

Minutes



SPECIAL MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBERS,
953 SOUTH COAST HIGHWAY, DENMARK,
TUESDAY 16 AUGUST 2012.

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Special Council Meeting

16 August 2012

DISCLAIMER

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1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

4.02pm - The Shire President, Cr Thornton, declared the meeting open.

2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCEMEMBERS PRESENT:

Cr Ross Thornton (President)
 Cr John Sampson (Deputy President)
 Cr Roger Seeney
 Cr Barbara Marshall (from 4.05pm)
 Cr David Morrell
 Cr Adrian Hinds
 Cr Kelli Gillies
 Cr Dawn Pedro
 Cr Belinda Rowland
 Cr Alex Syme
 Cr Jan Lewis
 Cr Ian Osborne

STAFF:

Mr Dale Stewart (Chief Executive Officer)
 Mr Garry Bird (Director of Finance & Administration)
 Mr Gregg Harwood (Director of Community and Regulatory Services) (from 4.06pm)
 Mrs Kevina Richardson (Customer Service Officer – Technical Services)

APOLOGIES:

Ms Claire Thompson (Executive Assistant)

ON LEAVE OF ABSENCE:

Mrs Annette Harbron (Director of Planning and Sustainability)
 Mr Rob Whooley (Director of Infrastructure Services)

ABSENT:

Nil

VISITORS:

Nil

DECLARATIONS OF INTEREST:

Name	Item No	Interest	Nature
Cr Morrell	5.1	Financial	Mr Morrell's spouse is a GP operating within the Shire of Denmark who could benefit from the inclusion in the budget of reimbursement of employees for Pre-Employment Medical Certificates (value \$250), line item 1430402.
Cr Pedro	5.1	Proximity	Cr Pedro owns land abutting Sunny Glen Road which is proposed to be re-sheeting pursuant to line item 50323 (value \$120,140).

3. ANNOUNCEMENTS BY THE PERSON PRESIDING

4.05pm - Cr Marshall entered the room.

3.1 Mr Phil Barnes

The Shire President announced that former Councillor Phil Barnes had passed away on Sunday after a long battle with illness. Cr Thornton expressed condolences to Mrs Barnes and family stating that Mr Barnes had been a very active Councillor and a strong community advocate.

4.06pm – The Director of Community & Regulatory Services entered the room.

4. PUBLIC QUESTION TIME

4.1 Ms Samantha Blythe – UV Rating Increase

Ms Blythe asked why farmers were subsidising town services when they have poor road maintenance and farmers repair damage to their property created by poor road maintenance of road reserves (i.e. tree pruning).

Cr Thornton responded that rural ratepayers/properties benefit from all Shire services.

4.2 Mr David Keel – UV Rating Increase

Mr Keel questioned why rural property owners should be required to fund town works, and stated that the proposed rural rates increase is unreasonable when compared to other rating categories.

Mr Keel's concerns were noted.

Prior to consideration of Item 5.1 the Chief Executive Officer, through the Presiding Person, brought to the attention of the meeting the following disclosure(s) of interest:

Cr Morrell declares a financial interest on the basis that Mr Morrell's spouse is a GP operating within the Shire of Denmark who could benefit from the inclusion in the budget of reimbursement of employees for Pre-Employment Medical Certificates (value \$250), line item 1430402.

Cr Pedro declares a financial interest on the basis that Cr Pedro owns land abutting Sunny Glen Road which is proposed to be re-sheeting pursuant to line item 50323 (value \$120,140).

5. OFFICER REPORTS

5.1 ADOPTION OF 2012/13 MUNICIPAL BUDGET

File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	8 August 2012
Author:	Garry Bird, Director of Finance & Administration
Authorising Officer:	Garry Bird, Director of Finance & Administration
Attachments:	5.1 a) - 2012/13 Rate Setting Statement 5.1 b) - 2012/13 Municipal Budget Supporting Notes 5.1 c) - 2012/13 Schedule of Fees and Charges 5.1 d) - Rates Model 25 – 8.95% 5.1.e) - Schedule of Submissions – Notice of Intention to Levy Differential Rates 2012/13

Summary:

The following budget papers are presented for consideration by Elected Members in order to formally adopt the 2012/13 Municipal Budget.

