
TOWN OF EAST FREMANTLE



2008/2009 BUDGET

For the year ending 30th June 2009



TOWN OF EAST FREMANTLE
2008/2009 BUDGET
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Mayoral Message

It is with great pleasure that I introduce the 2008/09 Municipal Budget to electors and residents of the Town of East Fremantle.

In summary the Council has adopted an operating budget of \$6.5m for 2008/09. This is an increase of 6.7% on the operating budget for 2007/08. The capital budget for 2008/09 is \$1.9m and includes a number of key projects which are outlined below.

- The budget for 2008/09 is again one that is financially responsible and reflects the increase in costs experienced generally in the local economy. To maintain and improve on Council's current level of service to the community, a 6% rate increase has been required.

As everyone is aware, there have been price increases in most areas of expenditure over the last twelve months. In particular increasing fuel prices, and high contractor costs associated with the resource boom in the State's North, have been a factor as they have been for all other local governments.

The rate increase takes these economic factors into account and is consistent with the Local Government Consumer Price Index provided by the Western Australian Local Government Association.

- The operating and capital expenditure items included in this budget are all in accordance with Council's 10 year Plan for the Future 2008/09 – 2017/18.
- In this budget the cost of providing recycling and rubbish services undertaken by the South Metropolitan Regional Council (SMRC) has been included in the rates levied.
- Similar to previous years this budget also includes the provision of free green waste and general verge waste collections to residents.
- Council will also continue to provide 3-4 verge mows each year, which is more than are provided by any other local government in the State.

- As indicated Council will be carrying out a substantial capital works program in the 2008/09 financial year totalling \$1,984,845. The major projects are :

➤ Completion of George Street roadworks	\$83,690
➤ Preston Point Road traffic management works	\$440,793
➤ Stratford St catchment drainage works	\$244,400
➤ Silas Street resurfacing works	\$ 93,300
➤ Footpath construction program	\$296,683
➤ Foreshore erosion control works	\$ 30,000
➤ Completion of Dovenby House landscaping	\$ 45,712
➤ Plympton Steps upgrade	\$ 22,000
➤ Pier Street limestone protection works	\$ 50,000
➤ Cycleway improvement works	\$ 35,000
➤ Kerbing replacement works	\$ 38,350
➤ Upgrade of facilities at Lee park	\$ 55,000
➤ Minor upgrade of various Council buildings	\$ 91,000

- A key feature of this budget is that there are no additional loan borrowings for 2008-09. This is in line with the Council's strategy of being debt free by 2015.

Council will endeavour to ensure that the lifestyle enjoyed by East Fremantle residents continues, by maintaining expenditure on community facilities and public infrastructure, within a balanced budget.

I invite anyone who has queries relating to matters contained within the budget to contact myself or their local Ward Councillors or staff at the Town Hall.

In closing I would like to acknowledge the efforts of my elected member colleagues and Council staff for their ongoing commitment to the good governance of the Town.

Mayor Alan Ferris
Town of East Fremantle

OUR REF:

TOWN OF
EAST FREMANTLE



Mayor & Councillors

Mayor – 2007-2009

Mayor Alan Ferris 9339 0595
1 Polo Way
East Fremantle WA 6158

Councillors 2005-2009

2007-2011

Plympton Ward

Cr Stefanie Dobro 9339 8775
90 King Street
East Fremantle WA 6158

Cr David Arnold 9319 1044
88 Hubble Street
East Fremantle WA 6158

Preston Point Ward

Cr Alex Wilson 9339 1156
46 Locke Crescent
East Fremantle WA 6158

Cr Barry de Jong 9438 1516
2 Chauncy Street
East Fremantle WA 6158

Richmond Ward

Cr Richard Olson 9339 6681
4/46 Alexandra Road
East Fremantle WA 6158

Cr Cliff Collinson 9339 6452
48 King Street
East Fremantle WA 6158

Woodside Ward

Cr Dean Nardi 9339 5632
120 Marmion Street
East Fremantle WA 6158

Cr Maria Rico 9339 4413
11 Petra Street
East Fremantle WA 6158

TOWN OF EAST FREMANTLE 2008/2009 BUDGET SUMMARY

Introduction

The Town of East Fremantle's **2008/09 Budget** is a responsible and considered budget driven by the vision to be a sustainable community. The clear focus is on delivering works and services that are environmentally and financially sustainable in order to meet the challenges of the future.

The general rate increase for **2008/09** is 6.0% (based on 2007/08 rate revenue) and will generate rate revenue of \$4.539m.

