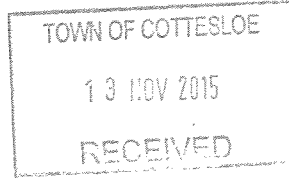
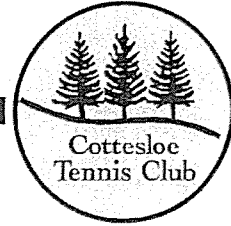


Cottesloe Tennis Club (Inc.)

PO BOX 12 • COTTESLOE • WA • 6911 TELEPHONE (08) 9385 2789

www.cottesloetennis.com.au • enquiries@cottesloetennis.com.au



Executive Officer
Town of Cottesloe
109 Broome Street
Cottesloe WA

11 November 2015

Dear Matt,

Cottesloe Tennis Club – Courts Expansion Project Proposed Lease Amendment and Loan Agreements

I am writing in regards to the Cottesloe Tennis Club's proposal to develop additional tennis courts, and specifically, the need to amend the Lease of land and the establishment of a loan facility from the Town of Cottesloe.

The development proposal for additional tennis courts was, with the strong support of the Council of the Town of Cottesloe, approved in July 2014.

As you are aware, the Council earlier agreed in principle to an extension of the Club's lease area to accommodate the new courts. The Council subsequently offered the Club a self-supporting loan facility to help finance the development.

Both of these matters have been the subject of constructive discussion which we sincerely appreciate. It is now timely to progress formalities necessary to allow works to commence.

The Club proposes to start works in early 2016 subject to (amongst other matters) completion of the revised lease arrangements and formal establishment of the loan facility with the Town of Cottesloe.

It would be appreciated if Club representatives could meet with you and your officers as soon as practical to enable conclusion and approval of the revised lease agreement in this calendar year, and establishment of a loan facility to be uplifted in 2016.

The Club has established a subcommittee to oversee the development. The subcommittee is chaired by our previous president (David Chadwick) and includes, amongst others, the Club's Treasurer (Liz Peterson) and Director of House and Grounds (Ken Adam). You have, of course, met with David and Ken on more than one occasion. I think all of them are known to you and/or your officers.

The subcommittee has authority to progress all matters necessary to deliver the project, but for major matters such as the lease and loan arrangements, must revert back to the Club's Management Committee for final approval.

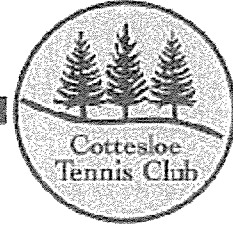
While we recognize you have many priorities, it would be most appreciated if we could arrange to meet with your officers to expedite the above items. I have therefore asked David to contact you to make arrangements to progress both matters. You may wish to deal with these together or separately, and we will accommodate your preference.

Yours sincerely

Phil Barron
President, Cottesloe Tennis Club

Cottesloe Tennis Club (Inc.)

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30 November 2015

Mr Mat Humfrey
Chief Executive Officer
Town of Cottesloe
109 Broome St
COTTESLOE 6011

Dear Mat

Cottesloe Tennis Club Inc - 2015/2016 Court Expansion Project

- **Application for final approval of the Lease extension and self-supporting Loan**
- **Request to Council for a project specific Grant .**

We appreciate the meeting between you and your executive team, and representatives from the Cottesloe Tennis Club's (CTC) Court Expansion Project committee on Friday 27 November 2015.

The Cottesloe Tennis Club (CTC) has membership approval to develop the additional tennis courts. Discussions with Council officers over the last two years have focussed on three principal matters:

1. Amendment of the lease to accommodate 15 metres of additional land to the west of the current lease boundary to accommodate four new tennis courts. (Ref attached plan).
2. Procurement of a self-supporting loan facility of up to \$420,000 to enable the Club to complete the development.
3. Application for a financial grant to be applied to the development.

By this letter, the Cottesloe Tennis Club formally requests consideration by the Town of Cottesloe, of the abovementioned matters. Further details are described below and in the accompanying attachments.

LEASE EXTENSION

The Club currently occupies Crown Land, vested in the Town of Cottesloe, and which is reserved for recreation. The Town of Cottesloe leases the site to the CTC for a 21 year period, with expiry on 30 June 2026.

Proposal

The Cottesloe Tennis Club requests an extension to the lease area of the land. The requested extension is defined on drawing CEP 1(Attachment 1) which provides for a westward extension of 15 metres of the western boundary of the current lease of Lots 37,38 and 39 (Reserve 3235).

Background

The Club first submitted a request to Council for the extension of the lease area to accommodate the addition of new lighted hard courts on the Napier St side extending on the western boundary in early 2013 and received in principle approval for the extension in September 2013.