Staff commenced the preparation of the Budget in February 2012 and have provided all Councillors, staff, residents and electors the opportunity to submit projects for consideration by Council.

The attached Budget documents have been prepared after extensive consultation with all relevant stakeholders and a comprehensive budget workshop process involving Councillors and senior staff, which examined in detail the various budget issues.

The consensus decisions made at these workshops are reflected in the attached Budget documents.

It should be noted that decisions made at the Workshop are not binding on Council and can be reviewed at this Special Meeting.

The 2012/13 Draft Municipal Budget, as presented, is balanced in that income equals expenditure and assuming all projects are completed in 2012/13, there would be a carried forward position of \$0 into the 2013/14 financial year.

This position has been determined following a review of all budget submissions and projects by senior staff and is based on recommended project inclusions/omissions by the Director of Finance and Administration. A summary of all projects requested, whether included or not, is included in the attached Papers.

The purpose of this Special Meeting of Council will be to formally adopt the 2012/13 Municipal Budget, in the format required by the Local Government Act 1995 (as amended).

Note that it is a requirement of the Local Government Act that the Municipal Budget be adopted by 31 August of each year, unless Ministerial approval is obtained for an extension to this date.

The process outlined above has been adopted to maximise the input into the Municipal Budget by Councillors, the community and staff to promote a greater understanding of the budget document itself and to ensure it accurately reflects the priorities of the Council.

Certain assumptions have been made by staff in preparing the attached reports and supporting documentation, which are summarised as follows;

1. **The adopted 2012/13 Municipal Budget will be a balanced budget in that total income equals expenditure.**
2. **Fuel prices will stabilise for the foreseeable future (next 12 months).**
3. **The Local Government Cost Index, calculated by WALGA, is estimated to be 3.20% for the 2011/12 year, with these costs anticipated to rise by 4.00% in the 2012/13 financial year.**
4. **The WA State Government have estimated the Consumer Price Index (CPI) to increase 3.50% in the 2012/13 financial year. The CPI for the 2011/12 year has been estimated to be 3.50%.**
5. **All Councillors, staff and community organisations and individuals have been given the opportunity to make a submission, which was required by the due date of 6 April 2012.**
6. **A 1% rates increase equates to approximately \$42,000 in additional revenue to the Shire.**
7. **That Council will receive a reduced payment from the WA Local Government Grants Commission in 2012/13 that will equate to approximately \$73,000 (10.40%) in lost income.**

Background:

Nil

Comment:

To arrive at a balanced position for the Draft Budget, a number of projects have needed to be omitted or deferred to later year. This list of items has previously been forwarded to Elected Members.

Councillors are able to include any of these omitted or deferred items in the adopted Budget, either at the expense of another project/s of similar value or by increasing income to fund the included item.

Consultation:

Councillors, Staff, community organisations and the general public have been invited to submit projects for consideration in the 2012/13 Municipal Budget.

In regards to the advertising of the Differential Rating proposal, seven submissions have been received, which are summarised in the attached Schedule of Submissions (Attachment 5.1. a)). In addition, thirteen submissions have been received requesting Council fund a Reserve Fund to construct an Aquatic Facility, which have been included in the Schedule of Submissions on the basis that they relate to rating levels for the 2012/13 year.

Statutory Obligations:

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Policy Implications:

Nil

Budget / Financial Implications:

It is recommended that Council adopted a balanced budget in that income equals expenditure.

Municipal rates are the single biggest revenue stream for the Shire of Denmark and careful consideration needs to be given to rating levels to ensure that total income keeps pace with the ever increasing costs applicable to the Local Government industry.

Strategic Implications:

There are no known significant strategic implications relating to the report or the officer recommendation.

Sustainability Implications:**➤ Environmental:**

There are no known significant environmental considerations relating to the report or officer recommendation.

➤ Economic:

There are no known significant economic considerations relating to the report or officer recommendation.

➤ Social:

There are no known significant social considerations relating to the report or officer recommendation.

Voting Requirements:

Absolute Majority.

