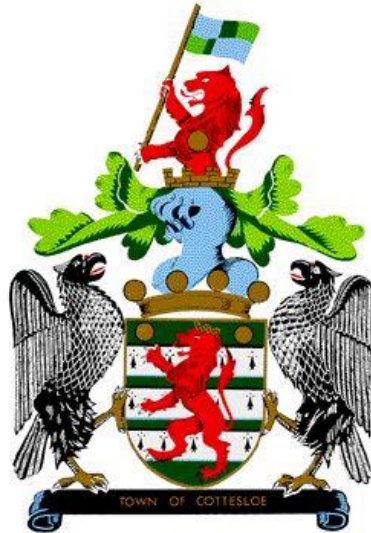


TOWN OF COTTESLOE



BUDGET WORKSHOP – THREE

**MAYOR'S PARLOUR, COTTESLOE CIVIC CENTRE
109 BROOME STREET, COTTESLOE
5.00PM, TUESDAY, 6 JULY 2021**

**MATTHEW SCOTT
Chief Executive Officer**

2 July 2021

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Present:

- Mayor Angers
- Cr Young
- Cr Masarei
- Cr McFarlane
- Cr Sadler
- Cr Harben (from 6.20pm)
- Cr Harkins
- Cr Barrett
- Mr Matthew Scott
- Mr Shane Collie
- Mr Shaun Kan
- Ms Freya Ayliffe
- Ms Lauren Davies

1. INTRODUCTION

This is the third and final of three scheduled workshops to consider the 2021/22 Draft Budget, with the final document scheduled to be presented to Council for adoption at the 27 July 2021 Ordinary Meeting of Council.

The purpose of this Workshop is to finalise any Budget matter outstanding in order that the conversion from the Management Budget format to the Statutory Budget format can occur. Following this Workshop there would be no further changes to the Budget.

2. BUDGET REQUESTS SUBSEQUENT TO BUDGET WORKSHOP 2

- 11/6/21 Cr Barrett, Sporting Club facilities (Anderson Pavilion) where a shortfall may exist in obtained funding and Tender price.

Budget Impact: \$0

Administration Comment

Once Tenders are called and a firm price is known an informed decision on this can be made. Any additional funds would be sourced from Reserve and additional grant funding will be applied for if eligibility is determined. Discussions are ongoing with sporting clubs on possible contributions or fundraising.

- 11/6/21 Mayor Angers, If it is at all viable, I would like to examine the possibility of a public toilet for the town centre as the merchants have been requesting one even before I was an elected councillor. However, as you know, I have a shop in the town centre and therefore a financial interest in my request.

Budget Impact: \$20,000

Administration Comment

Planning, consultation, costing, affordability and determination on location and design would all need to be considered prior to this becoming a formal action of the Town. This would not be expected to occur to the point of expenditure being undertaken on construction within the next 12 months. Step 1 is for Council to consider the matter as part of its next review of the Corporate Business Plan. Discussion on the development of a Toilet Facilities overall plan sees a recommendation of \$20,000 to implement next year.

- 11/6/21 Cr Harkins, – my only feedback is that I would prefer any surplus be used to lower our rate increase than be put into a reserve or another project.

Budget Impact: \$0

Administration Comment

The Budget is presently drafted with a surplus of \$90,000 and it will be for Council to determine this allocation or a reduction in rates increase.

- 15/6/21 – Director Engineering Services – Amendments due to late notification of grants, not impacting surplus/deficit and allowing funds to be utilised for the compilation of the Asset Management Plan.

