



City of Busselton

Geographe Bay

LATE ITEMS

Finance Committee Agenda

2 February 2017

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

city@busselton.wa.gov.au

CITY OF BUSSELTON

LATE ITEMS FOR THE FINANCE COMMITTEE MEETING TO BE HELD ON 2 FEBRUARY 2017

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6. REPORTS**6.7 ASSET MANAGEMENT**

SUBJECT INDEX:	Asset Management Report
STRATEGIC OBJECTIVE:	Infrastructure assets are well maintained and responsibly managed to provide for future generations.
BUSINESS UNIT:	Engineering and Facilities Services
ACTIVITY UNIT:	Engineering and Works Services
REPORTING OFFICER:	Asset Management Officer - Barrie Naylor
AUTHORISING OFFICER:	Manager, Engineering and Facilities Services - Daniell Abrahamse
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

Asset Management Report

BACKGROUND

NA

STATUTORY ENVIRONMENT

NA

RELEVANT PLANS AND POLICIES

Parks and Gardens, kookaburra Caravan Park and Waste Transfer Station Asset Management Plans.

FINANCIAL IMPLICATIONS

Effect of Donated assets and unit costs on Fair value of asset Porfolio.

Long-term Financial Plan Implications**STRATEGIC COMMUNITY OBJECTIVES**

N/A

RISK ASSESSMENT

NA

CONSULTATION

NA

OFFICER COMMENT**Donated Assets.**

As at the end of January 2017, the value of donated assets, (excluding Parks and Gardens), for this financial year, sits at \$7,601,330. This can be broken down as follows:

Asset Group	Current value	Annual Budget (12 mths)
Parks and Gardens	Not Calculated	\$3,800,000
Drainage	\$1,280,860	\$4,250,000
Footpaths	\$680,000	\$1,250,000
Roads and associated assets	\$5.640,470	\$4,500,000

The value of Road donated assets year to date has already surpassed the budget estimate, and will only continue to increase. Other assets appear to be about on target with the budget estimates. The principle source of these donated assets has been the Dawson Vasse Development and Dunsborough Lakes. Road assets have been boosted by the reconciliation of boundary roads and a bridge between the City and Augusta Margaret River Shire Council and the impending hand over of the Old Bussell Hwy, (Northerly St), and bridge from MRWA.

Parks and Gardens

Assets are continuing to develop the asset portfolio for these assets by collecting data and converting existing as-constructed data in to more usable and mappable formats.

Kookaburra Caravan Park.

An individual asset management plan for the Caravan Park is now well advanced and this is likely to be presented to Council during February or March 2017.

Waste Transfer Station.

The new Rendezvous Road Waste Transfer Station (RWTS) has had all its component assets, costs and values included in the relevant asset registers, (e.g. roads, kerbs, signage building etc.), It also has its own asset register encompassing every asset within the development. This register records where assets are listed and valued within other registers in order for the City to see and overall picture of the RWTS.

Roads.

The roads asset register has been updated with completed rehabilitation, expansion, donated assets and the latest unit rate costs, (including the reduction in Asphalt/Bitumen costs). This affects the fair value calculations of the City's road assets on an ongoing basis as we update the portfolio in terms of new and improved assets. The register is also being extended to encompass a detailed register and valuation of the City's Traffic Management Devices,(TMD'S), This category of sub assets contains such assets as roundabouts, medians, islands, pedestrian crossings, road humps etc.

OFFICER RECOMMENDATION

That the Finance Committee notes the Asset Management Report.

6.8 DUNSBOROUGH and DISTRICTS COUNTRY CLUB - SELF SUPPORTING LOAN REQUEST**SUBJECT INDEX:**

STRATEGIC OBJECTIVE: A City of shared, vibrant and well planned places that provide for diverse activity and strengthen our social connections.