FORMER OFFICER RECOMMENDATION

ITEM 5.1

In accordance with the provisions of the Local Government Act 1995, Council adopt the 2012/2013 Municipal Budget including the following;

1. For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, Council adopt a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$5,000;
2. The Schedule of Fees and Charges.
3. Councillors fees and allowances for the 2012/13 financial year be as follows;
 - Councillor Annual Sitting Fee \$4,830
 - Shire Presidents Sitting Fee \$6,300
 - Shire President's Allowance \$10,500
 - Shire Deputy Presidents Allowance \$2,625
 - Councillor Telecommunications Allowance \$525
 - Councillor Information Technology Allowance \$525
4. The following levels of rating be imposed by the Shire of Denmark for the 2012/13 financial year, which represents a 8.95% increase to municipal rates from the 2011/12 financial year.

a)

	<u>Rate in \$</u>	<u>Min Rate</u>
GRV - Developed	8.8250	\$880.00
GRV – Vacant	15.5000	\$800.00
UV	0.3818	\$950.00

- b) A rate payment instalment fee of \$7.00 per instalment be adopted and imposed for the 2012/13 financial year.
- c) Interest of 5.5% be adopted and imposed on rates paid by instalments in 2012/13.
- d) An interest rate of 11% per annum be adopted and imposed on all outstanding rates as per the provisions of the Local Government Act 1995.

Since the distribution of the attached Budget documentation, the following issues have been identified as requiring Council consideration prior to adoption of the Municipal Budget.

Corrections

Acc# 1228713 Grant Regional Bicycle Network - Incorrect Total	-\$5,650
Acc# 1420322 Wentworth Rd Dam Engineering Study	-\$5,000
Acc# 1427203 Wentworth Rd Dam Engineering Study Reimbursement	-\$15,000

Representing a net impact of \$25,650 on the 2012/13 Municipal Budget, it is proposed that these corrections be funded by deferring purchase of administration utility DE6226 (net saving \$20,000) and increasing income from the Planning Application Fees by \$5,650.

New Items

Heritage Trail Rail Bridge Repairs

Council has been successful in obtaining a grant of \$100,000 from Lotterywest towards the upgrade of the Heritage Trail Rail Bridge. Total expenditure is estimated to be \$215,000, with Council required to contribute the remaining \$115,000.

The Draft 2012/13 Municipal Budget contains an allocation of \$25,000 towards urgent repair of the Bridge. If these funds were to be used towards the grant project, a shortfall of \$90,000 would arise. By programming the works over two financial years, Council's contribution can be reduced in terms of the impact on any one budget period and it is recommended that the works be scheduled for April to August 2013, requiring a \$56,250 contribution in the 2012/13 Budget and similar in 2013/14.

Less the \$25,000 already allocated, the sum required would be \$31,250 which could be funded from the Land and Buildings Reserve or the PATAC trail allocation (or others as identified by Council).

Rating Submissions

The Schedule of Rating Submissions has been updated with two submissions received after the closing date. The updated version is provided in hard copy to Elected Members on their Chamber desk.

REVISED OFFICER RECOMMENDATION

ITEM 5.1 a)

That the following amendments be made to the Draft 2012/13 Municipal Budget;

1. Decrease Income Acc# 1228713 Grant – Regional Bicycle Network from \$45,000 to \$39,350.
2. Decrease Income Acc# 1427203 Reimbursements Other from \$24,881 to \$9,881.

3. Increase Expenditure Acc# 1420322 Strategic Planning and General Consultancies from \$47,145 to \$52,145.
4. Decrease Capital Expenditure Acc# 1421254 Administration Motor Vehicles from \$212,000 to \$177,000.
5. Decrease Capital Income Acc# 1421105 Administration – Sale of Motor Vehicles from \$100,000 to \$85,000.
6. Increase Income Acc# 1047403 Planning Application Fees from \$100,000 to \$105,650.
7. Increase Capital Expenditure Acc# 1220204 Bridge Construction from \$25,000 to \$112,500.
8. Increase Income Acc# 1228473 Grant Income Bridge Construction \$56,250
9. Add new Acc# Transfer from Land and Buildings Reserve of \$31,250.

