

**Mr Dale Stewart
The Chief Executive Officer
Shire of Denmark
PO Box 183
DENMARK WA 6333**

Dear Dale,

2009/10 Denmark Walpole Football Clubrooms Extension

I am writing to clarify the funding arrangements for the extensions to the McLean Park clubrooms and seek a variation to these arrangements.

As you would be aware, the Denmark Walpole Football Club submitted a Community Sporting and Recreation Facilities Fund (CSRFF) application to the Shire of Denmark and Department for Sport and Recreation in September 2008, which provided for the following works and funding contributions;

Expenditure

1. Construction of public toilets and umpire change rooms including connecting veranda and brick paving.
2. Construction of clubroom extensions, kitchen, time keeper's room and observation deck.
3. Construction of storeroom for Little Athletics community sporting group.

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|-----------------------------------|------------------|
| Total Expenditure (ex GST) | \$474,424 |
|-----------------------------------|------------------|

Funding

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|----------------------------------|------------------|
| 1. Shire of Denmark | \$158,179 |
| 2. Dept for Sport and Recreation | \$158,179 |
| 3. Denmark/Walpole Football Club | \$158,066 |
| Self Supporting Loan | \$90,000 |
| Cash Contribution | \$20,000 |
| In-kind Contribution | <u>\$48,066</u> |
| Total Funding (ex GST) | \$474,424 |

Following Council's endorsement of the application and commitment to the funding arrangements (October 2009 Meeting of Council) and lodgement with the Department, it was subsequently advised in February 2009 that the grant application had been successful, although the CSRFF component was only to be \$119,000, a reduction of \$39,179 on the sum requested. This decision relates to an election promise made by the current State Government which appears to have overridden the grant application submitted.

This reduction in funding is one complicating factor for this project, the other of which is an unwritten agreement with the former CEO of the Denmark Shire Council (Mr Pascoe Durtanovich) and Cr Ross Thornton, whereby Council would agree to fund the Football Club's 1/3 component of the public toilet component of the facility, in addition to the 1/3 contribution for the clubhouse, on the basis that this cost should not be borne by the Club as it is a public facility. A major factor in this agreement was the state of the old public toilet block at McLean park (near the new Youth Centre) which was causing maintenance problems for Council and was to be intended to be demolished or refurbished, hence the need for new public facilities.

It is understood that Council informally agreed to this arrangement on the basis that Council would save money on the construction of a new stand alone toilet block at McLean Park, due to the one third contribution received from CSRFF that would be received as part of the construction of a multipurpose facility such as the Clubrooms.

It is acknowledged by the Football Club that the grant application submitted did not reference such an arrangement, however it should be noted that the ultimate aim of the Club and Council Officers involved in the original discussions were motivated by a desire to maximise the CSRFF funding available for this project and to minimise the expense to the Football Club and the ratepayers of the Shire of Denmark.

Since the approval of the grant, the Football Club have been working with local architect Mr John Maxwell and Council staff to prepare the necessary construction specifications and have recently obtained a quote that reflects this detail. In this regard I would like to thank the Shire for the assistance provided by Mr Blackmore and Mr Shelley in ensuring this construction detail will result in a quality public building that meets the requirements of the Shire and all users.

It is understood by the Football Club that the 2009/10 Municipal Budget reflects the funding arrangements as submitted by the Club and as such the Club seeks the approval of Council to vary the funding contributions as per the following project summary;

Revised Expenditure

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|-----------------------------------|------------------|
| Total Expenditure (ex GST) | \$425,000 |
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It should be noted that there has been a reduction in construction costs since the original cost estimate was prepared, hence the cost difference from the original proposal.

Revised Funding

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|----------------------------------|------------------|
| 1. Shire of Denmark | \$226,000 |
| 2. Dept for Sport and Recreation | \$119,000 |
| 3. Denmark/Walpole Football Club | \$80,000 |
| Self Supporting Loan | \$60,000 |
| Cash Contribution | \$0 |
| In-kind Contribution | <u>\$20,000</u> |
| Total Funding (ex GST) | \$425,000 |

This request would require the Shire of Denmark to fund an additional **\$67,821**, ostensibly to fund the toilet block construction.

The Football Club respectfully request the Shire of Denmark look favourably on this request on the basis of the significant financial and in-kind contribution made by the Football Club towards a facility from which other clubs will also benefit and the overwhelming community benefit that such a facility will provide to all members of the community, not just those actively involved in sporting pursuits.

Yours faithfully,

Mr D Dempster
President