BUSINESS UNIT: Finance and Corporate Services

ACTIVITY UNIT:

REPORTING OFFICER: Manager Financial Services - Kim Dolzadelli

AUTHORISING OFFICER: Director, Finance and Corporate Services - Cliff Frewing

VOTING REQUIREMENT: Absolute Majority

ATTACHMENTS: Attachment A [DDCC Self Supporting Loan Request](#)
Attachment B [DDCC Minutes Special General Meeting](#)
Attachment C [Outcome Letter Community Bids 2016-2017 DDCC](#)

PRÉCIS

The Dunsborough and Districts Country Club (DDCC) has requested that the City of Busselton provide a Self-Supporting Loan for \$114,000, for a term of 10 years, to provide finance to complete the construction of two (2) new tennis courts, resurface the 2 synthetic courts and apply a new coat of paint on the two (2) existing hardcourts.

BACKGROUND

The Club prepared and subsequently adopted a 5 Year Strategic Master Plan 2015-2020. That documents future plans for the various sporting sections of the Club and facility upgrade and maintenance. The tennis section prepared plans for the construction of two additional hard courts and the re-surfacing of the 2 existing synthetic courts (Dunsborough Tennis Courts Upgrade 2017 - the Project).

At Special General Meeting of DDCC was held 22 January 2017 where the following motion was *put to the vote and passed unanimously*:

"That the Dunsborough & Districts Country Club (Inc) apply to the City of Busselton for a \$114,000.00 loan, repayable over 10 years to complete the construction of two (2) new tennis courts, resurface the 2 synthetic courts and apply a new coat of paint on the two (2) existing hardcourts."

Project Cost

The Project was costed out at \$214,000 and specifically involves the construction of 2 hard courts, associated fencing, stormwater treatments, hard surfacing, laykold coating, net post installation, line marking, an upgrade of the 2 synthetic courts with new synthetic material and a final laykold surface coat on the existing 2 hard courts.

Project Income:

City of Busselton (Community Bid Program)	\$50,000
Department of Sport & Recreation	\$50,000
City of Busselton Self Supporting Loan	\$114,000
TOTAL PROJECT INCOME	\$214,000

By way of further background the need for more courts and improved tennis facilities was established through increasing demand for more playing space resulting from increasing Club membership, growth in junior coaching and the general public/casual usage (visitors to the region & local community non-Club members).

All sporting sections at the Club are growing to the extent that there are now over 710 registered members. Tennis section membership has trebled over the past 3 years (from 35 to 108) and there is a further 60 juniors participating in coaching and regional pennant competitions (mostly from the Local schools).

Increased player participation is monitored partially by the court booking/hire sheets, increased junior coach feedback and the increasing number of players "sitting off" during Saturday social tennis.

During the months of November through until March there are regularly 10-15 players "sitting off" during Saturday social tennis (Members & general public visitors).

The downside of an increasing junior presence in Dunsborough is that Junior coaching occurs 5 evenings per week and is causing court overload issues restricting access to the courts to Club members as well as social users. The Club sees the importance of a strong Junior program and is working around the court pressures by ensuring that strict court management is in place, but it highlights the importance of additional courts to cater for this growing need.

There are no other Public tennis courts available in the Dunsborough/Yallingup district, so all the demand is focused on the existing four (4) Club courts.

The population of Dunsborough as at June 2016 is 8,200 (City of Busselton Population Projections June 2016) combined with a growth rate of over 3.5% and coupled with an increasing tourist visitation to the district, especially during the school holiday and summer months, further adds weight to the urgent need for more tennis courts.

STATUTORY ENVIRONMENT

Section 6.20 of the Local Government Act 1995 – "Power to Borrow"

"6.20. Power to borrow"