REVISED OFFICER RECOMMENDATION

ITEM 5.1 b)

In accordance with the provisions of the Local Government Act 1995, Council adopt the 2012/2013 Municipal Budget, as amended, including the following;

1. For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, Council adopt a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$5,000;
2. The Schedule of Fees and Charges.
3. Councillors fees and allowances for the 2012/13 financial year be as follows;
 - Councillor Annual Sitting Fee \$4,830
 - Shire Presidents Sitting Fee \$6,300
 - Shire President’s Allowance \$10,500
 - Shire Deputy Presidents Allowance \$2,625
 - Councillor Telecommunications Allowance \$775
 - Councillor Information Technology Allowance \$275
4. The following levels of rating be imposed by the Shire of Denmark for the 2012/13 financial year, which represents an 8.95% increase to total municipal rates received from the 2011/12 financial year.

a)

	<u>Rate in \$</u>	<u>Min Rate</u>
GRV - Developed	8.8250	\$880.00
GRV – Vacant	15.5000	\$800.00
UV	0.3818	\$950.00

- b) A rate payment instalment fee of \$7.00 per instalment be adopted and imposed for the 2012/13 financial year.
- c) Interest of 5.5% be adopted and imposed on rates paid by instalments in 2012/13.

That the Schedule of Submissions regarding the Notice to Levy Differential Rates be received and the Officers comments endorsed.

COUNCIL RESOLUTION	ITEM 5.1
MOVED: CR SYME	SECONDED: CR MARSHALL
That Standing Orders be suspended to allow discussion on Officers Recommendations 5.1 (a) and 5.1 (b).	
CARRIED: 12/0	Res: 100812

Discussion ensued.

COUNCIL RESOLUTION	ITEM 5.1
MOVED: CR MARSHALL	SECONDED: CR SEENEY
That Standing Orders be resumed.	
CARRIED: 12/0	Res: 110812

COUNCIL RESOLUTION	ITEM 5.1
MOVED: CR HINDS	SECONDED: CR LEWIS
That the revised Officer Recommendation 5.1 (a) and 5.1 (b) be deferred and a Special Meeting of Council be held on Thursday 30 August 2012 for the purpose of adopting the 2012/13 Municipal Budget.	
LOST: 5/7	Res: 120812

COUNCIL RESOLUTION	ITEM 5.1
MOVED: CR SYME	SECONDED: CR HINDS
That the revised Officers Recommendation 5.1 (a) and 5.1 (b) be deferred and a Special Meeting of Council be held on Tuesday, 21 August 2012 commencing at 4.00pm for the purpose of adopting the 2012/13 Municipal Budget.	
LOST: 1/11	Res: 130812

COUNCIL RESOLUTION	ITEM 5.1
MOVED: CR SYME	SECONDED: CR HINDS
That Standing Orders be suspended to allow discussion on a preferred date for a deferral of the Special Meeting	
CARRIED: 11/1	Res: 140812

Discussion ensued.

COUNCIL RESOLUTION	ITEM 5.1
MOVED: CR MORRELL	SECONDED: CR MARSHALL
That Standing Orders be resumed.	
CARRIED: 12/0	Res: 150812

Prior to the consideration of Item 5.1, the Chief Executive Officer brought to the attention of members the previous Declarations of Interest from Councillors Morrell & Pedro.

5.31pm - Cr Morrell left the room.

COUNCIL RESOLUTION	ITEM 5.1
MOVED: CR SEENEY	SECONDED: CR HINDS
That Cr Morrell's financial interest is considered to be trivial and insignificant and he be allowed to return to the Chamber and participate in discussion and voting on the Budget.	
CARRIED: 11/0	Res: 160812

5.37pm – Cr Morrell returned to the room.

5.37pm – Cr Pedro left the room.