Since then the Club obtained the endorsement of members in annual general meeting in 2013 to continue to work towards this goal. This was followed by several special general meetings of members in 2014 to explore all court expansion options.

At a Special General Meeting on 28 June 2015, a majority of members in attendance voted (79 to 21) to accept the Court Expansion Project and to obtain a loan from Council of not greater than \$420,000 for a period of up to 15 years at a fixed interest rate of not greater than 4.5% p.a. in order to implement the project, which by default was also an acceptance by the members of the need for the lease extension.

The minutes of this SGM are provided in Attachment 2.

FUNDING REQUIREMENT

Proposal

The Cottesloe Tennis Club seeks a \$420,000 self-supporting loan of \$420,000 for a period of 10 years, terminating prior to 30 June 2026 (or a 15 year loan if the lease period is extended accordingly).

Background

CTC is in a sound financial position having achieved an annual operating surplus >\$50,000 p.a. for the past few years allowing the club to apply internal reserves of at least \$320,000 to the development.

Annual cash flow is strong and CTC has considered sensitivity analysis to its cash flow forecasts. The club will be able to service a self-supporting loan of up to \$420,000 for a term of either 10 years or 15 years.

In 2004, the Club borrowed \$200,000 from the Town of Cottesloe funded by the Treasury Corporation of Western Australia. The loan was for a period of 10 years repayable in bi-annual repayments. The interest rate charged included a financial guarantee charge. This loan was paid in full by October 2014 and the Club does not have any other debt.

The Club seeks a loan on similar terms and arrangements as the previous 2004 loan document conditions, however if available we request the option to take the loan over a 15 year term. The current interest rate environment is favourable for the Club to enter into a fixed loan for a long term.

The Club will arrange for a formal loan document to be drawn up to the satisfaction of the Council.

REQUEST FOR GRANT FROM COUNCIL

Proposal

The Club formally requests the Council to make a grant to the Club towards the long term infrastructure costs of this project. We respectfully request a grant be considered of \$80,000.

Background

As well as increasing the number of hard courts from 6 to 10 and the number of grass courts from 23 to 27, the court expansion project entails replacing the two hard courts adjacent to Bryan Way with grass, allowing all hard courts to be grouped together, away from residents, and all grass courts to be contiguous

Provision of water to the grass courts is via an entirely new pump system which was replaced in September 2014 at the time of the Davis Cup. The new pump is more efficient and enables the Club to satisfy long term 'waterwise' management of the grass courts.

The addition of 4 new lighted courts will require an upgrade of the electricity supply by Western Power and a quotation is currently being obtained from Western Power. The cost may be in the order of \$15,000 or more

The Club has a track record of prudent financial management over many years. It has accumulated sufficient reserves to enable \$320,000 to be applied to this project, while preserving adequate funds to meet its ongoing commitments. This figure was \$40,000 higher but for the need to replace the entire pump system and undertake urgent well repairs at the time of the Davis Cup.

As the new courts will have long term benefits to the Club and its members and the community of Cottesloe, we seek this contribution from the Council towards the major earthworks and infrastructure costs incurred.

This courts expansion will deliver the following benefits:

- The increase in lighted hard courts is a critical need of the Club at present as the Club is currently hiring lighted courts to accommodate home matches for pennant teams.
- The development of the junior program is dependent on availability of hard courts. Tennis Australia's National Academy and Athlete Development team recommend hard court for the development of elite and junior members. The Club is proud to have elite juniors who have a high ranking nationally in their age group and the Club is keen to foster this development further. The majority of these juniors are local Cottesloe residents.
- The Club has 310 members who reside in Cottesloe and of these 155 are junior members.
- Removal of lighted hard courts from Bay 4 (adjacent to Bryan Way) will avoid any possibility of disturbing nearby residents for night tennis.
- Extending Bay 4 with grass courts will enable greater water wise efficiencies.
- Grouping of hard courts along Napier St and adjacent to the club entry increases personal security as well as convenience for night time players as well advantages for competition and tournament play.
- Lighted courts on Napier St will advertise the Club and the game and availability of courts to the wider Cottesloe community.
- In addition, the Club has a very strong Social play group of members who are dedicated and long term members of the Club with many still playing quality tennis in their 70's due to being able to play on grass courts. This feature of the Club is being actively managed and maintained for the benefit of all members but the clear majority are local Cottesloe residents.

The Club is looking to the future to consider new management approaches for court hire and payment including a pilot program of Tennis Australia of on-line booking, lighting and payment systems. This is a court hire feature that would benefit the wider community.

