

Shire of Lake Grace

# Special Council Meeting

# Minutes

17 August 2011



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## **SHIRE OF LAKE GRACE**

Minutes of the Special Meeting of Council held at Council Chambers, 1 Bishop St, Lake Grace, WA on Wednesday 17 August 2011.

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

The Chairperson (Shire President) opened the meeting at 10.01am and welcomed those present and advised that today's special meeting has been convened to consider the 2011/2012 Budget adoption.

### **2.0 ATTENDANCE RECORD**

#### **2.1 PRESENT**

Cr AJ Walker	Shire President
Cr IG Chamberlain	Deputy Shire President
Cr LW Armstrong	
Cr R Chappell	
Cr OP Farrelly	
Cr JF De Landgraftt	
Cr AI Milton	
Cr WA Newman	
Cr DP Sinclair	
Mr SK Fletcher	Chief Executive Officer
Ms S Appleton	Manager Corporate Services
Ms D Lloyd	Manager Community Services (Acting)
Mrs L Trevenen	Executive Assistant (Acting)

#### **2.2 APOLOGIES**

None

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

None

### **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**

None

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

None

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

None

**5.0      MATTERS FOR CONSIDERATION**

**5.1      2011/12 BUDGET ADOPTION**

*The President addressed members with a general introduction of previous budget workshops held stating that information had been given out for all to consider. He continued with a brief outline of budget items stepping through all Parts A - J, refreshing history, timeline and descriptors of each.*

*The President then called for any questions regarding clarification of points and a number of questions were raised.*

**MOTION 11273**

Moved Cr Chamberlain  
Seconded Cr Armstrong

That Standing Orders be suspended at this time, being 10.17am in order to allow further discussion regarding the 2011/2012 Budget.

**MOTION CARRIED 9/0**

11:20am      *Continued with suspension of Standing Orders for a morning tea short break.*

11:36am      *General discussion continued with suspension of Standing Orders after morning tea break with all those previously in attendance present.*

**MOTION 11274**

Moved Cr Newman  
Seconded Cr Sinclair

The Standing Orders resumed at this time, being 12:02pm

**MOTION CARRIED 9/0**

12:04pm      *The President adjourned the meeting to allow staff to balance budget to make provisions for amendments.*

12:23pm President reinstated meeting with all those previously in attendance, present.

12:26pm Manager Corporate Services left meeting to photocopy amendment sheet and returned to meeting at 12:28pm.

### **2011/12 BUDGET ADOPTION**

<b>Applicant:</b>	Manager Corporate Services
<b>File No.</b>	0712
<b>Attachments:</b>	2011/12 Statutory Budget, Schedules, Fees and Charges, Supplementary Information
<b>Author:</b>	Ms S Appleton Manager Corporate Services
<b>Disclosure of Interest:</b>	Nil
<b>Date of Report:</b>	9 August 2011
<b>Senior Officer:</b>	Ms S Appleton Manager Corporate Services

#### **Summary**

Council is to consider and adopt the Municipal Fund Budget for the 2011/12 financial year together with supporting schedules, including the striking of the municipal fund rates, adoption of fees and charges, 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 2011/12 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 2011/12 draft budget has been prepared in accordance with the presentations made to Councillors at the two budget workshops held in 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 4.0% 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.
- Household and commercial waste charges are proposed to increase by 4%.
- The recurrent operating budget includes an overall increase in estimated expenditure of 11.6%, reflecting increased income and

activity resulting from increases in funding received as Council focuses on improved service delivery to the community.

- Capital works totalling \$6.37M 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 (\$2.04m) 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 \$47,000 are proposed to fund a portion of the new Newdegate synthetic bowling green. Funding for this will be recouped via a specified area rate for the Newdegate ward.
- A new reserve account – Water Connection Reserve is included using funds transferred from the Lake Grace Sewerage Scheme Reserve. The reserve will exist to fund a \$300,000 bond to be paid to the Water Corporation for works connected with the Lake Grace Residential Land development and is expected to be recouped at the completion of works (estimated 2012/13 year). At this point, the reserve funds will be transferred back to the Sewerage Scheme Reserve account. A provision will also be made in the 2012/13 budget for interest which would have accrued on the bond monies to be paid into the sewerage reserve account.
- An estimated surplus of \$805,235 is anticipated to be brought forward from 30 June 2011. 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 Round 2	\$473,015
Grants Commission General	\$646,201
Grants Commission Roads	\$1,123,107
Royalties for Regions CLGF Regional	\$735,504
Regional Road Group (MRWA)	\$298,775
Blackspot (MRWA)	\$99,833
Roads to Recovery	\$583,062

The draft budget was presented to and accepted by the Audit committee at a meeting held 9 August 2011.

#### 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

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 2011/12 financial year.

Strategic Implications

Nil

Voting Requirements

Absolute majority required.

