, the Project achieved the following milestones:

- Endorsement of the TechnologyOne platform as being the best fit for the organisation’s needs;
- High level process design and system configuration that will set a baseline for implementation across the organisation;
- Implementation of the SAMMS solution into Plant Fleet Services with considerable improvements and visibility in resource management, asset register, introduction of mobility and store/stock control with full integration of Council’s enterprise suite;
- Significant investment and improvements as above with Plant Fleet Services in the implementation of SAMMS into the Water Branches;
- Considerable investment in change management practices to ensure Council staff are appropriately trained and supported throughout the transformational process;
- Introduction of mobility devices to enable Council to move away from time consuming paper-based processes to real time digital processes when dealing with work orders;
- Development of a new Project Services Ledger (PSL) and establishing a financially integrated Works system to enable improved costings as mobile enabled work orders are implemented;
• Integrating the TechnologyOne solution with Pathway and ESRI to enable end-to-end customer requests to be linked;
• Consolidation of the asset register;
• Development of a new works order management system;
• Consolidation of the Stores product catalogue system.

Benefits/Justification

Council is an asset intensive service business with a multi-billion dollar investment in physical assets. The effective management of these assets is critical to Council’s business operations. Council is currently facing significant and on-going cost and demand pressures in relation to service delivery.

Consequently, there is considerable strategic, operational and financial risk associated with Council’s asset and service decisions. In view of this, a strategic asset and service management approach is required that enables Council to effectively and sustainably plan, deliver and maintain asset based services to meet the needs of the Logan community and deliver specified levels of service at the lowest possible whole-of-life cost while adequately controlling for risks to the community and the organisation.

Once fully implemented, high level benefits of a best practice asset management system should demonstrate:

<table>
<thead>
<tr>
<th>Group</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Cost effective management of assets</td>
</tr>
<tr>
<td></td>
<td>Defined levels of service based on sustainable, whole-of-life costs</td>
</tr>
<tr>
<td></td>
<td>Improved funds management</td>
</tr>
<tr>
<td></td>
<td>Alignment with industry good practice</td>
</tr>
<tr>
<td>Data</td>
<td>Ability to capture whole-of-life costs</td>
</tr>
<tr>
<td></td>
<td>Better data integration (spatial/non-spatial/unstructured data)</td>
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<tr>
<td></td>
<td>Improved data quality</td>
</tr>
<tr>
<td></td>
<td>Better integration of physical and financial asset data</td>
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<tr>
<td></td>
<td>Reduced re-work (re-capturing data)</td>
</tr>
<tr>
<td>Technology</td>
<td>Better end-user query, reporting and modelling tools</td>
</tr>
<tr>
<td></td>
<td>Improved interfaces to key systems (finance, GIS, customer service)</td>
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<tr>
<td></td>
<td>Ability to see spatial and non-spatial data together</td>
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<tr>
<td></td>
<td>Access to asset and work order data in the field</td>
</tr>
<tr>
<td></td>
<td>Rationalisation/automation of labour-intensive tasks</td>
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<tr>
<td></td>
<td>User-friendly asset management systems</td>
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<tr>
<td></td>
<td>24 x 7 access to applications and data</td>
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<td></td>
<td>Ability to decommission/rationalise existing technologies</td>
</tr>
<tr>
<td>Process</td>
<td>Improved process cycle times</td>
</tr>
<tr>
<td></td>
<td>Eliminate redundancies/inefficiencies in business processes</td>
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<tr>
<td></td>
<td>Improved information flows (processes designed end-to-end)</td>
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<tr>
<td></td>
<td>Reduce the risk of stock loss (better asset control)</td>
</tr>
<tr>
<td>People</td>
<td>Improved contractor management</td>
</tr>
<tr>
<td></td>
<td>Clear and consistent roles and responsibilities</td>
</tr>
<tr>
<td></td>
<td>Improved customer service</td>
</tr>
<tr>
<td></td>
<td>More informed decision making</td>
</tr>
</tbody>
</table>
Investment to Date

SAMMS is both an investment and risk minimisation approach to managing Council’s $8.5 billion asset base. To date, Council has invested $9.65m in the SAMMS project. To place some perspective on this investment, the expenditure on SAMMS to date equates to 0.11% of our asset base.

Once fully implemented, the financial benefits that SAMMS will provide the organisation in the long term however is considerably greater. For example, assuming a 2%* saving could be made in operating costs from the data intelligence obtained through SAMMS, over Council’s $400m+ operating budget, it would equate to a saving of approximately $8m. *2% has been demonstrated by similar local governments implementing EAM solutions in our region and is supported by a review conducted by KPMG this year.

The investment to date has seen SAMMS successfully implemented into Plant Fleet Services and most Water Branches. Council recognises however, now with the great advancements made in technology and implementation practices of same, future investments should be reduced considerably.

Project Review 2019/2020

As the Innovation and City Transformation (ICT) Directorate underwent change with the appointment of a new Director in March 2019 and Acting Manager Business Transformation in November 2020, a subsequent restructure of the directorate was undertaken. This included the commencement of a comprehensive review of its practices, processes, policies, procedures and programs to ensure the organisation is positioned to deliver value to our community through the efficient and effective delivery of services. The Corporate Efficiency Program supported by Council in the 2020/2021 Budget will continue this work further and refocus business transformation governance for the organisation.