Account	Description	Current Allocation			Revised Allocation			Comments
		Rates	Grants / Income from Asset Sale	Total	Rates	Grants / Income from Asset Sale	Total	
Current	DPLH CMPAP Grant CHRMAP Development Stage 1	\$36,000	\$26,000	\$62,000	\$48,500	\$38,500	\$87,000	Been informed that the grant will be increased and council would need to match. This will form part of the offer conditions
NEW	Department of Transport Grant Perth to Fremantle Stage 1 End of Trip Facilities	\$0	\$0	\$0	\$0	\$20,000	\$20,000	A new grant application that would be highly likely to be successful
NEW	Water Corporation Grant Urban Canopy Program Perth to Fremantle Stage 1	\$0	\$0	\$0	\$0	\$13,000	\$13,000	A grant that has been successful
NEW	Asset Management Plan	\$0	\$0	\$0	\$50,000	\$0	\$50,000	Requested by Council for a consultant to be engaged to look at depreciation
47.9000	Plant Machinery and Equipment	\$174,932	\$234,024	\$408,956	\$112,432	\$94,000	\$206,432	Budgets have been reduced to cover the above additional projects and funding requirements
	Total	\$210,932	\$260,024	\$470,956	\$210,932	\$165,500	\$376,432	

Budget Impact: \$0

Administration Comment

These items are reallocating various initiatives contained within the Budget without any impact on the bottom line.

- 17/6/21 – Cr Tucak, Claremont Hill traffic study, as raised previously. Cost estimate \$50,000 to \$70,000 (DES). Cr Tucak also advises that if possible, this is to include an extension of the above study to Cottesloe East Ward between Eric St and Forrest St (subject to overlap with Main Road’s recent study for Eric St Bridge, to allow the Claremont Hill study to clearly understand the traffic flows and issues in a more holistic sense (that is, what happens on Claremont Hill does seem to be linked to traffic flows over Eric St Bridge to some degree).

Budget Impact: \$0

Administration Comment

This proposal was not supported at Budget Workshop 2.

- 18/6/21 – Cr Sadler, supportive of a 3.4% to 3.5% rate increase.
- 18/6/21, Cr Sadler, RAILWAY STREET (Parry to Greenham) – I recommend that budget amount to remain the same but that it is noted in the title not as “ROAD CONSTRUCTION” but as “ROAD and ON-ROAD CYCLE NETWORK CONSTRUCTION”

Budget Impact: \$0

Rationale – Railway is part of the Town’s Long Term Cycle Network (LTCN). In the last two years both Grant Street and Marmion Street have had asphalt and curbing replaced. These are both part of our LCTN. There was a significant missed opportunity to implement our LTCN at the same time at little to no additional cost with on-road upgrades. Railway from Parry to Greenham is an area where cars speed and is very near North Cottesloe Primary. This represents an opportunity to slow traffic on Railway by reproducing the current raised plateaus on Railway. A strategic approach to our road upgrades is essential to achieve the town’s transport aspirations in a cost-effective manner. Alternatively a different road should be chosen to repair that is not on the LTCN until such time as our Integrated Transport Plan is in order.

ALTERNATIVELY – I would like to recommend that the \$86,700 does not get moved from reserves into the budget for this item, so that Council has input into this decision.

- 18/6/21, Cr Sadler, 45.9000.5 STREETLIGHT UPGRADES AND IMPROVEMENTS – I recommend that the \$50,000 is placed into either the INFRASTRUCTURE RESERVE or a new reserve entitled SPECIAL PROJECTS or FUTURE PROJECTS.

Budget Impact: \$0

Administration Comment

This is supported and rationale below makes sense. The item is Budget neutral as the expenditure to Reserve replaces the expenditure on works.

Rationale – we are awaiting adoption of our Lighting Strategy. It is premature to have it in the budget. It can be included during the year if needed by a budget amendment or at the mid-year budget review. Meanwhile the money can be set aside in a reserve.

- 18/6/21, Cr Sadler, NEW ERP System – I recommend the \$650,000 to remain in the IT reserve and the \$150,000 from the budget to be added to the IT reserve pending a report to come to Council regarding the IT options/costs etc.

Budget Impact: \$150,000

Administration Comment

This financial transaction is supported and the rationale makes sense notwithstanding that the timing of the introduction of the new system is not yet finalised. The funds from Reserve are set aside for this purpose and will be required when the system is ready to be rolled out. The item is Budget neutral if the proposed allocation to Reserve of \$150,000 replaces the expenditure on works. It is however recommended that the \$150,000 not be transferred to Reserve as the amount may not be needed and/or could be budgeted for in the 2022/22 financial year. Other projects below which have arisen since Budget Workshop 2 are considered of a high funding priority to justify expenditure now.

