

Shire of Lake Grace

Special Council Meeting

Minutes

29 August 2012



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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 Wednesday 29 August 2012.

1.0 OPENING & ANNOUNCEMENT OF VISITORS

The Chairperson (Shire President) opened the meeting at 3.00pm and advised that today's special meeting has been convened to consider the 2012/2013 Budget adoption.

2.0 ATTENDANCE RECORD

2.1 PRESENT

Cr LW Armstrong	Shire President
Cr IG Chamberlain	Deputy Shire President
Cr R Chappell	
Cr JF De Landgraft	
Cr AI Milton	
Cr WA Newman	
Cr OP Farrelly	
Cr DP Sinclair	
Cr AJ Walker	
Mr PR Bradbrook	Acting Chief Executive Officer
Mr M Harrop	Manager Infrastructure Services
Ms S Appleton	Manager Corporate Services
Ms L Holben	Manager Community Services
Mrs J Bennett	Executive Assistant
Mrs N Owen	Observer

2.2 APOLOGIES

Nil

2.3 LEAVE OF ABSENCE PREVIOUSLY GRANTED

Nil

3.0 PUBLIC QUESTION TIME

Nil

4.0 DECLARATIONS OF INTEREST

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

Nil

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

Nil

4.3 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATION
SECTION 34C

Cr Chappell declared an interest of impartiality in Item 5.1 in that his wife works part time at the Shire Office.

5.0 MATTERS FOR CONSIDERATION

5.1 2012/13 BUDGET ADOPTION

Applicant:	Manager Corporate Services
File No.	0729
Attachments:	2012/13 Statutory Budget, Schedules and Supplementary Information
Author:	Ms S Appleton Manager Corporate Services
Disclosure of Interest:	Nil
Date of Report:	27 August 2012
Senior Officer:	Ms S Appleton Manager Corporate Services

Summary

For Council to consider and adopt the Municipal Fund Budget for the 2012/13 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 and other consequential matters arising from the budget papers.

Background

The draft 2012/13 budget has been compiled on the principles contained in the revised Strategic (Community) Plan and other informing documents including the Corporate Plan, Forward Capital Works Plan, Five Year Road Program and Building Asset Management Plan.

The 2012/13 draft budget has been prepared in accordance with the presentations made to Councillors at the budget workshops held in June, July and August.

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 7% increase in the general rate in line with the forward financial plans contained in the Strategic Plan and other supporting plans.
- Most fees and charges have been increased by 4.0% with some variation to allow for cash handling and recoup of actual costs. These may be periodically reviewed to allow adjustment where required.
- Household and commercial waste charges are proposed to increase by 4%.
- The recurrent operating budget includes an overall reduction in estimated expenditure of 1.2% (although individual line items may vary from this based on specific factors affecting each of these) reflecting a more cautious approach to operational activities that will allow the Shire to address its financial position at the end of 2012/13.

- Capital works totalling \$5.42M for investment in infrastructure, land and buildings, plant and equipment and furniture and equipment is planned. Expenditure on road infrastructure is a major component of this (\$1.60M) in line with Council's commitment to plan, construct and maintain a safe and efficient road network, which reflects the importance of roads to the social and economic development of the Shire and the region.
- Loan borrowings of \$595,924 are proposed to fund a portion of the unfunded capital projects, the purchase of the CESMO vehicle (70% FESA funded) and to fund a Water Connection works for the new residential subdivision in Lake Grace. The payment for these works will be recouped from the Water Corporation within two years.
- One new reserve account – for a replacement mower at the Newdegate Oval has been created.
- The Photocopier, Computer and Office Redevelopment to be closed with balances (\$12,179.01) transferred to a new reserve called Office Furniture & Equipment Reserve.
- An estimated surplus of \$171,260 is anticipated to be brought forward from 30 June 2012. 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:

Royalties for Regions CLGF	\$831,608
Grants Commission General	\$382,002
Grants Commission Roads	\$526,763
Royalties for Regions CLGF Regional	\$1,135,295
Regional Road Group (MRWA)	\$462,532
Roads to Recovery	\$508,216

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 the next following 30 June.

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

Community Consultation

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

Financial Implications

The Budget document establishes activities which Council will pursue during the 2012/13 financial year.

Strategic Implications

Nil

Voting Requirements

Absolute majority (5) required.