As technologies, services and program management solutions and methodologies have rapidly evolved in the past five years, the SAMMS project was identified early in this review as it is a major project for Council with considerable investment and change.

As part of ICT’s above review, a comprehensive evaluation of SAMMS was undertaken in January 2020 with KPMG engaged to provide an external view and expertise.

Key messaging from the KPMG review is summarised below:

1. The SAMMS project has not fully delivered what it was originally intended to deliver. Based on the current state of the SAMMS project, it is unlikely to deliver on the overall benefits of the project set at the beginning. The issues relating to the SAMMS project are not a result of an isolated incident but a series of decisions made over time.

   Council operates within a highly complex environment where changes can be triggered by a number of internal and external factors. This, coupled with technical capability and capacity constraints, has led to high project delivery risk.

2. Council has taken both proactive and reactive actions to mitigate the project risk. However, there were fundamental people, process and technology related issues such as project operating model and project governance that need to be addressed to enable the successful delivery of the project.

3. The technology solution market has evolved with more service providers becoming available in this space. In addition to the demand for an integrated asset management solution, there is an increasing need for an interoperable solution. Long term benefits can be drawn from prioritising strategic asset management over operational asset management. This can be delivered through the adoption of a single asset class implementation plan.

4. Recommendation:

   Council is to reform the SAMMS project related activity, to recalibrate, redefine the project objectives, scope, detailed design, stakeholder management, delivery timeframe, required budget, and measurable outcomes. These are necessary and critical steps as they set a solid foundation for the business case and ongoing delivery.
Upon presentation of the SAMMS Final Review Report by KPMG to the SAMMS Steering Committee of 4 March 2020, the Committee decided to pause the SAMMS project from 30 June 2020 to close out activities underway to complete Releases 3 to 5. The Committee also requested a Transition Plan be established with the development of a business plan for the SAMMS Steering Committee and Council to consider in the way forward.

**Next Steps – Implementation of Transition Plan**

The following outlines a transition plan in line with next generational asset management systems and practices while aligning with Councils Corporate Plan and Asset Management Strategy. It includes Gate 1 – Preliminary evaluation and Gate 2 – Business Case development (including proposed funding/resource plan for Council to consider before Council moves to Gate 3 and onwards:

- Gate 1 – Preliminary evaluation
- Gate 2 – Business Case development
- Gate 3 – Contract award
- Gate 4 – Readiness for service
- Gate 5 – Benefits realisation

Queensland Government’s use of Gateway 1 for SAMMS has been adopted, as being a major project for the organisation. This will involve the examination of the project at key decision points and will help identify opportunities to improve the delivery of the project to ensure the best possible outcome.

Note - the first step of this process was to undertake a strategic assessment being Gate 0, of which was undertaken with the KPMG review and SAMMS Steering Committee decision to pause the project.

Next step is to assess in detail, considering advancements made in such a short timeframe with new technologies and implementation practices in asset management systems. The project will now transition to and if viable through sequential Gates 1 and 2:

**Gate 1 - Preliminary Evaluation**

Gate 1 focuses on the preliminary business case including details on the strategic importance of the project and its links to legislative requirements and corporate strategies. The business case will be examined with a proposed way forward to confirm the project is achievable and likely to deliver what is required. The review checks that:

- Stakeholders approve the intended benefits from the project;
- Links between project and organisational objectives are clear; and
- The optimum balance of cost, benefits and risk has been identified.

**Gate 2 - Business Case Development**

KPMG highlighted one of the limitations of the SAMMS project was the absence of a formal and endorsed business case. The Gate 2 Business Case development will enable the review of the high-level design approach for the potential solution/s following industry best practice and agreed guiding principles to finalise the business case that sets out clear strategic alignment, value for money and achievable outcomes. The Project Business Case together with any associated funding and budget amendment request will be submitted for consideration to the SAMMS Steering Committee, ELT and Council.

The SAMMS Transition Plan will commence 27 July to 26 November 2020.

**ANY PREVIOUS COUNCIL DECISIONS**

N/A
FINANCIAL/RESOURCE IMPLICATIONS

Resources for the Transition Plan will be funded from the approved operational budget within the Business Transformation Branch.

RISK MANAGEMENT IMPLICATIONS

The external review of SAMMS and resulting Transition Plan addresses the risks associated with the SAMMS implementation.

LEGAL/POLICY

N/A

COMMUNITY AND OTHER CONSULTATION

N/A

CONCLUSION

As a key component of Council’s Asset Management Strategy, a refocussed strategic asset maintenance and management system is critical in bringing Council to best practice asset management. This would substantially support the overall goal of developing costed levels of service to guide strategic investment decisions in a financially sustainable manner for the future.

