

# Shire of Kojonup Briefing Session – 20 June 2017

## **Record of Meeting (9:00am – 2:45pm & 3:30pm – 4:15pm)**

- Attendance:** Shire President and Councillors: Sexton, Warland, Mathwin, Radford, Pritchard & Hobbs (until 12.40pm)
- Officers:** CEO, MCS (until 2:45pm), MWS (9:00am – 2:45pm), MACS (9:00am – 2:45pm), SR/BMC (11:00am – 2:00pm) & SFO (9:00am – 2:45pm)
- Guests:** Mark Weller – Core Business Australia (11:00am – 2:00pm)
- Apologies:** Cr Pedler (Leave of Absence), MRS & MCDT

## DECLARATIONS OF INTEREST

Nil

## CONCEPT/AGENDA FORUM

<b>Time Slot</b>	<b>Item</b>	<b>Response / Action</b>
9:00am – 10:50am	The Manager Corporate Services to conduct an Annual Budget workshop with Council	The Manager of Corporate Services outlined the major items of the 2017/2018 draft budget and the Shire's financial position ( <b>see PowerPoint presentation attached</b> ). The draft Budget was circulated to all Councillors via email immediately prior to the session.
11:10am – 2:00pm	Mark Weller (Core Business Australia) to present the draft Asset Management Plan to Council	Mark Weller from Core Business Australia presented to the Council the final draft of the Asset Management Plan and Building Assessment Framework. The findings within the plan were discussed in detail and the 12 recommendations presented. Discussions regarding a capital assessment framework being implemented as Stage 1 was agreed by the group.
2:15pm – 2:45pm	Annual Budget Workshop to conclude and/or update of Community Strategic Plan	See comments above from 9:00am – 10:50am time slot.

## COUNCILLOR Q & A

3:30pm – 4:15pm	Councillor Updates	Cr Radford: <ul style="list-style-type: none"> <li>Communications Tower – noticed that a new WA Police tower had been erected near the existing towers and asked if Council</li> </ul>
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	<p><i>Opportunity for Councillors to outline meetings attended, discussions had or queries received for Councillor and Officer information.</i></p>	<p>had been approached on viability of sharing this infrastructure. CEO advised that discussions had occurred with DJ Communications who had worked on the Samson Road tower. John Dent who is presently assessing site locations for a new Council tower has also been advised. MCS has been asked to ensure Mr. Dent briefs council on his investigations ASAP as up to 5 new Telecommunication towers are being erected in the shire and Council and Rural Fire requirements need to form part of the process so as not to duplicate unnecessary infrastructure in order to achieve total coverage for our area and immediate neighbours.</p> <p>Shire President:</p> <ul style="list-style-type: none"><li>• The Biggest Morning Tea at Springhaven was well supported and superbly catered. Congratulations to all involved!</li><li>• Memorial Hall – invitation should be extended to Nikki Stretch on behalf of the Theatrical Society to review internal hall improvements which form the basis of a \$300k application to Lottery West.</li><li>• Outlined forum discussions with Minister Alana McTiernan held in Albany last Friday. New State Government was focused on meeting election commitments given Albany was a marginal seat which effectively meant the upper Great Southern missed out as it was held by the National party and does not have a population base that would influence election outcomes. A review of Royalty for Regions submissions and approval announcements made by the Liberal Government prior to the March 2017 election is being undertaken and there is no guarantee that the Great Southern Housing Initiative will proceed despite 9 local governments submitting a business plan that recognizes the need and economic stimulus, employment opportunities such a project would provide. Funding elements of the Kodja Place, Sports Precinct and Main Street Master Plans will need to look at other external grant opportunities in particular the Commonwealth’s Building Better Regions Fund however leveraging will be minimal if there is no state funding. CEO advised that eastern colleagues refer to WA as “wait awhile” but now even community members are</li></ul>
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		<p>referring to the state’s financial dilemma as the state of “waste all.”</p> <p>A letter on behalf of Upper Great Southern Shire Presidents is being drafted to the Minister highlighting the need for the Housing Project to proceed and that it does address the new government’s policy position of being sustainable, creating jobs and meeting community needs not wants!</p> <ul style="list-style-type: none"> <li>• CEO Review – reminded Councillors to please complete paperwork ASAP</li> <li>• WALGA Conference – limited interest shown for full conference however some Councillors interested in attending Thursday sessions.</li> <li>• An apology for next Tuesday’s bus tour and visit to GD Pork.</li> </ul>
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10:50am Morning Tea