This court expansion project is a key part of the Club's long term strategy of increasing the number of hard courts to 10, to meet the immediate and growing demand for hard surface night-lit courts.

We trust the Council will consider our requests favourably and we look forward to being able to proceed with this exciting redevelopment on behalf of the Club, its members and the wider Cottesloe community. We do appreciate that December is a 'short' month but we look forward to commencing the public advertising period for the loan via the Post newspaper before the Christmas break.

If you have any queries or require further clarification please contact me or Ken
Adam or Liz Peterson

Yours sincerely

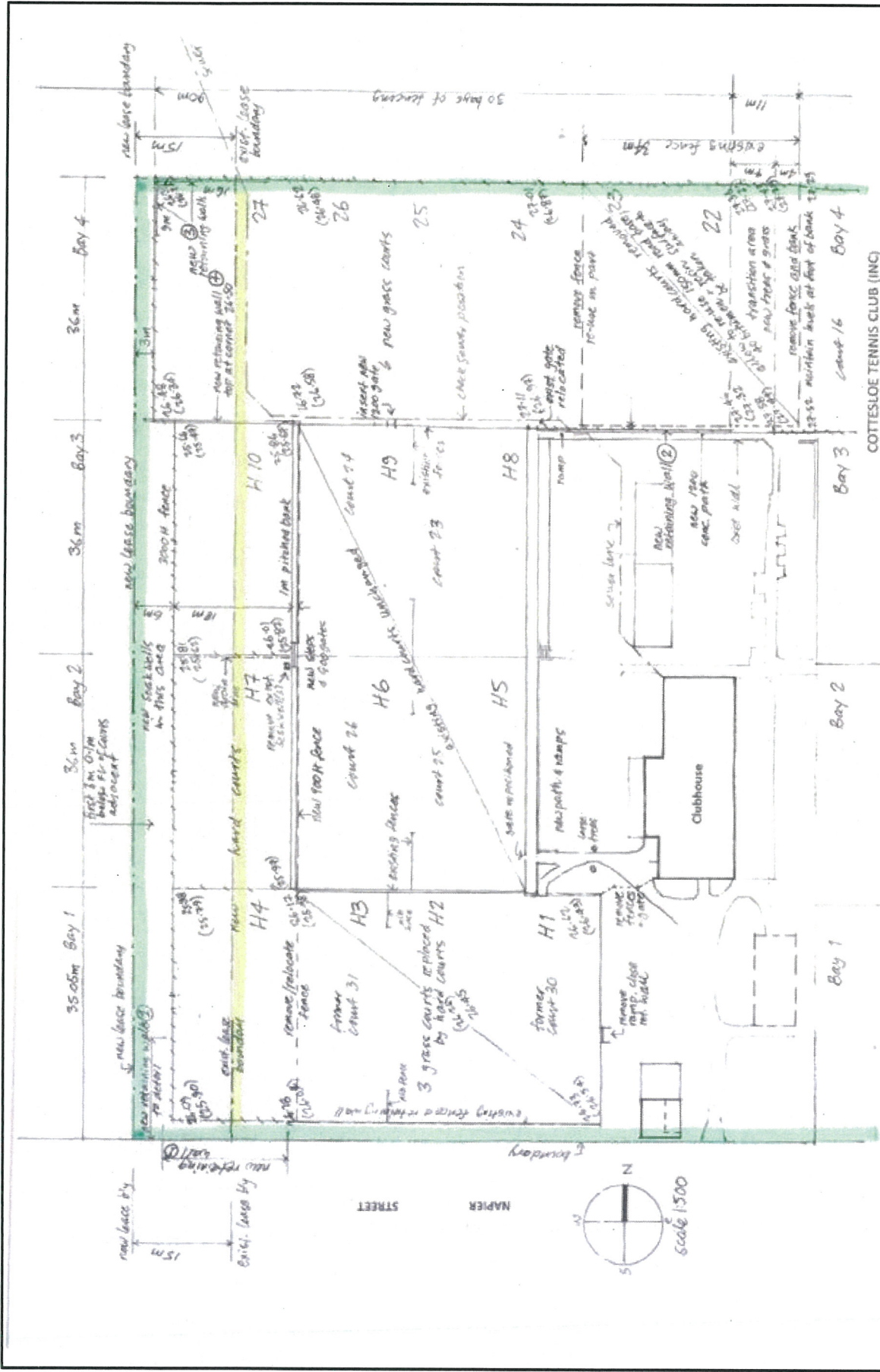
Philip Barron
President – Cottesloe Tennis Club

Enc:

Appendix 1: Drawing CEP 1

Appendix 2: Minutes of Special General Meeting 28 June 2015

DRAWING CEP1 : COTTESLOE TENNIS CLUB COURTS EXPANSION PROJECT



COTTESLOE TENNIS CLUB (INC)
 COURTS EXPANSION PROJECT
 SITE PLAN

- NOTES
1. Finished court levels 26.03
 2. Earthwork levels: 26.04
 3. Finished hard court levels allow for 150mm road base and 40mm bitumen; grass court finished levels: 140.00m

--- new or relocated court fencing

EXTRACT FROM CURRENT LEASE ILLUSTRATING EXTENT OF PROPOSED AMENDMENT



MOSS DRISCOLL & HAWKER

CONSULTING SURVEYORS

PHONE: 584 2711

SUITE 3, 89 FORREST ST, COTTESLOE 6011

SCALE: 1:2000 REF: 230/85

DATE: 15.8.85 DATUM: _____



TOWN OF COTTESLOE

PT SUB LOT 37 & PT SUB
LOT 38.

Client: TOWN OF COTTESLOE

Cottesloe Tennis Club, Inc.
Draft Minutes of Special General Meeting
held on 28 June 2015 at 4pm at CTC

Agenda

The SGM was called to discuss the Courts Expansion Project and seek approval for a loan from the Council for its implementation. Agenda is held as Att. 1.

The Motions before the meeting (as in the Notice of Meeting and also as shown on screen) were as follows:

- (a) *to proceed with the Courts Expansion Project on the basis of reduced scope.*
- (b) *to procure a loan of not greater than \$420,000 for a period of up to 15 years at a fixed interest rate of not greater than 4.5% p.a.*
- (c) *subject to approval of (a) and (b), to finalise amendment of the Club's lease to include the additional land offered by the Town of Cottesloe for the purpose of implementing the long term courts expansion plan.*

1. Attendance and Apologies

Matt Macfarlane, Chairman, opened the meeting at 4:00pm. Apologies were received from 15 members (Att.2). 113 voting members were in attendance, which satisfied the requirements for a quorum of 25 members.

2. Chairman's welcome and opening remarks

Matt noted there were divergent views within the Club regarding the project under consideration. At this point George Bray said he had obtained legal advice that the SGM was invalid. He then tabled his letter and his legal advice dated 25 June 2015 (Att.3).

3. Purpose of the SGM and Courts Expansion Project overview

Phil Barron, Vice President, outlined the purpose of the SGM and overviewed how the Management Committee's ("MC") recommended plan had been developed and the status of the Project using a series of projected slides.

Phil noted that a big volunteer effort had gone into analysis and costing of seven reduced-scope development options, following the 30 March 2015 advice that the Club's 2014 application for a grant from the Dept of Sport and Recreation had been rejected.

Phil noted that members who disagreed with the MC's recommended plan had also put a lot of time into analysing and promoting other options.

The Courts Project Committee, which costed and analysed the seven main reduced-scope options, produced a report dated 6 May 2015 which recommended that Option 2 be pursued. This Option could also be achieved by pursuing Options 3 and 3A – with the latter (3A) intended to be the subject of a further application for a grant from the Dept of Sport and Recreation in a different category to the earlier grant application.

Phil noted that the MC had endorsed the report of the Courts Project Committee and recommended that Option 2 be pursued by breaking the project into two separate components defined as Options 3 and 3A.

Phil advised that the MC, subject to the outcome of the SGM, would resume discussion with Tennis Australia, Town of Cottesloe and Department of Sport and Recreation regarding grants towards the Project.

4. State of Club finances and serviceability of loan

Liz Peterson, Treasurer, demonstrated that the Club's finances were very healthy and the project was within the Club's capability – even without grants.

A worst case cash-flow showing a substantial cash balance over each of the coming three years was presented. This was the 3 year cash flow result reported by the MC in their report to members supporting the SGM. This worst-case included the following assumptions:

- no grants available
- allowance for relocating the curator's shed and the coach's office
- allowance for major maintenance items such as renewing court surfaces, electrical conduits to existing hard courts, light meters etc
- whole project completed in first financial year
- higher cost estimate than in the report of the Courts Project Committee.

Liz then presented the results of various sensitivity analyses involving a decline in membership of 10% and an increase in contingency – effectively a cost over-run. In one sensitivity case, as well as a 10% membership decline, a contingency increase from the current 5% to 25% and no grants, the cash position of the Club remained positive but a bit less than preferred working capital.

Liz observed that the current low interest rate environment is helpful. Also, following the collapse of the mining boom, the engineering sector more competitive and contracting rates are stable. Investing the Club's reserves at 3% is not very productive when it could be invested in new courts that could also be income-producing for the Club.