Note that a comprehensive EOI process was undertaken earlier this year on this matter which was subsequently reported to Council at the February 2021 Councillor Workshop. Further reporting to Council on this matter is not considered necessary as any such report would be repeating what was submitted in February 2021.

- 18/6/21, Cr Sadler, PAGE 12 REGULAR COUNCIL MEETINGS – I recommend a reduction of \$8,000 from the cost of Council meetings.

Budget Impact: (\$8,000)

Administration Comment

For Council's determination. Offset is the following item Community History Project.

- 18/6/21, Cr Sadler, COMMUNITY HISTORY PROJECT – I recommend the \$8,000 remains in this budget rather than being reduced to \$0.

Budget Impact: \$8,000

Administration Comment

For Council's determination. Offset is the prior item Council Meetings.

Rationale – Councillors would be happy with a reduction in the catering for council meetings. The bicentenary (2029) is not far off, it will be valuable to further progress recording and presenting the Town's history in the lead-up to this significant milestone

- 18/6/21, Cr Sadler, PAGE 22, NORTH COTTESLOE PRE PRIMARY - \$4,500 in budget. I am querying why we have money in the budget for an education department facility? I recommend if there is not a good explanation for this, that the \$4,500 is placed in the INFRASTRUCTURE RESERVE or other reserve as recommended by administration

Budget Impact: \$0

Administration Comment

Community Group grants have previously been considered and on that basis the proposal is not supported. If approved the item is Budget neutral as the expenditure to Reserve replaces the expenditure proposed for the school.

- 18/6/21, Cr Sadler, PAGE 42 – BIKE PLAN CONCEPTS AND DESIGNS – there is currently no budget allocation for plans. I understand that the Town is applying for grant funding from the DoT this coming financial year for the Eric Street bike path, that requires 50:50 matched funding. If so, what would the appropriate allocation be?

Budget Impact: \$0

Administration Comment (MES)

Department of Transport have indicated that there will be no expression of interest advertised next financial year for bike funding in the 2022/2023 period due to the overwhelming responses received in 2020/2021 for subsequent years. For this reason, no funding has been allowed for this item in the 2021/2022 budget other than detail design for the Eric Street Shared Path where grant funding has already been approved by the State Government.

We currently have the Eric Street Shared Path construction phase as a reserve project with the State Government for 2022/2023, pending the completion of our detail design in 2021/2022. Should this progress onto construction, we would require \$350,000 to match a similar grant funded amount by DoT with a \$700,000 estimated project delivery cost.

- 18/6/21, Cr Sadler, PAGE 42 – INTEGRATED TRANSPORT STRATEGY - \$20,000. I would like to understand if it is proposed that this will be done via consultant or in house? Is \$20,000 adequate for a consultant? If in house, is the Town confident that we have the requisite transport planning skills for this strategy? Does this require greater funding?

Budget Impact: \$0

Administration Comment (MES)

The \$20,000 only allows for the strategy to be compiled by Town staff given that a majority of these components (footpath network, parking strategy and long term cycle network) have already been compiled and with some further research to look at freight and public transport to complete the data required to complete this plan. The cost for a consultant to develop this will be in the order of \$50,000 to \$60,000.

Most of my recommendations above are budget neutral. I understand that there is currently a small budget surplus. I would recommend that a proportion of the budget surplus be applied to the last two items below depending on the response to the questions. Any further budget surplus I would like to be applied to reserves – INFRASTRUCTURE OR SPECIAL PROJECTS/FUTURE RESERVE.

- 24/6/21, Administration, EBA Consultant \$8,000. New EBA negotiations to occur in 2021/22 in view of new EBA being in place for 2022/23.

Budget Impact: \$8,000

Administration Comment

This was missed in the initial draft Budget, most likely due to the new Enterprise Agreement not coming in until 2022/23. It is however the expenditure associated with putting it in place prior to the financial year in which it comes into force that is required.