This represents the Town's largest single source of funds and is essential for the Town to deliver services and undertake works.

The **2008/09** expenditure program includes a number of significant projects.

Background

The Town of East Fremantle was established in 1897 and has a population of 6500, comprises 2911 properties, 3,369 rate assessments, and is 3.2 square kilometres in area. The Town enjoys 65ha of parks and gardens and utilises 40km of roads.

Budget Overview

The **2008/09 Budget** has been prepared in accordance with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

The 2007/08 Budget documentation comprises the following:

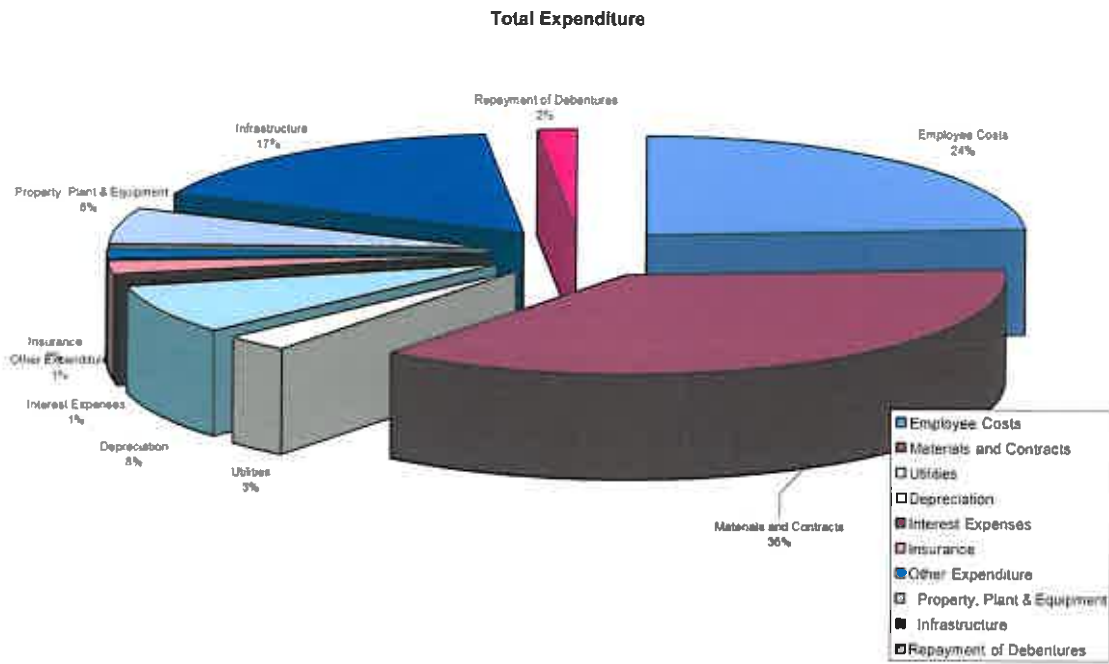
The relevant Statutory Statements (Attachment 1 - Blue) within this document are:

- Income Statement by Nature or Type
- Income Statement by Program
- Cash Flow Statement
- Rate Setting Statement
- Notes to and forming part of the budget including a Statement of Rating Information

Additional supporting information is provided in attachments 2 to 4.

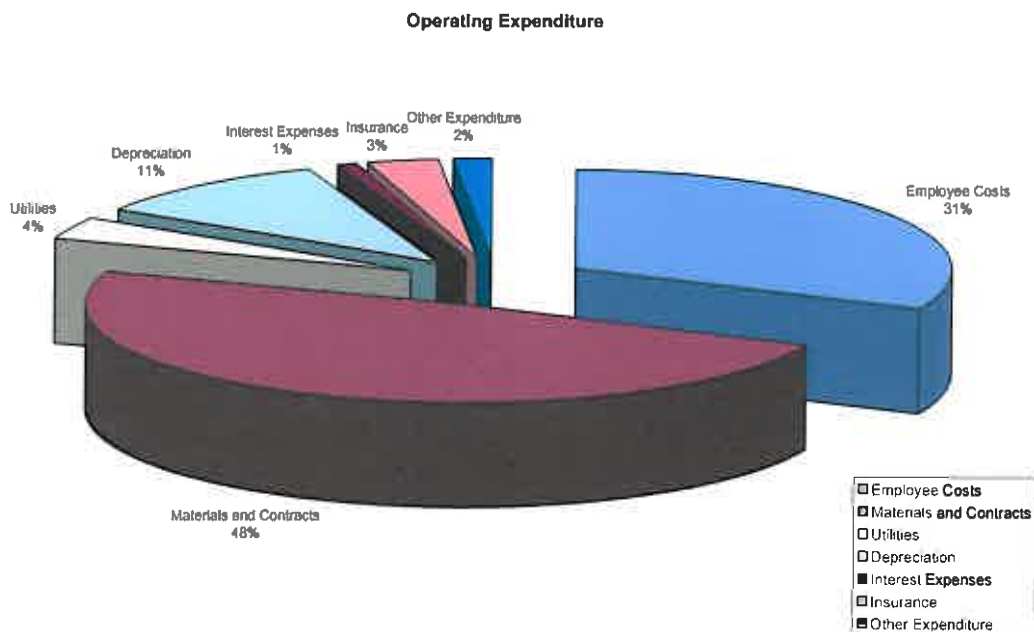
- Operating Income and Expenditure Program summaries (Attachment 2 - White)
- Capital Works & Expenditure detail (Attachment 3 - Pink)
- Schedule of Fees & Charges (Attachment 4 - Yellow)