ATTACHMENTS TABLE

No attachments.
5.1 Covering Report

Refer to Confidential Agenda in accordance with Section 275 (1) (h) of the Local Government Regulation 2012

INNOVATION AND CITY TRANSFORMATION DIRECTORATE OVERVIEW AND UPDATE 2020

REPORT OF: Director of Innovation & City Transformation

REPORT OVERVIEW

EXECUTIVE SUMMARY

The purpose of this report is to provide information and an update on the functions and strategic direction of the Innovation and City Transformation (ICT) Directorate.

Criteria: Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Next Generation Governance

Submitted under separate cover is confidential documentation relating to the above matter. This documentation is considered confidential due to the following reason: "The confidential attachments includes information relating to Council's budget."

RECOMMENDATIONS

IT IS RECOMMENDED:-

That the confidential report of the Director of Innovation and City Transformation dated 30 June 2020 and associated attachments be deemed confidential and be treated as such in accordance with sections 171 and 200 of the Local Government Act 2009 and that the documents remain confidential.

REPORT DETAILS

INTERESTED PARTIES

Nil.

PURPOSE OF REPORT/BACKGROUND

Since its inception in 2017, the ICT Directorate has undergone structural variations as it worked towards establishing a clear purpose and direction. A chronology is provided in the Innovation and City Transformation Directorate Restructure 2020 report of 11 February 2020 (Minute No. 9/2020), attached as a background paper.

Following the appointment of the ICT Director in February 2019, the ICT Directorate Leadership Team (including Director, Managers and Program Leaders) continued to refine the purpose and evolve the delivery model of the Directorate.
In February 2020, the directorate was restructured to reflect a centres of excellence model. This change was made to improve expertise in specified areas and to make the most of resources to help the business improve. It was identified as the best and most appropriate model to ensure the directorate could deliver on its relevant corporate plan objectives.

The new structure went live 1 March 2020.

**Council-endorsed strategies**

Strategic direction has been provided for the directorate through three Council-endorsed strategies:

1. Advocacy Strategy 2017-2019 (Minute No 300/2017): determined the strategic and operational direction to guide whole-of-Council advocacy efforts.
2. City Futures Strategy (Minute No 107/2018): established the priorities and actions for driving innovation, entrepreneurialism and strong positive economic growth and investment for the city.
3. Corporate Innovation Strategy (Minute No 157/2019): determined the priorities and actions for driving innovation capability across the organisation.

Additionally, as the work of several ICT Directorate programs contribute to positive economic outcomes for the city, the directorate has aligned priorities to support and complement other relevant endorsed strategies, including:

1. Economic Development Strategy (Minute No 222/2016)
2. Global Connections Strategy (Minute No 108/2016).

**Discussion**

Today, the ICT Directorate’s centres of excellence work strategically alongside internal and external stakeholders. The branches and programs connect across teams and boundaries to help Council transform the organisation and our city. The directorate’s aim is to help empower our people to realise the potential - within Council and across the city - by finding new ways to solve problems and do things differently and better. The directorate does this through strategic collaboration, connections and communication.

**Overview of branches and programs**

**PROGRAM: Advocacy**

Reporting directly to the ICT Director, the Advocacy Program provides a strategic, whole-of-organisation approach to government relations, including influencing policy and attracting government investment.

The program’s centre of excellence is focused on:

- leading the strategic direction and planning for Council's advocacy agenda, including developing and implementing an advocacy strategy aimed at influencing policy and investment decisions by other levels of government for the benefit of Logan
- working collaboratively with government, community, non-government and business stakeholders to deliver on Council’s vision for the City of Logan
- delivering targeted evidence-based advocacy to support Council-led projects
- leading the delivery of Council’s regional collaboration functions, working across local government boundaries to solve shared challenges and increase the impact and reach of Council’s influence
• leading the delivery of the City of Choice initiative, designed to address complex social challenges that cut across levels of government

• actively identifying, pursuing and coordinating grant opportunities to secure external funding from other levels of government.

Through the grants function, as of 6 June, the team has coordinated and supported 71 grant applications, resulting in more than $13m worth of State and Federal Government investment since 2018. This includes the recent $6m Works for Queensland funding.

**Services and priorities**

With corporate demand increasing for its services, the program’s current priorities include:

• identifying, developing and coordinating cross-organisation submissions for Queensland Government and Australian Government COVID-19 recovery funding

• developing a new Advocacy Strategy 2020-2024 based on identified strategic priorities, and including key performance indicators

• coordinating Council’s submissions on State and Federal Government projects of importance to the Logan community that cut across directorates, including the Coomera Connector and Inland Rail

• supporting Mayor Darren Power’s role as a director on the board of the Council of Mayors South East Queensland on projects of regional significance such as the SEQ City Deal and the Olympic Bid

• coordinating the review and future direction of the City of Choice initiative

• developing motions for Council to put to the 2020 Local Government Association of Queensland Annual Conference in October 2020

• coordinating any advocacy activities relating to the upcoming Queensland Government Election (the scope of this to be determined in consultation with Councillors, including whether or not there is any public-facing campaign).

The Advocacy Program was not included in the most recent ICT Directorate restructure given it already had a clear direction and clear purpose and was functioning effectively. On reflection, a name change to Government Relations in the future may be appropriate, to better reflect the program’s core function.