- 24/6/21, Administration, Inside staff Uniforms. \$5,000. Currently there is no Management Protocol on this matter. Local Governments generally have a Uniform Allowance per person, per year with any expenditure over the Allowance the responsibility of the staff member. To develop a Management Protocol.

Budget Impact: \$5,000

- 24/6/21, Social Pinpoint Software \$11,500. To enable efficient and effective consultation on the many matters that the Town undertakes. Has been requested on numerous occasions to significantly improve the Town's consultation efforts.

Budget Impact: \$11,500

- 24/6/21, Seaview Kindergarten kitchen upgrade, \$16,200. Removed from the Community Group Grant area and to be funded through the Town's Building Maintenance budget.

Budget Impact: \$16,200

- 24/6/21, Community Group Grants, \$19,300. Council determined the allocation of grants at Budget Workshop 2, however they have not as yet been included in the Budget. *Note this was an oversight and \$45,000 was in fact included in the draft Budget for Community Group Grants. Therefore when added to the current surplus of \$90,000 a revised surplus of \$135,000 is present.*

Budget Impact: \$19,300

- 24/6/21, Engineering Carried Forward Items Detailed design Foreshore Revitalisation Project, \$524,300, Fleet Replacement, \$170,000 and Green Infrastructure Management Plan, \$18,300.

Budget Impact: \$0

- 24/6/21, Coastal Management Plan Assistance Program. Only notified of successful grant funding 24/6/21. The Town has been successful in obtaining a \$100,000 grant based on a contribution of \$77,000 by the Council for the development of a CHRMAP. The \$177,000 must be spent in 2 years. In addition to the above, we have also received a fully funded grant of \$11,800 for coastal monitoring and \$6,738 for dune rehabilitation. This would need to be acquitted before 30 June 2022. The \$77,000 has been included in the budget but would now need to be revised as the State have increased their co-contribution from \$77,000 to \$100,000. This will have zero net effect on the budget. Similarly, grant funded works totalling \$11,800 and \$6,738 are included in the Budget however have equal expenditure and income associated.

Budget Impact: \$0

- 30/6/21, Main Roads WA Principal Shared Path Works. Expenditure is already committed however the income has not. A positive outcome being effectively a \$20,000 in addition income not anticipated.

Budget Impact: (\$20,000)

- 30/6/21, Reduction in expenditure and income for Beach Access Path S11. Council to determine funding options for this pathway. Expenditure currently listed as \$150,000, of which \$120,000 was to be external or Reserve (nil impact) and \$30,000 was to be from the draft budget. The net saving by removing this item (at this stage) is a \$30,000 reduction in expenditure.

Budget Impact: (\$30,000)

- 30/6/21 Skate Park, Cr Barrett, \$750,000. This item was removed from the draft Budget at Workshop 1. Cr Barrett has provided the following information:

“I am very concerned that the Skate Park Facility was removed from the Budget Papers at Workshop 1, whilst I was not available to attend. It has now been 4 years since people from the Cottesloe Community requested Councillors consider a Skate facility in our area. If it is not achieved within the next financial year, then it will be more than 5 years. Surely this is an unacceptable timeframe given the strong support for a skate facility by our Community? I would like to have this position reviewed and ask that you answer a few important questions below which I feel may lead to other Councillors re-considering this position. I have also attached a few important pages of the Outcomes Report given a few statistics from it have been questioned.

- 1. Can you please confirm that 1,452 Cottesloe Residents responded to the Skate Park Survey, indicating they felt Cottesloe would benefit from having a skate park?*
- 2. Was this 81.25% of all Cottesloe Residents who responded to the survey?*
- 3. Does the total number of respondents who completed the survey (1,787) represent approximately 24% of the Cottesloe Community?*
- 4. Can you confirm there has been a clear outcome on location for a skate park from the recent Workshops?*
- 5. Does the inclusion of a Skate park within next years budget effect the Rates or has it been solely sourced from the Reserves?*
- 6. In your opinion, do you believe building a Skate park is achievable within the next Financial Year?*
- 7. Do you believe we can receive substantial Grant funding from Lotterywest (and others) for the building of a Skate Facility?*
- 8. In your opinion, do you think moving forward on a skate facility would help or hinder our chance for achieving State Funding for our Foreshore Redevelopment?*
- 9. Do you see any perceived obstacles with the building of the Skate Facility that cannot be easily overcome (ie Trees etc.)*
- 10. Does undertaking the Skate Project next Financial Year align with our Corporate Business Plan and provide consistency across our Strategic Documents, setting a clear direction?*
- 11. In your opinion, do you think we should include the Skate Project in our Budget to be undertaken in the next financial year?”*