12:40pm Lunch

Info Bulletin	Circulated	<p>Councillors to review and ask questions out of session or at the next briefing session.</p> <p>A copy of any question, and the response will be circulated to all Councillors for information.</p>
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Rick Mitchell-Collins  
**Chief Executive Officer**





# 2017/2018 Draft Budget



## Current Status

- Hardest year to Balance!
- Fortnight behind schedule
- \$3m *less* in revenue/grant funding compared to 16/17
- Lots of good projects, or simple maintenance & renewal requests, deferred
- Spread very thin (TKPP, SHL)
- Budget 95% Completed – Some figures subject to change

# Why?

Financial Overview - Shire of Kojonup	2015/2016	2016/2017	2017/2018
	Budget	Budget	DRAFT Budget
Cash Provided by Operations (P&L)	\$4.45m	\$5.75m	\$2.9m
(rates, charges, grants etc <i>less</i> wages, materials, utilities, insurance)			
Cash Spent on Capital Investment	(\$6.75m)	(\$7.82m)	(\$5.32m)
Roads (Net)	\$ 515,000	\$ 489,000	\$ 476,000
Plant (Net)	\$ 508,000	\$ 552,000	\$ 550,000
All Other (Net)	\$ 329,706	\$ 568,000	\$ 505,000
Opening Balance	\$0.55m	\$0.07m	\$0.9m
Cash Provided through Financing Activities	\$1.75m	\$2.0m	\$1.47m
(reserve accounts, loans, etc)			
	\$0	\$0	\$0

## \$3.0m Reduction in Revenue from 16/17

- CLGF Regional (Loton CI) - \$475,000
- SIHI Stream 6 – Springhaven - \$590,000
- SIHI Stream 6 – Loton Close - \$660,000
- Roads to Recovery – Bridges - \$720,000
- Water Grants - \$170,000
- Black Cockatoo Café - \$450,000

# Reserve Accounts

- Relatively stable over the year
  - Opening Balance - \$3.04m
  - Closing Balance - \$2.91m
- New Reserve Accounts created:
  - Saleyards
  - Swimming Pool
  - Springhaven Equipment



# Reserve Accounts (Cont...)

- Limited opportunity for putting aside for the future:
  - Council Motion (December 2016):**  
The 2017/2018 draft budget include transfers to the following reserve accounts to increase their balances:
    - Economic Development
    - Employee Leave
    - Staff Housing
    - Sporting Facility
    - Landfill Waste Management
    - Land Acquisition and Development



## Reserve Accounts (Cont...)

- Limited opportunity for putting aside for the future:

Council Motion (December 2016):

The 2017/2018 draft budget include transfers to the following reserve accounts to increase their balances:

- Economic Development - **\$0**
- Employee Leave - **+\$40,000**
- Staff Housing - **\$0**
- Sporting Facility - **+\$40,000**
- Landfill Waste Management - **\$0**
- Land Acquisition and Development – **(\$10,000)**

## Loans

- 2016/2017 – No New Loans raised (\$950,000 budgeted)
- 2017/2018 - \$850,000 New Loans Proposed
  - \$450,000 Sub-division expenses (\$500,000 project)
  - \$300,000 Memorial Hall/Harrison Place Project (\$609,000 project)
  - \$100,000 Bagg St unit refurbishment (\$100,000 project)
- Opening Balance - \$325,000
- Closing BUDGETED Balance - \$1.13m

# So what's in it??

## Governance

### CAPITAL

- ICT Plan Implementation - \$57,000
- Shire Admin Painting - \$24,000
- Furniture/Chambers technology - \$25,000

### OPERATING

- Administration Support Regulatory Services - \$15,000



# Law, Order & Public Safety

## CAPITAL

- Bush Fire Communications Tower - \$100,000 (100% reserve funded)

## OPERATING

- Emergency Management part/time Position - \$20,000
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# Health

## OPERATING

- Health Inspection and Administration sub-program - \$20,000 net additional (resource sharing position)

# Education & Welfare

## OPERATING

- Additional Staff resource – Play in the Park \$1,400
  - Kojonup Kindy café (3yo Kindy) - \$5,200 resources, \$10,000 grant
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# Housing

## CAPITAL

- Bagg St unit renovation - \$100,000 (fully funded by loan)
- Finalise SIHI Springhaven (\$408,000), Loton Close (\$405,000) and Jean Sullivan (\$89,000) grant projects
- Finalise Items at CEO Residence - \$20,000
- Springhaven Furniture, Air-Con and minor building items - \$47,000
- Springhaven Laundry Equipment Allowance - \$14,000

# Housing

## OPERATING

- ILU operating results now self-sufficient and renewal funding
- JS operating results now self-sufficient.