**BRANCH: Business Transformation**

The Business Transformation Branch drives performance management to help decision-makers set the strategic direction for the city and Council. It collaborates across Council to transform the way the organisation does business.

**Programs**

1. **Business Performance Management**

   Business Performance Management analyses and consolidates data so decision-makers can make evidence-based decisions on the strategic direction and vision for the city and the organisation.
Its centre of excellence is focused on:

- coordinating corporate, operational and business planning to deliver on the strategic priorities for the city and Council
- collaborating across the organisation to consolidate, analyse and develop new ways to present performance data to help make strategic decisions
- connecting and providing corporate standards advice to the organisation on project management excellence
- coordinating organisation and citywide engagement to deliver valuable services to customers.

**Services and priorities**

The program is currently focused on:

- planning and scoping a community visioning exercise for the City of Logan
- coordinating and developing the Operational Plan 2020/21 to guide Council’s operational activities for the next financial year
- planning to develop a new Corporate Plan, to provide a road map for Council priorities and budget over a four-year period
- organisational performance management and reporting, including the PowerBI platform
- transforming project management governance and processes across the organisation.

2. **Corporate Asset Management**

Corporate Asset Management connects and collaborates across the organisation to help Council manage its infrastructure assets whole-of-life costs efficiently, now and into the future.

Its centre of excellence is focused on:

- leading the development and implementation of contemporary strategic asset management practices to:
  - help Council best manage its diverse and complex asset base
  - build capacity across Council to become more mature asset managers
- leading initiatives that drive Council towards more advanced and sustainable asset management practices
- critically overseeing the collection and use of asset information to enable Council to make informed decisions on its assets and service delivery.

**Services and priorities**

The program is focused on:

- asset management governance
- asset information management
- asset management planning
- asset management improvement and advancements.
3. Corporate Innovation

Corporate Innovation provides connections and cross-organisational collaboration within Council. The team offers an end-to-end problem-solving service, providing a structured process for improving the way the organisation solves problems and does business. The program builds and coordinates individual and collective capability in government innovation and shares corporate knowledge and successes in innovation excellence.

Its centre of excellence is focused on working with other teams to:

- analyse data and understand the perspective of the problem
- co-develop fresh ideas to create new opportunities
- test, learn and try, to come up with new solutions to existing problems.

Services and priorities

Current priorities include:

- delivering the T4 Masterclass in Innovation and Entrepreneurship
- supporting staff to use the problem-solving toolkit
- delivering problem-solving workshops
- co-developing and supporting the Lone Worker Toolkit
- delivering Lunch and Learn sessions
- supporting business continuity planning.

4. Digital Innovation

Its centre of excellence is focused on:

- connecting with internal stakeholders and providing strategic business analysis, data analysis and digital prototyping services
- helping council deliver meaningful digital products and services to the city
- collaborating with the business to trial, prototype and design digital solutions that will increase value to the customer and our community.

Services and priorities

Current services and priorities include:

- business analysis to support the corporate innovation and digital innovation portfolio projects, including identifying and analysing opportunities, gathering requirements, and coordinating analysis of solution options
- portfolio management of digital projects, including providing advice/guidance, templates, frameworks, reporting, and co-ordination activities
- solution architecture and software engineering services, to support the design and build of relevant prototype solutions within the digital innovation portfolio
- end-to-end bespoke data insight services including data analysis, data visualisation, data modelling/engineering and data science services
• delivering key projects including:
  o Idea Front Door Management project
  o Business Transformation Platform Roadmap.

**BRANCH: City Transformation**

The City Transformation Branch collaborates across sectors and boundaries to solve city challenges and build innovation capability and entrepreneurial excellence to attract city investment and improve economic outcomes and overall satisfaction for our residents, business and visitors.

The branch is focused on:

• helping build and strengthen the connections and collaboration across local, regional and national innovation ecosystem

• collaborating across sectors to uplift innovation capabilities of our people young and old, creating a smart city of the future

• coordinating entrepreneurial excellence to help solve problems, commercialise solutions and launch new ventures into the national and international market

• promoting awareness of the future work and supporting our communities and industries to understand the types of jobs that will be in demand.

**City Transformation Program**

1. **City Transformation**

The City Transformation Program helps educators, innovators and community build strategic connections and uplift individual and collective capabilities in innovation.

Its centre of excellence is focused on:

• fostering collaboration between and across all sectors in our city to embed a culture of innovation

• connecting stakeholders in our community to support innovation capability uplift and transform Logan’s innovation ecosystem

• enabling connections between government, academia and business to solve problems and help empower people to be the change they want to see.

**Services and priorities**

Current priorities include:

• development a strategic framework to develop and strengthen Logan’s innovation economy, partnership with Economic Development and Strategy

• supporting the INNOV8 Logan initiative, driven by local entrepreneurs

• delivering youth-focused programs:
  o CityStudio Logan program
  o Catapult Youth Entrepreneurship Program

• Coordinating the Advancing Regional Queensland Program in partnership with Griffith University and Redland City Council.
2. coLab

The City of Logan’s first coLab will play a critical role in Council’s agenda to develop an innovation-driven economy as part of the city’s COVID-19 economic recovery. Council’s first coLab is being developed in collaboration with Logan-based global edu-tech company GO1.