- (1) *Subject to this Act, a local government may —*
 - (a) *borrow or re-borrow money; or*
 - (b) *obtain credit; or*
 - (c) *arrange for financial accommodation to be extended to the local government in ways additional to or other than borrowing money or obtaining credit,*
to enable the local government to perform the functions and exercise the powers conferred on it under this Act or any other written law.
- (2) *Where, in any financial year, a local government proposes to exercise a power under subsection (1) (**power to borrow**) and details of that proposal have not been included in the annual budget for that financial year —*
 - (a) *unless the proposal is of a prescribed kind, the local government must give one month's local public notice of the proposal; and*
 - (b) *the resolution to exercise that power is to be by absolute majority.*
- (3) *Where a local government has exercised a power to borrow and —*
 - (a) *it does not wish to proceed with the performance of the function or the exercise of the power for which the power to borrow was exercised; or*
 - (b) *after having completed the performance of the function or the exercise of the power for which the power to borrow was exercised, any part of the money borrowed, credit obtained or financial accommodation arranged has not been expended or utilized, the local*

government may resolve to expend the money or utilize the credit or financial accommodation for another purpose if one month's local public notice is given of the proposed change of purpose.*

** Absolute majority required."*

RELEVANT PLANS AND POLICIES

The City of Busselton Strategic Community Plan 2013 (Review 2015).

FINANCIAL IMPLICATIONS

Any Self-supporting loan is self-funded and will have no impact on Councils current Municipal Budget or Long Term Financial Plan.

Long-term Financial Plan Implications

As above.

STRATEGIC COMMUNITY OBJECTIVES

Key Goal Area 2:

Well Planned, Vibrant and Active Places:

Our Community Objectives are:

2.1 A City where the community has access to quality cultural, recreation, leisure facilities and services.

Council strategies to support achievement of community objectives -

> Ensure our sporting and recreational facilities meet the needs of our growing community.

RISK ASSESSMENT

The Club also has a proven track record with respect to repayment of Self- Supporting loans taken through the City and has strong membership growth.

CONSULTATION

At Special General Meeting of DDCC held 22 January 2017 the following motion was *put to the vote and passed unanimously*:

"That the Dunsborough & Districts Country Club (Inc) apply to the City of Busselton for a \$114,000.00 loan, repayable over 10 years to complete the construction of two (2) new tennis courts, resurface the 2 synthetic courts and apply a new coat of paint on the two (2) existing hardcourts."

Should the City of Busselton approve, by absolute majority, the application from DDCC the proposal will be subject to the giving of **one month's local public notice in accordance with** Section 6.20(2) of the Local Government Act 1995 – "Power to Borrow".

OFFICER COMMENT

At its meeting on 10 August 2016, Council considered the first round of Community Bid applications for the 2016- 17 financial year and approved the following amount of funding for this project:

Purpose: *Dunsborough Tennis Courts Upgrade*

Funding: \$50,000

Specific Conditions: Nil

The DDCC has strong membership, there are now over 710 registered members, with the Tennis section membership having trebled over the past 3 years (from 35 to 108) and there is a further 60 juniors participating in coaching and regional pennant competitions (mostly from the focal schools).

There are no other Public tennis courts available in the Dunsborough/Yallingup district, so all the demand is focused on the existing four (4) Club courts.

CONCLUSION

The club has a proven record with the City of Busselton in respect to Self-Supporting loans having, in most recent history been responsible for the following self-supporting loans, which have all been fully repaid in accordance with the individual loan agreements:

Year	Loan Amount	Interest Rate
2007	\$300,000	6.79%
1994	\$193,000	10.3%

Western Australian Treasury Corporation rates quoted on 18 January 2017 show an indicative borrowing rate of 3.08% for a 10 year loan term with 0.7% additional being charged through the Government Guarantee Fee. These borrowing rates are significantly lower than the DDCC has previously borne.

The DDCC has demonstrated the need for upgrade to their facilities, has a proven financial record and there are no other Public tennis courts available in the Dunsborough/Yallingup district.

For these reasons Officers recommend that the request be approved.

OPTIONS

Should Council not approve the request from DDCC, they will need to look at the following options:

1. Reduce the scope of works,
2. Look at other fund or loan options, or
Not proceed with the upgrade to facilities.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the request be approved action will be taken immediately to implement the recommendations of the Council.