COUNCIL RESOLUTION

ITEM 5.1(a)

MOVED: CR SAMPSON

SECONDED: CR SEENEY

That the following amendments be made to the Draft 2012/13 Municipal Budget;

1. Decrease Income Acc# 1228713 Grant – Regional Bicycle Network from \$45,000 to \$39,350.
2. Decrease Income Acc# 1427203 Reimbursements Other from \$24,881 to \$9,881.
3. Increase Expenditure Acc# 1420322 Strategic Planning and General Consultancies from \$47,145 to \$52,145.
4. Decrease Capital Expenditure Acc# 1421254 Administration Motor Vehicles from \$212,000 to \$177,000.
5. Decrease Capital Income Acc# 1421105 Administration – Sale of Motor Vehicles from \$100,000 to \$85,000.
6. Increase Income Acc# 1047403 Planning Application Fees from \$100,000 to \$105,650.
7. Increase Capital Expenditure Acc# 1220204 Bridge Construction from \$25,000 to \$112,500.
8. Increase Income Acc# 1228473 Grant Income Bridge Construction \$56,250
9. Add new Acc# Transfer from Land and Buildings Reserve of \$31,250.
10. Decrease Income Acc# 1227203 Community Routes Funding from \$281,606 to \$201,233 (Sunny Glen Road gravel resheeting), and
11. Decrease Capital Expenditure Acc# 1220184 Community Routes Funding from \$422,510 to \$302,370 (Sunny Glen Road gravel resheeting).

CARRIED BY AN ABSOLUTE MAJORITY: 11/0

Res: 170812

REASON FOR CHANGE

The Officer's Revised Recommendation was amended to amend the draft Budget by the removal of construction works on Sunny Glen Road.

5.38pm – Cr Pedro returned to the room.

**COUNCIL RESOLUTION & REVISED OFFICER ITEM 5.1(b)
RECOMMENDATION**

MOVED: CR SAMPSON

SECONDED: CR MORRELL

In accordance with the provisions of the Local Government Act 1995, Council adopt the 2012/2013 Municipal Budget, as amended, including the following;

1. For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, Council adopt a variance of 10% or greater of the annual budget for each program area in the budget, as a level that requires an explanation or report, with a minimum dollar variance of \$5,000;
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 - Shire President's Allowance \$10,500
 - Shire Deputy Presidents Allowance \$2,625
 - Councillor Telecommunications Allowance \$775
 - Councillor Information Technology Allowance \$275
4. The following levels of rating be imposed by the Shire of Denmark for the 2012/13 financial year, which represents an 8.95% increase to total municipal rates received from the 2011/12 financial year.

d)

	<u>Rate in \$</u>	<u>Min Rate</u>
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UV	0.3818	\$950.00

- e) A rate payment instalment fee of \$7.00 per instalment be adopted and imposed for the 2012/13 financial year.
- f) Interest of 5.5% be adopted and imposed on rates paid by instalments in 2012/13.

That the Schedule of Submissions regarding the Notice to Levy Differential Rates be received and the Officers comments endorsed.

The Shire President called for a vote on the above motion and noted that Cr Hinds did not vote either for or against the motion. Cr Thornton advised Cr Hinds that under the Local Government Act 1995 he was required to vote or leave the room prior to the vote and asked the Chief Executive Officer to read Section 5.21 of the Local Government Act 1995 to provide clarity of the requirement for all Councillors (who were present) to vote on motions and the fact that there could be a substantial fine for any person who didn't vote.

The Shire President then called for another vote on the motion whereupon Cr Hinds again refused to vote on the motion.

CARRIED BY AN ABSOLUTE MAJORITY: 9/2

Res: 180812

Cr Hinds did not vote.

Cr Marshall & Cr Lewis requested that their vote against be recorded.

5.57pm – Cr Pedro left the room.

COUNCIL RESOLUTION

ITEM 5.1

MOVED: CR Morrell

SECONDED: CR Marshall

That Council amend the adopted 2012/13 Budget to re-include Sunny Glen Road gravel re-sheeting project;

Income Account 1227703 \$80,373

Expenditure Account 1220164 \$120,140

CARRIED BY AN ABSOLUTE MAJORITY: 11/0

Res: 190812

6.00pm – Cr Pedro returned to the room.

6. CLOSURE OF MEETING

6.02 pm – There being no further business to discuss the Shire President, Cr Thornton, declared the meeting closed.

The Chief Executive Officer recommends the endorsement of these minutes at the next meeting.

Signed: _____

Dale Stewart – Chief Executive Officer

Date: _____

These minutes were confirmed at the meeting of the _____

Signed: _____

(Presiding Person at the meeting at which the minutes were confirmed.)