The coLab will provide a space where high-growth ventures can grow with like-minded companies in a collaborative environment designed to support individual companies and their employees.

It will offer an international launch pad and pathway to scale for resident firms, and a landing pad for international scale-up and corporate firms seeking a base in Queensland or Australia.

The coLab will create high value jobs of the future and contribute to the growth and vibrancy of the City of Logan.

As a centre of excellence, the coLab is focused on:

- coordinating strategic connections between new ventures, entrepreneurs and industry to create commercialised solutions
- collaborating with academia, industry and innovators to establish entrepreneurial excellence in the city
- helping build a pipeline of successful new ventures that will be a source for local jobs growth and national and international investment attraction.

ANY PREVIOUS COUNCIL DECISIONS

This information is confidential and is included in the confidential attachments to this report.

FINANCIAL/RESOURCE IMPLICATIONS

This information is confidential and is included in the confidential attachments to this report.

RISK MANAGEMENT IMPLICATIONS

Nil.
LEGAL/POLICY

Nil.

COMMUNITY AND OTHER CONSULTATION

Not applicable.

CONCLUSION

The Innovation and City Transformation Directorate Leadership Team and broader directorate have worked diligently over the last 12 months to refine its purpose and value to the organisation and city. The Directorate teams now work in a more integrated and targeted way to help the organisation move towards next generation governance and the city towards realising its vision to be an innovative, dynamic, city of the future.

ATTACHMENTS TABLE

This information is confidential and is included in the confidential attachments to this report.
6.1 EXECUTIVE FINANCIAL PERFORMANCE REPORT – MAY 2020

REPORT OF: Finance Manager

REPORT OVERVIEW

EXECUTIVE SUMMARY

Attached as background papers for Members information are the Financial Statements for the period ended 31 May 2020.

Section 204 of the Local Government Regulation 2012 requires the presentation of a financial report to Local Government each month.

Criteria: Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Next Generation Governance

RECOMMENDATIONS

IT IS RECOMMENDED:

That the Financial Statements for the period ending 31 May 2020, as attached to the report of the Finance Manager dated 30 June 2020, be endorsed.

REPORT DETAILS

INTERESTED PARTIES

Not applicable.

PURPOSE OF REPORT/BACKGROUND

Not applicable.

ANY PREVIOUS COUNCIL DECISIONS

Not applicable.

FINANCIAL/RESOURCE IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

Not applicable.

LEGAL/POLICY

Not applicable.
COMMUNITY AND OTHER CONSULTATION

Not applicable.

CONCLUSION

Not applicable.

ATTACHMENTS TABLE

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Overview</td>
<td>1</td>
</tr>
<tr>
<td>Finance Manager’s Comments</td>
<td>1</td>
</tr>
<tr>
<td>Council Operating Statement</td>
<td>3</td>
</tr>
<tr>
<td>Investments</td>
<td>4</td>
</tr>
<tr>
<td>Rates and Charges</td>
<td>4</td>
</tr>
<tr>
<td>Sundry Debtors</td>
<td>5</td>
</tr>
</tbody>
</table>
### Summary Statement
For the Period Ending May 2020

<table>
<thead>
<tr>
<th></th>
<th>Budget $000s</th>
<th>Actual $000s</th>
<th>Variance $000s</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>575,230</td>
<td>580,871</td>
<td>5,641</td>
<td>0.98%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>575,051</td>
<td>582,814</td>
<td>(7,763)</td>
<td>-1.35%</td>
</tr>
<tr>
<td>Operating Surplus</td>
<td>179</td>
<td>(1,943)</td>
<td>(2,122)</td>
<td></td>
</tr>
<tr>
<td>Rates and Utility Charges</td>
<td>418,309</td>
<td>425,555</td>
<td>7,246</td>
<td>1.73%</td>
</tr>
<tr>
<td>User Fees and Charges</td>
<td>33,744</td>
<td>31,015</td>
<td>(2,729)</td>
<td>-8.09%</td>
</tr>
<tr>
<td>Other Income</td>
<td>103,184</td>
<td>104,222</td>
<td>1,038</td>
<td>1.01%</td>
</tr>
<tr>
<td>Employee Expenses</td>
<td>151,203</td>
<td>153,541</td>
<td>(2,338)</td>
<td>-1.55%</td>
</tr>
<tr>
<td>Materials and Services</td>
<td>246,805</td>
<td>252,446</td>
<td>(5,641)</td>
<td>-2.29%</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>301,034</td>
<td>239,121</td>
<td>61,913</td>
<td>20.57%</td>
</tr>
</tbody>
</table>

### General Comments

**COVID-19 – YTD $1.23m** in expenditure can be directly attributed to the COVID impact across the organisation.

Waste Levy remains a key risk in terms of how the increased gate fee for commercial customers may impact usage and therefore revenue.

The capital cost of the new Browns Plains Landfill Cell 2E construction is higher than expected.

**Operating Revenue:**

Operating revenue as at 31 May 2020 is ahead of budget by $5.64m (0.98%).