OFFICER RECOMMENDATION

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED (delete if not)

That the Finance Committee recommends to Council with respect to the Dunsborough and Districts Country Club request for a self-Supporting Loan in the amount of \$114,000 for a term of 10 years:

- a) Approves the request,
- b) Gives one month's local public notice of the proposal in accordance with Section 6.20(2) of the Local Government Act 1995 – "Power to Borrow",
- c) Advises the Dunsborough and Districts Country Club that it must obtain all relevant development and building approvals from the City prior to any Loan funds being disbursed,

- d) Borrows the funds sought by the Club from the Western Australian Treasury Corporation in accordance with the Master Lending Agreement,
- e) Enters into a “Loan Repayment Agreement” with the Dunsborough and Districts Country Club where the club acknowledges it is responsible for reimbursement to the City of Busselton of full costs associated with the loan, and
- f) Amends the 2016/2017 Municipal Budget to recognise the relevant income, expenditure and any associate loan movements; noting that there will be no impact on Councils projected Surplus position.

City of Busselton
c/- Kim Dolzadelli
Manager Financial Services
Southern Drive
Busselton, WA. 6280

24th January 2017

Re : *Dunsborough & Districts Country Club Inc. (The Club) Self-Supporting Loan Request*

Dear Kim,

The Club prepared and subsequently adopted a 5 Year Strategic Master Plan 2015-2020. That document detailed plans for the various sporting sections of the Club and facility upgrade and maintenance. The tennis section prepared plans for the construction of two additional hard courts and the re-surfacing of the 2 existing synthetic courts (*Dunsborough Tennis Courts Upgrade 2017 – the Project*).

The Project was costed out at \$214,000 and specifically involves the construction of 2 hard courts, associated fencing, stormwater treatments, hard surfacing, laykold coating, net post installation, line marking, an upgrade of the 2 synthetic courts with new synthetic material and a final laykold surface coat on the existing 2 hard courts.

Underpinning this Project cost the Club have already raised \$50,000 from the City of Busselton Community Bid Program and an additional \$50,000 from the Department of Sport & Recreation. Thus, we seek support via a Self-Supporting Loan facility for the remaining \$114,000 to complete the above Project.

By way of background the need for more courts and improved tennis facilities was established through increasing demand for more playing space resulting from increasing Club membership, growth in junior coaching and the general public/casual usage (*visitors to the region & local community non-Club members*).

All sporting sections at the Club are growing to the extent that there are now over 710 registered members. Tennis section membership has trebled over the past 3 years (from 35 to 108) and there is a further 60 juniors participating in coaching and regional pennant competitions (*mostly from the local schools*).

Increased player participation is monitored partially by our court booking/hire sheets, increased junior coach feedback and the increasing number of players "sitting off" during Saturday social tennis. During the months of November through until March there are regularly 10-15 players "sitting off" during Saturday social tennis (Members & general public visitors).

The downside of an increasing Junior presence in Dunsborough is that Junior coaching occurs 5 evenings per week and is causing court overload issues restricting access to the courts to Club members as well as social users. This being said, the Club sees the importance of a strong Junior program and is working around the court pressures by ensuring that strict court management is in place, but it highlights the importance of additional courts to cater for this growing need.

There are no other Public tennis courts available in the Dunsborough/Yallingup district, so all the demand is focussed on the existing four (4) Club courts.

The population of Dunsborough as at June 2016 is 8,200 (*City of Busselton Population Projections June 2016*) combined with a growth rate of over 3.5% and coupled with an increasing tourist visitation to the district, especially during the school holiday and summer months, further adds weight to the urgent need for more tennis courts.

At a Special Meeting on Sunday 22nd January 2017 Members of the Club voted unanimously to approve this request for a self-supporting loan from the City of Busselton for an amount of \$114,000 to be repaid over a 10 year period (*see attached Minutes for that Special Meeting*).

Finally, the Club will be responsible for the reimbursement to the City of Busselton for this self-supporting loan and the associated costs of providing this loan. Further, the Club will enter into a "Loan Repayment Agreement" with the City of Busselton to that effect.