Expenditure



The graph above shows the percentage of total expenditure by nature. Expenditure is categorised into operating and capital and these are described further below.

Operating Expenditure



Operating expenditure including depreciation and loss on disposal of assets totals \$6.386m as shown below.

Key movements generally reflect a strong economy and are due to:

- o A very tight labour market for the Town that resulted in a number of positions remaining vacant for long periods.
- o The difficulty in sourcing contractors for works and services
- o Expected increases in materials and contracts.

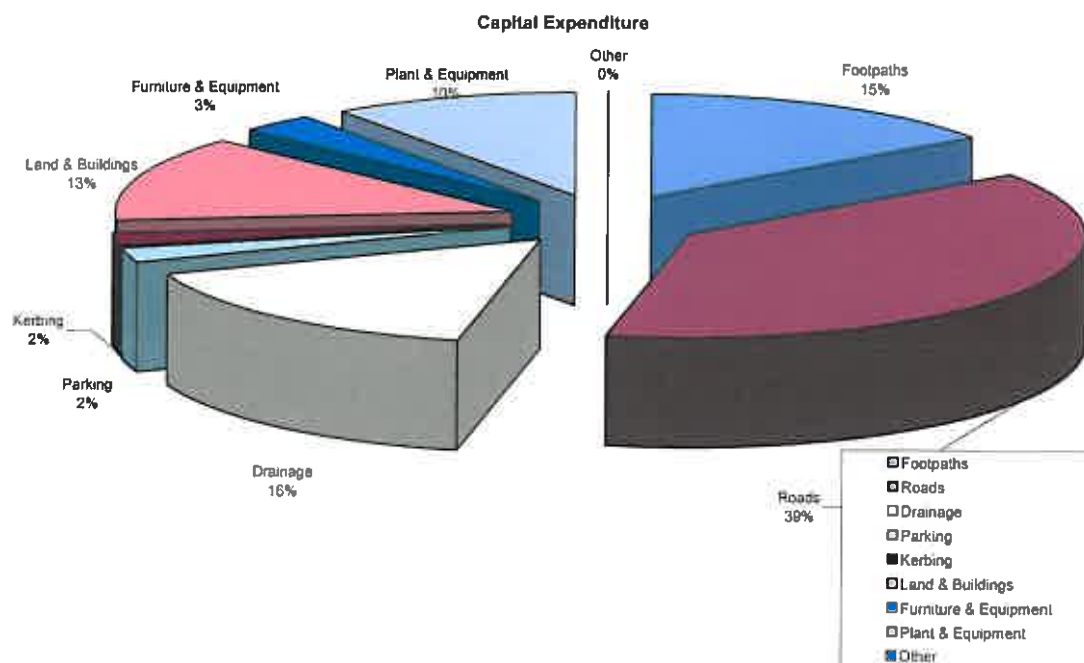
A number of significant operating projects will be completed in 2008/09 including:

- o Completion of a review of Local Laws. \$5,000
- o Preparation of a Municipal Inventory of heritage properties \$50,000
- o Preparation of a Town Centre Urban Design plan \$15,900
- o Continuing formulation of the Town of East Fremantle Design Guidelines for adoption by Council \$49,579

The decrease in interest expense indicates a reduction of principal outstanding on current borrowings. There are no new borrowings in the 2008/09 Budget.