Recommendation/Resolution**MOTION 11502**

Moved Cr Newman
Seconded Cr Farrelly

That Council adopt recommendations in parts A to J as follows as its budget for 2012/13 subject to the following amendments:

- Increase Loan 196 for the purpose of Plant and Roadworks from \$120,000.00 to \$245,000.00
- Inclusion of capital income of \$250,000.00 MRWA Regional Road Group funding.

PART A - MUNICIPAL FUND BUDGET FOR 2012/13

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 the attachment 1 of this agenda for the Shire of Lake Grace for the 2012/13 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 \$1,879,340.
- Statement of Comprehensive Income by Program on page 3 showing a net result for that year of \$1,879,340.
- Statement of Cash Flows on page 4.
- Rate Setting Statement on page 5 showing an amount required to be raised from rates of \$3,570,982.
- Notes to and Forming Part of the Budget on pages 6 to 36
- Budget schedules as detailed in Attachment 2 pages 1 to 33
- Transfers to/from Reserve accounts as detailed in pages 23 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)	7.9337 cents in the dollar
Rural (UV)	0.7543 cents in the dollar

1.2 Minimum Rates

Gross Rental Value (GRV)	\$360
Unimproved Value (UV)	\$360

MOTION 11502 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 1st instalment due date 5 October 2012
 - 2nd half instalment due date 5 February 2013
 - 2nd quarterly instalment due date 5 December 2012
 - 3rd quarterly instalment due date 5 February 2013
 - 4th quarterly & final instalment due date 5 April 2013
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 if 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 Mower Reserve and an Office Equipment Reserve be established. The purpose of the reserves is as follows:

- Newdegate Ground Keeping SAR Reserve
To be used to meet all expenditure relating to the preparation of grounds and purchase and replacement of related plant and equipment.
- Office Furniture & Equipment Reserve
To replace furniture, office, electrical and computer equipment at the Lake Grace Administration Centre

The currently existing reserves will be amalgamated to the Office Furniture & Equipment Reserve:

- Office Redevelopment Reserve
- Photocopier Replacement Reserve
- Computer System Upgrade Reserve

MOTION 11502 continued**PART D – GENERAL FEES AND CHARGES FOR 2012/13**

Pursuant to section 6.16 of the *Local Government Act 1995*, Council adopts the fees and charges included at pages 1 to 9 of attachment 3 of this agenda and minutes.

PART E – OTHER STATUTORY FEES FOR 2012/13

Pursuant to section 53 of the *Cemeteries Act 1986* that Council adopts the Fees and Charges for cemeteries within the Shire of Lake Grace as included in attachment 3 of this agenda and minutes.

1. Pursuant to section 245A(8) of the *Local Government (Miscellaneous Provisions) Act 1960* the Council adopts a swimming pool inspection fee of \$55.00.
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:

Refuse Removal Charges

Lake Grace Weekly Kerbside Collection (per year)	\$90.90(GST Free)
Newdegate Weekly Kerbside Collection (per year)	\$187.40 (GST Free)
Lake King Weekly Kerbside Collection (per year)	\$187.40 (GST Free)
Varley Weekly Kerbside Collection (per year)	\$187.40 (GST Free)
Pensioners Discount (Refuse Collection 1 st Bin)	50%
<i>(As determined by the Pensioners (Rates, Rebates and Deferrals) Act 1995)</i>	
Additional Lake Grace Weekly Kerbside Collection (per year)	\$99.90 (Inc GST)
Additional Newdegate Weekly Kerbside Collection (per year)	\$206.10 (Inc GST)
Additional Lake King Weekly Kerbside Collection (per year)	\$206.10 (Inc GST)
Additional Varley Weekly Kerbside Collection (per year)	\$206.10 (Inc GST)

Recycling Collection

Lake Grace Fortnightly Kerbside Collection (per year)	\$115.85 (GST Free)
Newdegate Fortnightly Kerbside Collection (per year)	\$115.85 (GST Free)

3. 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 ³)	\$66.00 (Inc GST)
Commercial (per m ³)	\$8.70 (Inc GST)
Asbestos Disposal	\$113.30 (Inc GST)
Additional tonne Asbestos	\$56.40 (Inc GST)

PART F – ELECTED MEMBERS FEES AND ALLOWANCES FOR 2012/13

1. Pursuant to section 5.99 of the *Local Government Act 1995* and regulation 34 of the *Local Government (Administration) Regulations 1996*, council adopts the following annual fees for payment of elected members:

President Allowance	\$13,000
Deputy President Allowance	\$2,800

MOTION 11502 continued**Council Sitting Fees**

President	\$280 per meeting attended
Councillors	\$140 per meeting attended

Committee Meeting Sitting Fees

Elected Members	\$70 per meeting attended
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Note: The committee meeting sitting fee only applies if the committee is a committee of council.