Yours Sincerely,

Rob Prentice
(D&DCC Inc President)

Greg Banfield
(D&DCC Inc. Committee Member)

John McCallum
(Tennis Section President)

**MINUTES OF SPECIAL GENERAL MEETING
10.00am 22nd January 2017**

Terry Herd (1st Vice President) opened meeting 10.00am

PRESENT: 49 Members
APOLOGIES: 14 Members

MOTION TO DISCUSS

“That the Dunsborough & Districts Country Club (Inc) apply to the City of Busselton for a \$114,000.00 loan, repayable over 10 years to complete the construction of two (2) new tennis courts, resurface the 2 synthetic courts and apply a new coat of paint on the two (2) existing hardcourts.”

Tennis President John McCallum spoke for the Motion.

A number of questions were put to the Chair and successfully answered.

THE MOTION WAS PUT TO THE VOTE AND PASSED UNANIMOUSLY.

T. Herd thanked those attending and closed the Meeting 10.16am

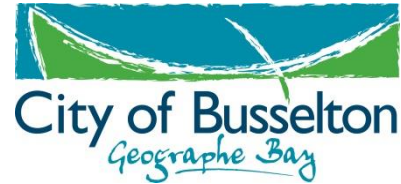
Kaye L McCormick
Secretary

2 Southern Drive, Busselton, Western Australia

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Office Hours: Monday to Friday 8.30am to 4.30pm

All communications to: The Chief Executive Officer, Locked Bag 1 BUSSELTON WA 6280

Our Ref: Grants and Sponsorship – Community Bids 2016- 17 Round 1

Enquiries: Naomi Davey (9781 0496) or naomi.davey@busselton.wa.gov.au

30 August 2016

Greg Banfield
Dunsborough and Districts Country Club
PO Box 57
DUNSBOROUGH WA 6281

Dear Greg

COMMUNITY BID APPLICATIONS 2016- 17 ROUND 1

At its meeting on 10 August 2016, Council considered the first round of Community Bid applications for the 2016- 17 financial year. I am pleased to advise that Council has approved the following amount of funding for your project:

Purpose: *Dunsborough Tennis Courts Upgrade*

Funding: *\$50,000*

Specific Conditions: *Nil*

Purchase Order: *PO36029*

The following general conditions apply to this grant:

- 1. Funds are only allocated for the purpose of the project as outlined in the application. Funds must not be used for any other purpose without prior approval from the City of Busselton.*
- 2. Funds which are unspent for the term and purpose that they were approved for are to be returned to the City within three months of the conclusion of the project.*
- 3. Projects must be undertaken and all documentation submitted to the City prior to 1st May 2017*

To accept this funding, please follow these steps:

1. Signed and returned grant agreement (2 copies enclosed, please return both).
2. Send the City a tax invoice including the following details:
 - a. The title 'Tax Invoice';
 - b. The organisation's ABN (if applicable);
 - c. Date
 - d. Reference to 'Community Bids 2016- 17 payment';
 - e. The amount of the grant, plus 10% for GST;
 - f. The organisation's bank details if payment by EFT is preferred.

- g. Unique purchase order number as quoted above.
3. When planning and undertaking your project, funding is to be recognised by placement of the City's logo on all marketing and publicity material produced specifically for the purpose of the project or activity including:
- a. Brochures, leaflets, posters and signage;
 - b. Display advertising, websites and PowerPoint presentations;
 - c. Invitations, certificates and forms.

Please contact the City for copies of logos and prior to publication.

4. Once the project has been undertaken, the following documentation is required to be submitted to the City within four weeks of project completion:
- a. Completed evaluation form (enclosed);
 - b. Copies of all project receipts;
 - c. Any additional information (documentation, photos, etc.) demonstrating the outcomes achieved as part of the project.

If you would like further details or to discuss this matter, please contact me on 9781 0496 or naomi.davey@busselton.wa.gov.au

On behalf of Council I thank you for submitting an application for Community Bids, and your assistance and patience during the assessment process. We look forward to hearing about your completed project.

Yours sincerely



NAOMI DAVEY

Community Development Officer