

Shire of Lake Grace

Special Budget Meeting

# Minutes

1 August 2014



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## **SHIRE OF LAKE GRACE**

Minutes of the Special Meeting of Council held at Council Chambers, 1 Bishop St Lake Grace on Friday 1 August 2014. The purpose of the meeting was to adopt the 2014/15 Budget.

### **1.0 OPENING & ANNOUNCEMENT OF VISITORS**

The Chairperson (Shire President) opened the meeting at 10.34 am.

In opening the meeting the President advised Council that he is calling a second Special Meeting of Council, immediately following on from this meeting, for the purpose of the appointment of a Senior Officer – Manager Infrastructure Services.

### **2.0 ATTENDANCE RECORD**

#### **2.1 PRESENT**

Cr AJ Walker	Shire President
Cr JF De Landgraft	Deputy Shire President
Cr LW Armstrong	
Cr R Chappell	
Cr SG Hunt	
Cr DP Sinclair	
Cr MG Stanton	
Mr NA Hale	Chief Executive Officer
Mr M Harrop	Manager Infrastructure Services
Mrs L Holben	Manager Community Services
Mrs J Bennett	Executive Assistant

#### **2.2 APOLOGIES**

*Nil*

#### **2.3 LEAVE OF ABSENCE PREVIOUSLY GRANTED**

**Cr Marshall** - as per resolution 11836 at the 25 June 2014 Ordinary Meeting, Cr Marshall has approved leave of absence from 20 July 2014 to 4 August 2014.

**Cr Clarke** – as per resolution 11851 at the 23 July 2014 Ordinary Meeting, Cr Clarke has approved leave of absence from 27 July 2014 to 2 August 2014.

### **3.0 PUBLIC QUESTION TIME**

*No members of the public present*

### **4.0 DECLARATIONS OF INTEREST**

#### **4.1 DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT SECTION 5.60A**

#### **4.2 DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60B**

#### **4.3 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATION SECTION 34C**

*Cr Chappell declared an interest of impartiality.*

## 5.0 MATTERS FOR CONSIDERATION

### 5.1 2014/15 BUDGET ADOPTION

*Cr Chappell declared an interest of impartiality in that his wife is an employee of the Shire.*

<b>Applicant:</b>	Chief Executive Officer
<b>File No.</b>	0756
<b>Attachments:</b>	No 1 2014/15 Statutory Budget No 2 Schedules No 3 Fees & Charges No 4 Elected Member Allowances
<b>Author:</b>	Mr Neville Hale Chief Executive Officer
<b>Disclosure of Interest:</b>	Nil
<b>Date of Report:</b>	29 July 2014
<b>Senior Officer:</b>	Mr Neville Hale Chief Executive Officer

#### Summary

For Council to consider and adopt the Municipal Fund Budget for the 2014/15 financial year together with supporting schedules, including the striking of the municipal fund rates, establishment of new reserve funds, setting of elected member's fees for the year, establishment of new loan fund borrowings and other consequential matters arising from the budget papers.

#### Background

The 2014/15 budget has been compiled on the principles contained in the revised Strategic (Community) Plan and other informing documents including the Forward Capital Works Plan, Five Year Road Program and Asset Management Plan.

The 2014/15 budget has been prepared in accordance with the presentations made to Councillors at the budget workshops held in June and July.

#### Comment

The budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and *Australian Accounting Standards*. The main features of the draft budget include:

- The budget has been prepared with a 5% increase in the general rate to align with the forward financial plans contained in the Strategic Plan and other supporting plans.
- General Fees and charges have increased by 3% (CPI) with some variation for rounding. Statutory fees and charges such as those for Town Planning have increased per legislative requirements. Hall hire, bonds and rentals have increased to match market conditions but with no charge to local residents.

- Household and commercial waste charges are proposed to increase in the range of 3% to 27% (\$26) to meet the cost of waste facility management.
- Capital works totalling \$5.5M is planned. Expenditure on road infrastructure (\$2.0M) is a major component of this spending along with buildings (\$2.5M). Additionally the Shire will construct four new Independent Living Units in Newdegate (\$1.35M) and continue capital works on the Lake Grace Sporting Precinct (\$0.49M). The Tractor Museum (\$39K) at Lake King, the Newdegate Lesser Hall improvements (\$216K) and a Community Men's Shed (\$50K) in Lake Grace will be undertaken.
- Loan borrowings of \$110,000 are proposed to fund the Lake Grace Development Association as a Self-supporting Loan.
- Reserve transfers are planned. Funds will be utilised for Plant Replacement (\$50K), Newdegate Lesser Hall (\$160K) and the Newdegate Hall (\$20K) with some \$180 of as yet unspent SARs funds being allocated to this year's expenditures. Funds will also be transferred to the following Reserves; Lake Grace Swimming Pool (\$10K) and Plant Reserve (\$63K) are included. A new Reserve for a history book to be developed (\$5K) will be established.
- An estimated surplus of \$787K is anticipated to be brought forward from 30 June 2014. However this is unaudited and may change. Any change will be addressed as part of a future budget review.
- Principal grant funding for the year is estimated from:

	\$
Community Sport & Rec Facilities Fund	189,000
MRWA – general contribution	230,000
Grants Commission General	972,524
Grants Commission Roads	1,235,612
Royalties for Regions CLGF Regional	1,165,930
Regional Road Group (MRWA)	250,000
Roads to Recovery	510,000

#### Legal Implications

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, (Absolute Majority required) in the form and manner prescribed, a budget for its municipal fund for the financial year ending 30 June of the next year.

- *Local Government (Functions and General) Regulations 1996*
- *Cemeteries Act 1986*
- *Waste Avoidance and Resources Recovery Act 2007*
- *Local Government (Miscellaneous Provisions) Act 1960*
- *Australian Accounting Standards*

#### Policy Implications

N/A

#### Consultation

Internal Council & Staff

External Community groups (and Councillors) have had the opportunity to submit budget requests.

Financial Implications

The Budget document establishes activities which the Shire will pursue during the 2014/15 financial year.

Strategic Implications

Nil

Voting Requirements

Absolute majority (5) required.

Recommendation/Resolution**MOTION 11870**

Moved Cr Armstrong  
Seconded Cr Chappell

That Council adopt all recommendations in parts A to J as follows as its budget for 2014/15:

**PART A - MUNICIPAL FUND BUDGET FOR 2014/15**

Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, the council adopt the Municipal Fund Budget as contained in Attachment 1 of this agenda for the Shire of Lake Grace for the 2014/15 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type on page 2 showing a net result for that year of \$2,510,785.
- Statement of Comprehensive Income by Program on page 3 showing a net result for that year of \$2,510,785.
- Statement of Cash Flows on page 5.
- Rate Setting Statement on page 6 showing an amount required to be raised from rates of \$2,676,576 which includes Ex Gratia rates of \$51,929 and interim rates of \$5,775.
- Notes to and Forming Part of the Budget on pages 7 to 35
- Budget schedules as detailed in Attachment 2 pages 1 to 29
- Transfers to/from Reserve accounts as detailed pages 22 to 25 of Attachment 1.

**PART B – GENERAL AND MINIMUM RATES, INSTALMENT PAYMENT ARRANGEMENTS**

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, Council, pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, impose the following general and minimum rates on Gross Rental and Unimproved Values.

## 1.1 General Rates

Gross Rental Value (GRV)	8.7052 cents in the dollar
Rural (UV)	0.8768 cents in the dollar

## 1.2 Minimum Rates

Gross Rental Value (GRV)	\$400
Unimproved Value (UV)	\$400

**MOTION 11870 continued**

2. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64 (2) of the *Local Government (Financial Management) Regulations 1996*, Council nominates the following due dates for payment in full or by instalments:
  - Full payment and 1<sup>st</sup> instalment due date                      9 September 2014
  - 2<sup>nd</sup> half instalment due date    10 January 2015
  - 2<sup>nd</sup> quarterly instalment due date                                      10 November 2014
  - 3<sup>rd</sup> quarterly instalment due date                                      10 January 2015
  - 4<sup>th</sup> quarterly & final instalment due date                      10 March 2015
3. Pursuant to Section 6.46 of the *Local Government Act 1995*, Council does not undertake to offer discount for payment of rates within the 35 days after the date of issue of rates notices.
4. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$11 for each instalment after the initial instalment is paid.
5. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.
6. Pursuant to section 6.51 (1) and subject to section 6.51 (4) of the *Local Government Act 1995* and regulation 70 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

**PART C – RESERVE FUNDS – NEW RESERVES ESTABLISHED**

Pursuant to section 6.11 of the *Local Government Act 1995* a History Book Reserve be established. The purpose of the reserves is as follows:

- History Book Reserve

To be used to meet expenditure relating to the development of a History Book.

**PART D – GENERAL FEES AND CHARGES FOR 2014/15**

Pursuant to section 6.16 of the *Local Government Act 1995*, council adopts the fees and charges as per Attachment 3 of this Agenda.

**PART E – OTHER STATUTORY FEES FOR 2014/15**

1. Pursuant to Part 7 Local Government Planning Charges *Planning and Development Regulations 2009* that Council adopts the Fees and Charges for Planning Services within the Shire of Lake Grace as included in Attachment 3 of this Agenda.

2. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, Council adopt the following charges for the removal and deposit of domestic and commercial waste:



**MOTION 11870 continued****Refuse Removal Charges**

Lake Grace Weekly Kerbside Collection (per year)	\$120.00 (GST Free)
Newdegate Weekly Kerbside Collection (per year)	\$120.00 (GST Free)
Lake King Weekly Kerbside Collection (per year)	\$120.00 (GST Free)
Varley Weekly Kerbside Collection (per year)	\$120.00 (GST Free)

Pensioners Discount (Refuse Collection 1 <sup>st</sup> Bin)	50%
<i>(As determined by the Pensioners (Rates, Rebates and Deferments) Act 1995)</i>	

Additional Lake Grace Weekly Kerbside Collection (per year)	\$106.00 (Inc GST)
Additional Newdegate Weekly Kerbside Collection (per year)	\$106.00 (Inc GST)
Additional Lake King Weekly Kerbside Collection (per year)	\$106.00 (Inc GST)
Additional Varley Weekly Kerbside Collection (per year)	\$106.00 (Inc GST)

**Recycling Collection**

Lake Grace Fortnightly Kerbside Collection (per year)	\$124.00 (GST Free)
Newdegate Fortnightly Kerbside Collection (per year)	\$124.00 (GST Free)

4. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007* and section 6.16 of the *Local Government Act 1995* Council adopt the following charges for the deposit of commercial waste:

Trade and Other Refuse (per m <sup>3</sup> )	\$77.00 (Inc GST)
Commercial (per m <sup>3</sup> )	\$11.00 (Inc GST)
Asbestos Disposal	\$132.00 (Inc GST)
Additional tonne Asbestos	\$66.00 (Inc GST)

**PART F – ELECTED MEMBERS FEES AND ALLOWANCES FOR 2014/15**

Pursuant to the *Salaries and Allowances Act 1975*, section 5.99 of the *Local Government Act 1995* and regulation 34 of the *Local Government (Administration) Regulations 1996* Council adopt the following annual fees for payment to elected members:

President Allowance	\$19,570
Deputy President Allowance	\$4,892
<b>Council Sitting Fees</b>	
President	\$320 per meeting attended
Councillors	\$160 per meeting attended
<b>Committee Meeting Sitting Fees</b>	
Elected Members	\$80 per meeting attended

*Note: The committee meeting sitting fee only applies if the committee is a committee of council.*

**PART G – MATERIAL VARIANCE REPORTING FOR 2014/15**

In accordance with regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, and *AASB 1031 Materiality*, the level to be used in statements of financial activity shall be 10% or \$5,000 whichever is the greater.

**MOTION 11870 continued****PART H – SPECIFIED AREA RATES**

That in accordance with section 6.37 of the *Local Government Act 1995* the specified area rates to recoup costs of recreation and culture operating expenses for the Lake Grace, Newdegate, Lake King and Varley area being \$566,228, \$282,033, \$104,332 and \$71,461 respectively for the 2014/15 rating year be raised on those properties identified as being within the specified area as follows:

<b>Sport &amp; Recreation</b>	<b>Cents in the \$</b>	<b>Basis of Rate</b>	<b>Rateable Value</b>	<b>2014/15 Budgeted Revenue</b>
Varley	3.4978	GRV	116,719	4,083
Varley	0.1730	UV	312,875,000	54,239
Lake King	1.9081	GRV	240,231	4,584
Lake King	0.1381	UV	520,154,000	71,815
Newdegate	5.2620	GRV	690,819	36,351
Newdegate	0.2147	UV	95,924,000	205,987
Lake Grace	6.1174	GRV	2,899,176	177,355
Lake Grace	0.5020	UV	78,642,700	394,757
			<b>Total</b>	<b>949,171</b>

**PART J – SEWERAGE CHARGES**

That the rates for the Lake Grace Sewerage Scheme for 2014/15 rating year be based on the schedule of rates approved by Cabinet in respect to subsidised sewerage schemes, being:

	<b>Rate in \$ or Charge</b>	<b>Basis of Rate</b>	<b>Rateable Value</b>	<b>2014/15 Budgeted Revenue \$</b>
<b>Lake Grace Sewerage</b>				
Residential	4.4477	GRV	1,956,050	86,999
Commercial	4.4477	GRV	618,713	27,518
Vacant	4.4477	GRV	112,801	5,017
1st Major Fixture	224.96	GRV		6,748
Additional Fixtures	98.96	GRV		4,453
			<b>Total</b>	<b>130,735</b>

2. That Council approve the following new loan fund borrowings:

A \$110,000 loan to be repaid over five years which is a Self-supporting loan for the Lake Grace Development Association.

**MOTION CARRIED BY ABSOLUTE MAJORITY 7/0**

**6.0 CLOSURE**

There being no further business, the Chairperson closed the meeting at 10.59 am.

**7.0 CERTIFICATION**

I Andrew James Walker certify that the minutes of the Special Budget Meeting held on the 1 August 2014 as shown were confirmed as a true record at the meeting held on the 27 August 2014.

\_\_\_\_\_

Chairman

\_\_\_\_\_

Date