5. Description of recommended option

John Gillett, Acting Director House and Grounds, explained in detail how the project would be implemented and why the recommended option was preferable. Key points made during this presentation were:

- The complete project could be done very efficiently and with minimal disruption to court access.
- If Option 5 was implemented in a first stage and then the remainder of the plan at a later date, the overall cost would increase substantially.

6. Questions and clarifications

Moira Dobson referred to the urgent need for extra courts for the night pennant teams.

Judith Lauri suggested that under Option 5 the lights could be left on courts 21 & 22 – and this could be referred to as Option 5A.

Clair Medhurst asked what consideration had been given to synthetic surfaces on Bay 4 as they could be available on Mondays and also when the other grass courts are rain-affected.

Derek Walker suggested two hard courts and two synthetic grass courts and leaving the lights on courts 21 & 22 would yield 10 lit all-weather courts.

Mike Green asked why the “affordability case” had not been made available to members much earlier.

David Culley, Club Coach, spoke in support of the need for 10 hard courts. Dinah Terry said there was a need for both hard and grass courts. Some juniors were stood out of teams because of lack of courts. Night league is attracting younger seniors to the club and is the Club's growth market for new members. Dinah noted that the MC is avoiding an investment risk by not building lit courts on Bay 4 adjacent to neighbours. A neighbour could force the imposition of a curfew which would conflict with the completion of night league matches.

In response to Dinah's comments, Penny Oldfield tabled a document written by a neighbour requesting retention of lights on courts 21 & 22 for security reasons (Att.4).

Rick Cullen questioned the need for the wind-break across the centre of the lengthened Bay 4.

Another member suggested it would make everyone happy if Option 5 was chosen as a compromise and then carry out the rest of the project at a later date. The Chairman commented that selecting Option 5 does not prevent later completion of the full plan.

George expressed concern regarding long-term water supply security with additional grass courts. David Chadwick, President, commented that the quality and quantity of water available from the Club's well had not declined since the well was sunk 80 years ago.

Phil noted that there were “lots” of comments from the floor from members supporting a more conservative approach.

7. Motions put – discussions for and against

The Chairman noted that the time allotted for clarifications of the presentations had expired and it was now time to consider the Motions before the meeting.

Allan Wall said there needed to be an outcome “one way or another”. He was concerned that if a vote on Motion (a) was rejected the meeting needed to be able to consider Option 5 in place of Option 2.

George said that the Chair could not proceed because of “legal obligations”. The Chairman responded that minor amendments are acceptable at a General Meeting, though substantial material changes are not. He said that the meeting can make a decision – and he noted that it was the biggest turn-out for a SGM he had seen.

Jane Ward commented that many members were happy with the recommended option and they had not been heard.

Frank Woodmore claimed that there was no clarity regarding what the members want.

Murray Freiberg noted that some members had already cast a vote on item (b) by placing their ballot paper in the container. The Chairman immediately ruled that such votes were invalid as members have to be present to vote.

The Chairman said he would call for a show-of-hands in relation to Motion (a) by asking those supporting Option 2 to first raise their hands, followed by those supporting Option 5. This would determine the outcome of Motion (a) and the meeting could then move on to the more substantive Motion (b).

George challenged the Chairman's approach saying "You are playing a game". The Chairman responded that he was proceeding down the path he had proposed and said "You can challenge later – the Constitution says you have to be present."

Penny sought clarification before this took place. The Chairman said the show-of-hands would clarify Motion (a). George asked "Are we trying to define option (a)?" The Chairman responded that the Option most likely to "get through" will be "put".

A show-of-hands was then called for – first for Options 3 and 3A. The Chairman counted 62 hands in support of Option 3+3A and 27 in support of Option 5 out of the counted 92 people present at that point. He declared that the MC's recommended option had the support of the majority.

8. Ballot regarding loan approval

Allan and Kevin Chatfield both wanted the 2nd option to be considered if the 1st failed.

After some further discussion, that repeated statements made earlier in the meeting, Ralph Straton moved that Motion (b) be put.

The ballot was then taken and the Chairman totalled the slips that were returned to him. He announced that the vote was 79 in favour of Motion (b) and 21 against. He therefore declared Motion (b) as passed.

Motion (c) was not put to the meeting which immediately began to break up following the announcement of the result.

The Special General Meeting closed at around 6:20pm and the bar was then opened.

9. Attachments

1. Agenda
2. Apologies
3. George Bray's letter and Liscia Legal's advice of 25/6/15
4. Statement by Pauline Ibbs.

Signed:

Signed:

Matt Macfarlane, Chairman

David Chadwick, President, on behalf of
Management Committee