Revenue variances to budget related to covid restrictions include:

Reduced revenue due to the closure of facilities across the Sports, Leisure & Facilities branch in response to the COVID-19 crisis, this is offset to a degree by reductions in direct variable costs.

Development application fees were trending below budget for operational works and major new developments before COVID-19. The impacts of COVID have resulted in a further decline. It is estimated that these impacts will last at least six months.

Lower than budget Food business license fees and application fees directly due to refunds processed in April under COVID-19 Phase 1 relief package.

Other key variances for operating revenue include:

Revenue from water consumption and metered hydrant standpipe and fill station water sales due to dry weather conditions in the first two quarters.

Water Infrastructure additional development revenue received associated with infrastructure planning.

Additional income tax equivalents and returns received due to favourable results of the Water business unit to the end of April 2020.

Container refund scheme contract and waste levy revenue continues to trend lower than expected.
Interest Income received is lower than anticipated due to a decrease in the interest rate on investments.

Operating Expenses:

Operating expenditure as at 31 May 2020 is ahead of budget by $7.76m (1.35%).

Additional callout and overtime costs, payroll tax percentage increase, an understatement of anticipated oncosts in the budget salary model and an increase in employee provisions contribute to the unfavourable variance in employee costs.

Increased bulk water purchases, including standpipe sales, due to a continuation of dry weather conditions in the first two quarters which is in line with revenue.

Capital Expenditure:

Some of the key variances for capital expenditure include:

Delays associated with finalising project planning and development activities on a number of projects as well as the deferment of the Smith Rd Depot building approval decision.

Lower than forecast spent on various projects, predominantly including Albert River Park Upgrade Project and the Underwood Park Lagoon Project which are behind schedule.
## Council Operating Statement

For the Period Ending May 2020

### YTD Amended Budget $000's

<table>
<thead>
<tr>
<th>Description</th>
<th>YTD Amended</th>
<th>YTD Actuals</th>
<th>Var $</th>
<th>Var %</th>
<th>Full Year Original Budget $000's</th>
<th>Full Year Amended Budget $000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>435,388</td>
<td>442,342</td>
<td>6,954</td>
<td></td>
<td>474,659</td>
<td>475,199</td>
</tr>
<tr>
<td>Rates and Utility Charges</td>
<td>(17,078)</td>
<td>(16,787)</td>
<td>291</td>
<td></td>
<td>(18,661)</td>
<td>(18,690)</td>
</tr>
<tr>
<td>Less Discounts &amp; Pensioner Remi</td>
<td>33,744</td>
<td>31,015</td>
<td>(2,729)</td>
<td>(8)</td>
<td>37,080</td>
<td>37,002</td>
</tr>
<tr>
<td>User Fees &amp; Charges</td>
<td>11,398</td>
<td>9,787</td>
<td>(1,610)</td>
<td>(14)</td>
<td>13,910</td>
<td>13,910</td>
</tr>
<tr>
<td>Interest</td>
<td>103,184</td>
<td>104,222</td>
<td>1,038</td>
<td></td>
<td>138,403</td>
<td>112,591</td>
</tr>
<tr>
<td>Other Income</td>
<td>1,494</td>
<td>2,834</td>
<td>1,340</td>
<td></td>
<td>1,556</td>
<td>1,781</td>
</tr>
<tr>
<td>Grants and Subsidies</td>
<td>7,102</td>
<td>7,458</td>
<td>356</td>
<td></td>
<td>12,519</td>
<td>12,748</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>575,230</td>
<td>580,871</td>
<td>5,641</td>
<td></td>
<td>639,466</td>
<td>635,542</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>151,203</td>
<td>153,541</td>
<td>(2,338)</td>
<td>(2)</td>
<td>166,131</td>
<td>165,505</td>
</tr>
<tr>
<td>Employee Costs</td>
<td>79,171</td>
<td>84,930</td>
<td>(5,759)</td>
<td>(7)</td>
<td>86,112</td>
<td>86,392</td>
</tr>
<tr>
<td>Services</td>
<td>167,634</td>
<td>167,517</td>
<td>118</td>
<td></td>
<td>190,156</td>
<td>189,677</td>
</tr>
<tr>
<td>Depreciation</td>
<td>111,550</td>
<td>110,429</td>
<td>1,121</td>
<td></td>
<td>117,894</td>
<td>121,790</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>65,494</td>
<td>66,398</td>
<td>(904)</td>
<td>(1)</td>
<td>72,934</td>
<td>71,860</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>575,051</td>
<td>582,814</td>
<td>(7,763)</td>
<td>(1)</td>
<td>633,228</td>
<td>635,225</td>
</tr>
<tr>
<td>Operating Surplus</td>
<td>179</td>
<td>(1,384)</td>
<td>(2,122)</td>
<td>(1185)</td>
<td>6,238</td>
<td>318</td>
</tr>
<tr>
<td>Capital Related Items</td>
<td>179,985</td>
<td>224,660</td>
<td>44,675</td>
<td></td>
<td>192,254</td>
<td>211,686</td>
</tr>
<tr>
<td>Capital Related Revenue</td>
<td>13,119</td>
<td>14,859</td>
<td>(1,740)</td>
<td>(13)</td>
<td>15,312</td>
<td>14,312</td>
</tr>
<tr>
<td>Capital Related Expenses</td>
<td>166,866</td>
<td>209,801</td>
<td>42,935</td>
<td></td>
<td>176,942</td>
<td>197,374</td>
</tr>
<tr>
<td>Total Capital Related Items</td>
<td>167,045</td>
<td>207,858</td>
<td>40,813</td>
<td></td>
<td>183,180</td>
<td>197,691</td>
</tr>
<tr>
<td>Net Result</td>
<td>167,613</td>
<td>209,990</td>
<td>(42,377)</td>
<td>(25)</td>
<td>183,180</td>
<td>197,691</td>
</tr>
<tr>
<td>Capital Appropriations</td>
<td>15,661</td>
<td>35,422</td>
<td>(19,761)</td>
<td>(126)</td>
<td>6,141</td>
<td>13,662</td>
</tr>
<tr>
<td>Net Reserve Transfers to/(from)</td>
<td>160,263</td>
<td>182,815</td>
<td>(22,552)</td>
<td>(14)</td>
<td>177,353</td>
<td>192,340</td>
</tr>
<tr>
<td>(1) Accumulated Surplus/(Deficit)</td>
<td>8,311</td>
<td>8,247</td>
<td>(64)</td>
<td></td>
<td>314</td>
<td>8,311</td>
</tr>
<tr>
<td>Total Appropriations &amp; Other</td>
<td>167,613</td>
<td>209,990</td>
<td>(42,377)</td>
<td>(25)</td>
<td>183,180</td>
<td>197,691</td>
</tr>
<tr>
<td>Accumulated Surplus/(Deficit)</td>
<td>(568)</td>
<td>(2,132)</td>
<td>(1,564)</td>
<td>(275)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Capital Appropriations