Budget Impact: \$0

Administration Comment

As Council members are aware there has been extensive consultation on this matter and finalisation of the location should be determined very soon. The project would be a Design and Construct Tender and is likely to be linked in some way to the Foreshore Development and any proposed development of Carpark # 2. The key is whether it would be shovel ready in the next 12 months given that the following still needs to occur:

- Finalisation of Location.
- Seek any funding to offset the Town's current 100% funding.
- Develop Tender documents.
- Advertise Tender and receive submissions.
- Community Consultation.
- Assess submissions and Compile Report.
- Council choose successful Tender.
- Works Commence.

Based on the above it is estimated that the entire job would not be complete until the 2022/23 financial year. Whether Council wishes to proceed in 2021/22 and have a likely Carried Forward amount is for it to determine. While the Budget Impact is \$0 there is still the utilisation of Reserve funds which once used are not recurrent unless Council is able to afford to top them up in coming years.

- 30/6/21, Cr Young, \$10,000 to \$15,000, Art Event. Cr Young raised the following by email 28/6/21:

“As I mentioned to you some time ago I have been approached by a resident with a request that Council consider running an art competition with a local theme. The resident is an artist with a keen interest in painting. It would be good if some funding was potentially available for such an event if it was supported by Council. The Sculpture reserve has funds in it but the purpose of the reserve would prevent it being used for an art competition. I would like the purpose of the Sculpture reserve broadened to open up the possibility of funding such a completion. I imagine the cost to be met out of the reserve would primarily be prize money and something in the vicinity of \$10-15k.

Note that I am not suggesting that a decision be made on the merit of an art competition, but simply that there is a funding source if the idea was taken up in the next budget year. Can this please be considered in the budget workshop?

Budget Impact: \$0

Administration Comment

The matter has not been considered by Council and if there was a positive response to developing an event such as this the Town's Event Coordinator would progress and develop a suitable program. If funded from Reserve there would be no Budget impact.

All of the above proposed changes when included together results in a Budget with a Surplus of \$135,000. Council will need to determine what further changes, if any, it wishes to make to achieve a balanced Budget. Options are as follows:

- 1. Reduce the Rate increase. Note that a 1% Rate increase is \$112,775..*
- 2. Transfer funds to Reserve, and if so which Reserve. Options mentioned included the IT upgrade Reserve of Infrastructure Reserve which would be considered to include funds for the Skate Park.*
- 3. Allocate funds for what is anticipated to be spent in the development of the Skate Park in 2021/22 with the balance being allocated to the Infrastructure Reserve. A suggested amount of \$50,000 (or even the total current surplus of \$135,000) may be considered.*

3. 2021/22 COMMUNITY GROUP DONATIONS PROGRAM

- Community Group Donations have been finalised at \$19,300 and will be incorporated into the final Budget document as noted above along with upgrading of a Council building of \$16,200, which was not considered a Community Group Donation.

4. 2021/22 FEES AND CHARGES

- Fees and Charges for 2021/22 have been finalised and are included with the Budget papers presented.

5. DEFERRED OR OMITTED BUDGET PROJECTS

A spreadsheet was submitted listing items that were deferred, omitted or reduced in the Draft Budget prior to the first Budget Workshop.

6. ADOPTION OF 2021/22 BUDGET

At the 27 July 2021 Ordinary Council Meeting, Elected Members will be asked to formally adopt the 2021/22 Budget.

The Draft Budget presented to this meeting will reflect the discussions and consensus agreements reached at the three budget workshops.