PART G – MATERIAL VARIANCE REPORTING FOR 2012/13

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.

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 \$565,794, \$290,545, \$134,600 and \$46,808 respectively for the 2012/13 rating year be raised on those properties identified as being within the specified area as follows:

Sport & Recreation	Cents in the \$	Basis of Rate	Rateable Value	2012/13 Budgeted Revenue
Varley	2.8067	GRV	116,719	3,276
Varley	0.1410	UV	30,873,500	43,532
Lake King	3.3550	GRV	240,731	8,077
Lake King	0.2496	UV	50,690,400	126,523
Newdegate	6.3070	GRV	690,819	43,570
Newdegate	0.2494	UV	99,027,500	246,975
Lake Grace	6.0743	GRV	2,886,886	175,358
Lake Grace	0.4554	UV	85,923,300	390,436
			Total	1,037,747

PART I – TELEVISION SERVICE CHARGES

That in accordance with section 6.32 and 6.38 of the *Local Government Act 1995*, Council levy a television service charge for the 2012/13 rating year of:

- \$0 per service on properties within the Lake Grace townsite;
- \$0 per service on properties within the Newdegate townsite and;
- \$87.52 per service on properties within the Lake King townsite.

MOTION 11502 continued**PART J – SEWERAGE CHARGES**

That the rates for the Lake Grace Sewerage Scheme for 2012/13 rating year be based on the schedule of rates approved by Cabinet in respect to subsidised sewerage schemes, being:

	Rate in \$ or Charge	Basis of Rate	Rateable Value	2012/13 Budgeted Revenue \$
Lake Grace Sewerage				
Residential	4.0046	GRV	1,956,050	78,332
Commercial	4.0046	GRV	618,713	24,777
Vacant	4.0046	GRV	100,511	4,025
1st Major Fixture	195.70	GRV		5,871
Additional Fixtures	86.10	GRV		3,874
			Total	116,878

MOTION CARRIED BY ABSOLUTE MAJORITY 9/0

Reason for Change

By raising the amount of Loan 196 by \$125,000, the Shire then qualifies for MRWA Regional Road Group funding of \$250,000 to fund further improvements to the North Lake Grace Karlgarin Road. The loan is therefore increased from \$120,000 to \$245,000.

MOTION 11503

Moved Cr Walker
Seconded Cr Chamberlain

That the incoming Chief Executive Officer, within two months of his/her commencement, presents to Council a roles and functionality plan that provides for core services to be maintained, without necessarily replacing departing staff and/or through natural attrition.

AMENDMENT

Moved Cr Newman
Seconded Cr Sinclair

That the incoming Chief Executive Officer, within two months of his/her commencement, reviews the March 2011 Roles & Functionality Plan that provides for core services to be maintained, without necessarily replacing departing staff and/or through natural attrition.

AMENDMENT LOST 4/5

MOTION 11503 continued

The Shire President put the original motion:

Moved Cr Walker
Seconded Cr Chamberlain

That the incoming Chief Executive Officer, within two months of his/her commencement, presents to Council a roles and functionality plan that provides for core services to be maintained, without necessarily replacing departing staff and/or through natural attrition.

MOTION CARRIED 8/1

MOTION 11504

Moved Cr Chamberlain
Seconded Cr Newman

That: In relation to the \$245,000 loan (Loan 196) contained in the 2012/13 Budget, that it not be raised until Council has reconfirmed the loan.

MOTION CARRIED 9/0

6.0 CONFIDENTIAL BUSINESS – as per Local Government Act s5.23 (2)

None

7.0 CLOSURE

There being no further business, the Chairperson closed the meeting at 3.40pm.

8.0 CERTIFICATION

I Leonard William Armstrong certify that the minutes of the meeting held on the 29 August 2012 as shown were confirmed as a true record at the meeting held on the 28 September 2012.

Chairman

Date