<table>
<thead>
<tr>
<th>Description</th>
<th>% of Year Completed</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>91</td>
<td>92</td>
</tr>
<tr>
<td>Capital Related Items</td>
<td>92</td>
<td>92</td>
</tr>
</tbody>
</table>

For the Period Ending May 2020

Council Capital Expenditure

<table>
<thead>
<tr>
<th>Description</th>
<th>$000's</th>
<th>Var</th>
<th>Var %</th>
<th>Full Year Original Budget $000's</th>
<th>Full Year Amended Budget $000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Works Projects</td>
<td>461,728</td>
<td>326,922</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Purchases</td>
<td>34,113</td>
<td>29,741</td>
<td>87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Assets</td>
<td>102,959</td>
<td>124,260</td>
<td>119</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Redemption</td>
<td>13,749</td>
<td>13,749</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Capital Expenditure</td>
<td>512,547</td>
<td>494,672</td>
<td>77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Reserve Transfers to/(from)</td>
<td>6,141</td>
<td>13,662</td>
<td>259</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Accumulated Surplus/(Deficit)</td>
<td>314</td>
<td>8,311</td>
<td>99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Appropriations &amp; Other</td>
<td>183,180</td>
<td>197,691</td>
<td>106</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Surplus/(Deficit)</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Investments

![Average Cumulative Interest by Financial Institution](chart1.png)

![Investment Values by Month](chart2.png)

## Rates and Charges

### RATES & CHARGES STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>May 2019</th>
<th>May 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrears as at 1 July</td>
<td>$19,897,478</td>
<td>$22,791,738</td>
</tr>
<tr>
<td>Levies: (Including Supplementary Levy)</td>
<td>$486,547,126</td>
<td>$513,411,508</td>
</tr>
<tr>
<td>Total</td>
<td>$506,444,604</td>
<td>$536,203,246</td>
</tr>
<tr>
<td>Less Cash, Discount, Remissions, Adjustments, etc.</td>
<td>$472,672,257</td>
<td>$502,093,017</td>
</tr>
<tr>
<td>Balance</td>
<td>$33,772,347</td>
<td>$34,110,229</td>
</tr>
<tr>
<td>% Outstanding</td>
<td>6.67%</td>
<td>0.31% 6.36%</td>
</tr>
</tbody>
</table>

### Financial Hardship Arrangements

<table>
<thead>
<tr>
<th></th>
<th>May-19</th>
<th>May-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest free (No.)</td>
<td>1,480</td>
<td>3,109</td>
</tr>
<tr>
<td>Interest free ($'s)</td>
<td>$3,498,896</td>
<td>$7,049,384</td>
</tr>
<tr>
<td>Interest bearing (No.)</td>
<td>200</td>
<td>136</td>
</tr>
<tr>
<td>Interest bearing ($'s)</td>
<td>$711,831</td>
<td>$416,740</td>
</tr>
</tbody>
</table>
### Sundry Debtors