	2008/09 Budget	2007/08 Budget
Employee Costs	\$2,032,872	\$2,072,077
Materials and Contracts	\$3,240,619	\$2,834,375
Utilities	\$233,706	\$223,643
Depreciation	\$673,073	\$643,428
Interest Expense	\$54,269	\$62,887
Insurance	\$192,489	\$197,156
Other Expenditure	\$99,400	\$79,700
Total	\$6,524,428	\$6,113,266

Capital Expenditure

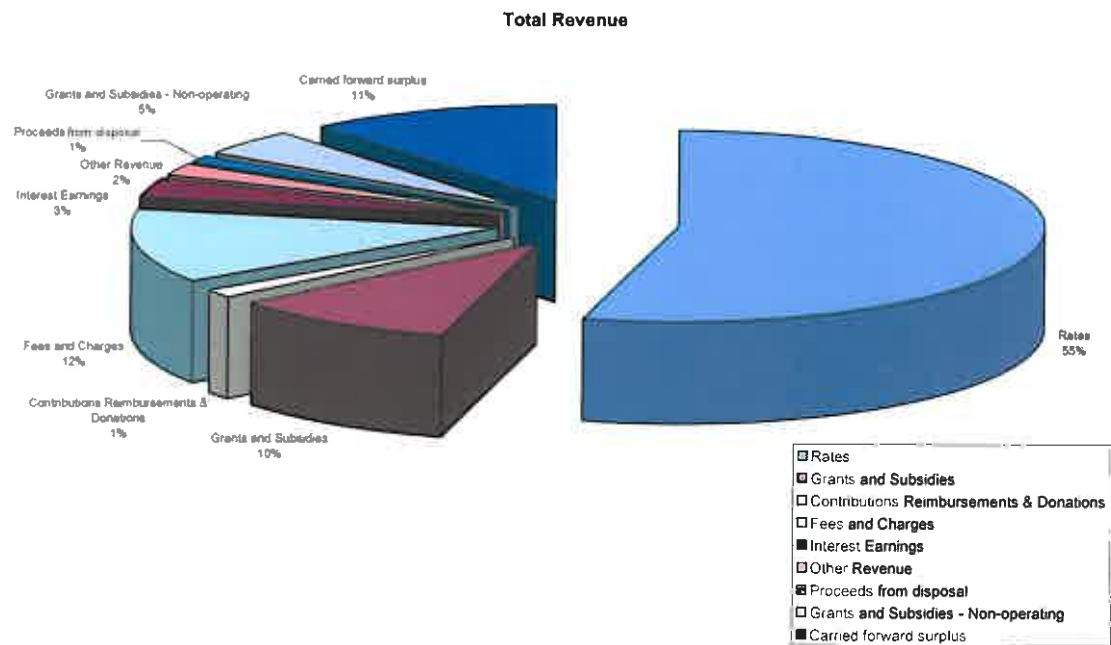


The Capital program expenditure is \$1.940m and consists of the following projects. Further detail on individual projects may be found in Attachment 3.

Infrastructure Assets	2008/09 Budget
George Street road works	\$83,690
Preston Point Road road works	\$440,793
Footpath construction program	\$296,683
Silas Street resurfacing	\$93,300
Road resurfacing program	\$110,940
Drainage works	\$289,400
Foreshore erosion program	\$30,000
Plympton Steps upgrade	\$22,000
Pier Street Limestone protection	\$50,000
Cycleway improvements	\$35,000
Kerbing replacement program	\$38,350
Windsor Road car park	\$45,000
Total	\$1,535,156
Land & Buildings	
East Fremantle Tennis Club	\$10,000
East Fremantle Rowing Club	\$10,000
Old Royal George works	\$24,989
Upgrade works to Council Buildings	\$91,000
Lee Park works	\$55,000
Total	\$190,989