# Community Amenities

## CAPITAL

- Re-paint Railway Station - \$24,000
- Cemetery Upgrade - \$20,000
- Town Furniture - \$20,000
- “Purchase Land” - \$10,000 RSL transfer expenses, \$15,000 land swap/alignment at SHL/The Spring/Loton Close



# Community Amenities

## OPERATING

- Townscape Plan - \$20,000
- Community and Youth Events –
  - \$42,500 expenditure
  - \$23,400 revenue and grants
- NRM Operations – fully funded from Reserves



# Recreation & Culture

## CAPITAL

- Memorial Hall / Theatrical / Harrison Place Project - \$609,000
- New Access and Parking Arrangements at Sporting Complex - \$115,000
- Swimming Pool – New rear fence and plant room upgrade – \$55,000
- Apex Park Playground Soft Fall (stage 1) - \$20,000
- Sporting Complex building issues - \$20,000
- Newstead Park Upgrade - \$9,275
- Repaint Lesser Hall Kitchen - \$6,000

## OPERATING

- Swimming Pool Structural Assessment Report - \$40,000

# Transport

## CAPITAL

- Plant Purchases - \$837,400
  - Net Cost \$550,000 – 12 year average
  - Significant Issues keeping costs down
  - Passenger Vehicle arrangements especially need review
- Airstrip Fencing Improvements - \$92,870 (\$47,870 grant revenue)
- Signage Upgrades - \$10,000
- Footpaths - \$45,000
- Kerbing - \$45,000

# Transport (Cont...)

## CAPITAL

- Road Construction - \$1.63m
  - Gravel Re-sheeting - \$324,000
  - Widening Kojonup-Frankland Rd - \$480,000
  - Pensioner Rd – Stage 1 carry over - \$184,000
  - Pensioner Rd – Stage 2 - \$300,000
  - Bitumen Reseal – Kojonup-Darken Rd - \$75,000
  - Bitumen Reseal – Broomehill-Kojonup Rd - \$60,000
  - Bitumen Reseal – Boscabel-Chittinup Rd - \$99,415
  - Bitumen Reseal – Vanzuilecom St - \$59,000
  - Wooden Culvert Replacement - \$30,000

# Economic Services

## CAPITAL

### The Kodja Place:

- Complete Tourism WA Grant - \$55,976
- Seal Car Park, Signage & Line Marking - \$24,000
- Rose Maze Structures - \$5,000
- Shelving & Storage - \$5,000

Sub-division - \$500,000 (\$50,000 reserve, \$450,000 loan) (sale of blocks to pay loan)

# Economic Services

## OPERATING

- The Kodja Place
  - Additional staff position
  - Increase in deficit by \$54,000 (cash)
- Black Cockatoo Café
  - Loss of \$30,000
  - Based on operating for 3 months
  - To be leased out




# Other Property & Services


- Public Works Overheads
  - Starting to bite!
  - Difficult decisions lay ahead
- Vehicle License Exemptions
  - Worse than expected by approx. \$10,000



## What Didn't Make It?

- Oval Sub-Surface Drainage - \$62,000 (Net)
  - Transfers to Reserve Accounts per Council Decision
  - CCTV – The Kodja Place - \$39,000
  - Fit out Cleaners Van - \$17,200
  - Major Plant Repairs - \$10,000
  - Sporting Complex Building Issues – reduced by \$30,000
  - Town Furniture – Halved \$20,000
  - (Partial) CEO Residence Finish Off - \$18,000
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## What Didn't Make It?

- Springhaven Garden Upgrades - \$15,900
  - New Toilet at Cemetery - \$35,000
  - Showgrounds Dam & Catchment Upgrade - \$90,000 (net \$30,000)
  - New Decking and Enclose Verandah - \$40,000
  - Plant Replacement - \$150,000
  - (New Gardeners Ute - \$28,000)
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# Overheads?

- Plant Depreciation
  - Plant Operating Costs (POC)
  - Public Works Overheads (PWO)
- Good or Bad??  
(Good, but Craig gets less with more...)

# Questions??

- Challenges lay ahead...
- Literally trying to do much more with less...
- Can we be all things to all people??