#### Days Outstanding

<table>
<thead>
<tr>
<th>Days Outstanding</th>
<th>As at 31/03/20</th>
<th>As at 30/04/20</th>
<th>As at 31/05/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>%</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Current</td>
<td>2,565,666</td>
<td>2,928,173</td>
<td>1,615,390</td>
</tr>
<tr>
<td>30-60 days</td>
<td>217,541</td>
<td>272,778</td>
<td>196,575</td>
</tr>
<tr>
<td>60-90 days</td>
<td>228,941</td>
<td>110,095</td>
<td>116,623</td>
</tr>
<tr>
<td>90+ days</td>
<td>1,028,007</td>
<td>1,070,834</td>
<td>599,808</td>
</tr>
<tr>
<td>Total Aged</td>
<td>4,040,155</td>
<td>4,381,880</td>
<td>2,528,396</td>
</tr>
<tr>
<td>Credits Unapplied</td>
<td>(59,307)</td>
<td>(85,942)</td>
<td>(82,674)</td>
</tr>
<tr>
<td>Total</td>
<td>3,980,848</td>
<td>4,295,938</td>
<td>2,445,722</td>
</tr>
</tbody>
</table>

#### Debtor

<table>
<thead>
<tr>
<th>Debtor</th>
<th>Description</th>
<th>Action</th>
<th>Days Aged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logan City Rugby Union</td>
<td>Rates &amp; Charges for period 01/04/19 to 31/03/20</td>
<td>Club had an arrangement that commenced October 2019 and was adhered to up to February 2020. No further payments have been received. Finance emailed the Club on 20/05/2020 requesting the Club to make contact by mid-June 2020 with a new payment plan proposal. Due to COVID-19, the Club has not been operating since March 2020.</td>
<td>&gt; 90 Days: 11,752, &gt;60 Days: 2,496</td>
</tr>
<tr>
<td>Brisbane Roar Football Club</td>
<td>Rates &amp; Charges for period 01/10/18 to 31/03/20 ($188,133), gym membership fees for February/March ($1,950) and electricity October 2019 to April 2020 ($2,703)</td>
<td>A briefing has been provided to the incoming Council for consideration.</td>
<td>&gt; 90 Days: 153,715, &gt;60 Days: 38,809, &gt;30 Days: 261</td>
</tr>
<tr>
<td>Description</td>
<td>Type of Accounts</td>
<td>Monitored by</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td>Accounts with</td>
<td>Various debts</td>
<td>Assistant</td>
<td></td>
</tr>
<tr>
<td>external collection agency</td>
<td></td>
<td>Senior Reoversies Officer.</td>
<td></td>
</tr>
<tr>
<td>Accounts on</td>
<td>Various debts</td>
<td>Assistant</td>
<td></td>
</tr>
<tr>
<td>Arrangement</td>
<td></td>
<td>Senior Reoversies Officer and Senior Accounts Receivable Officer.</td>
<td></td>
</tr>
<tr>
<td>Waste disposal</td>
<td>Various accounts</td>
<td>Overdue accounts are in the process of recovery action.</td>
<td></td>
</tr>
<tr>
<td>Insurance and</td>
<td>Various accounts</td>
<td>Overdue accounts are in the process of recovery action.</td>
<td></td>
</tr>
<tr>
<td>Damage claims</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of water</td>
<td>Water drawn from metered hydrant standpipes</td>
<td>Overdue accounts are in the process of recovery action.</td>
<td></td>
</tr>
<tr>
<td>Cemetery Services</td>
<td>Various accounts</td>
<td>Overdue accounts are in the process of recovery action.</td>
<td></td>
</tr>
<tr>
<td>Legal costs</td>
<td>Costs associated with legal proceedings for overdue rates</td>
<td>Costs will transfer to the Rate account after Judgment.</td>
<td></td>
</tr>
</tbody>
</table>
7.1 Covering Report  
Refer to Confidential Agenda in accordance with  
Section 275 (1) (e) of the Local Government Regulation 2012

PROPOSED ACQUISITION OF LAND IN SPRINGWOOD

REPORT OF:  Administration Manager

REPORT OVERVIEW

EXECUTIVE SUMMARY

The purpose of this report to obtain a decision from Council regarding the acquisition of land in Springwood.

Criteria: Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Next Generation Governance

Submitted under separate cover is confidential documentation relating to the above matter. This documentation is considered confidential due to the following reason: "It contains business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

RECOMMENDATIONS

IT IS RECOMMENDED:-

For consideration.

REPORT DETAILS

INTERESTED PARTIES

This information is confidential and is included in confidential attachments to this report.

PURPOSE OF REPORT/BACKGROUND

This information is confidential and is included in confidential attachments to this report.

ANY PREVIOUS COUNCIL DECISIONS

This information is confidential and is included in confidential attachments to this report.

FINANCIAL/RESOURCE IMPLICATIONS

This information is confidential and is included in confidential attachments to this report.

RISK MANAGEMENT IMPLICATIONS

This information is confidential and is included in confidential attachments to this report.
LEGAL/POLICY
This information is confidential and is included in confidential attachments to this report.

COMMUNITY AND OTHER CONSULTATION
This information is confidential and is included in confidential attachments to this report.

CONCLUSION
This information is confidential and is included in confidential attachments to this report.

ATTACHMENTS TABLE
This information is confidential and is included in confidential attachments to this report.