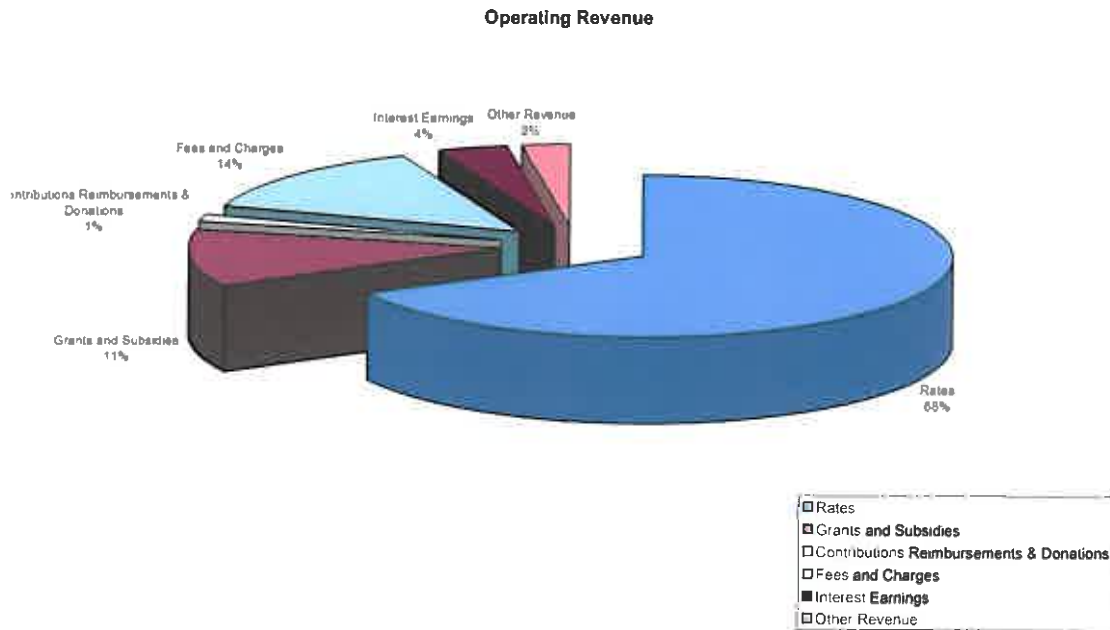
Plant & Equipment	\$197,200
Furniture & Equipment	\$61,500
Total Capital expenditure	\$1,979,845

Revenue



The graph above shows the percentage of total revenue by nature. Revenue is categorised into operating and capital and these are described further below.

Operating Revenue



Operating revenue, including profit on disposal of assets, totals \$6.757m as shown below. Key elements include:

- Rates are the major source of income for the Town. Additional rates income will be received as a consequence of a small increase in the number of rateable properties in the Town, a 6.00% increase in the rate-in-the-dollar and minimum rate, and an increase in the GRV of improved properties.
- Fees and charges are the second largest source of income and increases reflect a review of costs to provide the service, and comparison to market rates. Discretionary fees & charges have been increased by an average of 4.5%.
- Fees and charges are anticipated to be higher in 2008/09 due to additional income in Planning and Building application fees as a consequence of development and improvements in the Town.
- Interest earnings are anticipated to be higher in 2008/09 due to large cash reserves carried forward from 2007/08 as a result of delays in completing works.

	2008/09 Budget	2007/08 Budget
Rates	\$4,539,469	\$4,085,220
Grants & Subsidies	\$770,539	\$734,716
Contributions, Reimbursements & Donations	\$89,848	\$64,324
Fees and Charges	\$942,207	\$927,712
Interest Earnings	\$252,000	\$147,804

Other Income	\$169,930	\$188,690
Total	\$6,756,993	\$6,148,466

Capital Revenue

Capital revenue representing revenues directly related to the creation of capital assets. This revenue takes the form of government grants. The Town receives Federal Roads to Recovery and Blackspot grants. These are to support construction of roads reaching the end of their economic life and reduce accident blackspots respectively. The Town will also receive a State cycleways grant in 2008/09.

	2008/09 Budget	2008/09 Budget
Grants and Subsidies	\$346,662	\$374,799
Total	\$346,662	\$374,799

Reserve Funds

Council has the following 4 Reserves:

- A Plant Replacement Reserve for the purpose of setting aside funds to fund future replacement of vehicles and plant.
- A Staff Leave Reserve for the purpose of funding staff leave.
- An Office Reserve for the purpose of setting aside funds for purchase and upgrade of IT equipment.
- A Civic Buildings Reserve for the purpose of providing and developing community assets.

In addition Council has approved the setting up of a Strategic Plan Reserve. Cash is allocated to this Reserve to fund future initiatives arising from the adoption of the Strategic Plan. No allocation has been provided for in the 2008/2009 budget. However funds will be allocated to the Reserve from the 2007/2008 surplus as part of the end of year process.

	Transfer to Reserve	Transfer from Reserve
Plant Replacement Reserve	\$80,000	\$86,000
Staff Leave Reserve	\$36,000	
Office Reserve	\$25,000	
Civic Buildings Reserve	\$50,000	
Strategic Plan Reserve		
Total	\$191,000	\$86,000

Conclusion

The Town of East Fremantle's 2008/09 Budget is focused on preserving service delivery levels and managing community assets consistent with ensuring financial and environmental sustainability of the Town.