Recommendation/Resolution

**MOTION 11275**

Moved Cr Chamberlain  
Seconded Cr Newman

1. That Council adopt all recommendations contained in parts A to J as its budget for 2011/2012, as shown in the schedules and statutory format with the following amendments:
  - i) Transfer \$150,000.00 to the works and services reserve E150018
  - ii) Deduct \$133,335.00 from the budget for E077022 Permanent GP
  - iii) Deduct \$2,000.00 from the budget for E041125 Christmas functions
  - iv) Deduct \$14,665.00 from the budget for E077020 Locum GP

**PART A – MUNICIPAL FUND BUDGET FOR 2011/12**

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 2011/12 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 \$2,534,386.
- Statement of Comprehensive Income by Program on page 3 showing a net result for that year of \$2,534,386.
- Statement of Cash Flows on page 4.
- Rate Setting Statement on page 5 showing an amount required to be raised from rates of \$3,308,890.
- Notes to and Forming Part of the Budget on pages 6 to 37
- Budget schedules as detailed in Attachment 2 pages 1 to 41.
- Transfers to/from Reserve accounts as detailed in pages 23 to 25 of Attachment 1.

**MOTION 11275 continued****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)	8.3269 cents in the dollar
Rural (UV)	0.7056 cents in the dollar
  - 1.2 Minimum Rates
 

Gross Rental Value (GRV)	\$330
Unimproved Value (UV)	\$330
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                      26 September 2011
  - 2<sup>nd</sup> half instalment due date    27 January 2012
  - 2<sup>nd</sup> quarterly instalment due date                                      28 November 2011
  - 3<sup>rd</sup> quarterly instalment due date                                      27 January 2012
  - 4<sup>th</sup> quarterly & final instalment due date                              26 March 2012
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 RESERVE ESTABLISHED**

Pursuant to section 6.11 of the *Local Government Act 1995* a Water Connection Reserve be established. The purpose of the Reserve is to provide funding for a water connection bond payment.



**MOTION 11275 continued****PART D – GENERAL FEES AND CHARGES FOR 2011/12**

Pursuant to section 6.16 of the Local Government Act 1995, council adopts the fees and charges included at pages 1 to 14 of attachment 3 of this agenda and minutes.

**PART E – OTHER STATUTORY FEES FOR 2011/12**

1. 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.
2. Pursuant to section 245A(8) of the *Local Government (Miscellaneous Provisions) Act 1960* the Council adopts a swimming pool inspection fee of \$55.00.
3. 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)	\$87.40(GST Free)
Newdegate Weekly Kerbside Collection (per year)	\$180.20 (GST Free)
Lake King Weekly Kerbside Collection (per year)	\$180.20 (GST Free)
Varley Weekly Kerbside Collection (per year)	\$180.20 (GST Free)

Pensioners Discount 50%

(As determined by the *Pensioners (Rates, Rebates and Deferments) Act 1995*)

Additional Lake Grace Weekly Kerbside Collection (per year)	\$96.10 (Inc GST)
Additional Newdegate Weekly Kerbside Collection (per year)	\$198.20 (Inc GST)
Additional Lake King Weekly Kerbside Collection (per year)	\$198.20 (Inc GST)
Additional Varley Weekly Kerbside Collection (per year)	\$198.20 (Inc GST)

**Recycling Collection**

Lake Grace Fortnightly Kerbside Collection (per year)	\$111.40 (GST Free)
Newdegate Fortnightly Kerbside Collection (per year)	\$111.40 (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 m3)	\$63.50 (Inc GST)
Commercial (per m3)	\$8.40 (Inc GST)

**PART F – ELECTED MEMBERS FEES AND ALLOWANCES FOR 2011/12**

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 11275 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 2011/12**

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 \$513,104, \$233,934, \$111,913 and \$83,376 respectively for the 2011/12 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>2011/12 Budgeted Revenue</b>
Varley	5.3553	GRV	108,977	5,836
Varley	0.2511	UV	30,886,500	77,540
Lake King	2.9789	GRV	225,417	6,715
Lake King	0.2075	UV	50,697,400	105,198
Newdegate	5.0017	GRV	701,559	35,090
Newdegate	0.2002	UV	99,351,500	198,844
Lake Grace	6.4692	GRV	2,458,777	159,062
Lake Grace	0.4120	UV	85,951,300	354,042
			Total	9,42327

**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 2011/12 rating year of:

- \$53.50 per service on properties within the Lake Grace townsite;
- \$62.50 per service on properties within the Newdegate townsite and;
- \$215.00 per service within the Lake King townsite.

**MOTION 11275 continued****PART J – SEWERAGE CHARGES**

That the rates for the Lake Grace Sewerage Scheme for 2011/12 rating year be based on the schedule of rates approved by Cabinet in respect to subsidised sewerage schemes, being:

	Rate in \$ or Charge	Minimum Charge \$	Maximum Charge \$	Basis of Rate	Rateable Value	2011/12 Budgeted Revenue \$
<b>Lake Grace Sewerage</b>						
Residential Minimum	4.2979	302.30	753.50	GRV	905,736	76,763
Commercial Minimum	4.2979	690.50	753.50	GRV	348,140	26,177
Vacant Land Minimum	4.2979	199.00	753.50	GRV	83,876	4,703
1st Major Fixture	185.50			GRV		5,565
Additional Fixtures	81.60			GRV		3,672
					<b>Total</b>	<b>116,880</b>

**MOTION CARRIED BY ABSOLUTE MAJORITY 9/0**

**6.0 CLOSURE**

There being no further business, the Chairperson closed the meeting at 12:38pm.

**7.0 CERTIFICATION**

I Andrew James Walker certify that the minutes of the meeting held on the 17 August 2011 as shown were confirmed as a true record at the meeting held on the 24 August 2011.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date