

Shire of Denmark Minutes



SPECIAL MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBER, 953 SOUTH COAST HIGHWAY,
DENMARK, TUESDAY 30 AUGUST 2011.

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Ordinary Council Meeting

30 August 2011

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1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

4.06pm - The Shire President, Cr Thornton, declared the meeting open.

2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

MEMBERS PRESENT:

Cr Ross Thornton (President)
Cr Ken Richardson-Newton (Deputy President)
Cr Phil Barnes
Cr Kim Barrow
Cr George Ebbett
Cr Adrian Hinds
Cr Dawn Pedro
Cr John Sampson
Cr Alex Syme
Cr John Wakka

STAFF:

Mr Dale Stewart (Chief Executive Officer)
Mr Garry Bird (Director of Finance & Administration)
Mrs Annette Harbron (Director of Planning and Sustainability)
Mr Rob Whooley (Director of Infrastructure Services)
Mr Steven Broad (Accountant)
Ms Claire Thompson (Executive Assistant)

APOLOGIES:

Cr Richard Phair
Mr Gregg Harwood (Director of Community and Regulatory Services)

ON LEAVE OF ABSENCE:

Cr Robert Laing

ABSENT:

Nil

VISITORS:

Nil

DECLARATIONS OF INTEREST:

Nil

3. ANNOUNCEMENTS BY THE PERSON PRESIDING

Nil

4. PUBLIC QUESTION TIME

Nil

5. OFFICER REPORTS

5.1 ADOPTION OF 2011/12 MUNICIPAL BUDGET

File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	16 August 2011
Author:	Garry Bird, Director of Finance & Administration
Authorising Officer:	Garry Bird, Director of Finance & Administration
Attachments:	2011/12 Rate Setting Statement. 2011/12 Private Works Fees and Charges Rates Model 1112 Diff 6% Final.

Summary:

The following budget papers are presented for consideration by Elected Members in order to formally adopt the 2011/12 Municipal Budget.

Staff commenced the preparation of the Budget in February 2011 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 2011/12 Draft Municipal Budget, as presented, is balanced in that income equals expenditure and assuming all projects are completed in 2011/12, there would be a carried forward position of \$0 into the 2011/12 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 2011/12 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 2011/12 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 3.5% for the 2010/11 year, with these costs anticipated to rise by 4.5% in the 2011/12 financial year.**
- 4. The WA State Government have estimated the Consumer Price Index (CPI) to increase 3.25% in the 2011/12 financial year. The CPI for the 2010/11 year has been estimated to be 3.0%.**
- 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 15 April 2011.**
- 6. The Draft Budget has been prepared with a 6.0% rates increase in an attempt to ensure income levels are in keeping with ever increasing costs.**
- 7. A 1% rates increase equates to approximately \$40,000 in additional revenue to the Shire.**

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.

The recommended rates model differs from the proposal advertised as a result of some revised valuations received for GRV properties and to address an imbalance in the number of minimum rated properties for Gross Rental Value (GRV) Developed Land.

A copy of the revised recommended Model has been included in the Agenda attachments for the consideration of Elected Members.

The difference between the advertised Model and that recommended is a reduction in the minimum rate for GRV land and a small increase in the rate in the dollar for same to ensure the number of properties of the minimum rate for each differential category meets statutory provisions.

There is no significant impact to total rates revenue received.

Consultation:

Councillors, Staff, community organisations and the general public have been invited to submit projects for consideration in the 2011/12 Municipal Budget.

In regards to the advertising of the Differential Rating proposal, no submissions were received.

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.

OFFICER RECOMMENDATION

ITEM 5.1

In accordance with the provisions of the Local Government Act 1995, Council adopt the 2011/2012 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 2011/12 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	\$1,050
4. The following levels of rating be imposed by the Shire of Denmark for the 2011/12 financial year, which represents a 6% increase to municipal rates from the 2010/11 financial year.

- | a) | <u>Rate in \$</u> | <u>Min Rate</u> |
|------------|-------------------|-----------------|
| GRV | 8.1500 | \$800.00 |
| UV | 0.3072 | \$850.00 |
| GRV Vacant | 15.5290 | \$800.00 |
- b) A rate payment instalment fee of \$7.00 per instalment be adopted and imposed for the 2011/12 financial year.
- c) Interest of 5.5% be adopted and imposed on rates paid by instalments in 2011/12.
- 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.

COUNCIL RESOLUTION

ITEM 5.1

MOVED: CR SYME

SECONDED: CR PEDRO

That the draft Budget as presented be considered for adoption.

AMENDMENT

MOVED: CR PEDRO

SECONDED: CR RICHARDSON-NEWTON

Subject to the inclusion of a Denmark Historical Society administration contribution of \$2,000.

CARRIED: 10/0

Res: 310811

AMENDMENT

MOVED: CR SAMPSON

SECONDED: CR RICHARDSON-NEWTON

Subject to the inclusion of \$3,000 for the purchase and installation of two (2) flag poles for the administration building.

LOST: 3/7

Res: 320811

AMENDMENT

MOVED: CR HINDS

SECONDED: CR RICHARDSON-NEWTON

Subject to the inclusion of \$2,000 for the purposes of planning the road & parking area in relation to Poison Point.

LOST: 1/9

Res: 330811

Cr Hinds requested that all Councillors votes on the above resolution be recorded.

FOR: Cr Hinds

AGAINST: Cr Barrow, Cr Sampson, Cr Richardson-Newton, Cr Barnes, Cr Thornton, Cr Syme, Cr Pedro, Cr Ebbett & Cr Wakka.

AMENDMENT

MOVED: CR RICHARDSON-NEWTON

SECONDED: CR BARROW

Subject to the following amendments;

1. The Berridge Park Playground equipment of \$56,097 be sourced from the POS contributions; and
2. The former Berridge Park allocation of \$56,097 be allocated to the Kwoorabup Community Park, providing a total of \$342,097.

CARRIED: 9/1

Res: 340811

AMENDMENT

MOVED: CR WAKKA

SECONDED: CR RICHARDSON-NEWTON

Subject to the inclusion of \$20,000 for a review of Council's Fire Prevention Plans in 2011/12 with a further similar allocation proposed in 2012/13.

Cr Ebbett left the meeting and did not return.

CARRIED: 5/4

Res: 350811

AMENDMENT

MOVED: CR BARROW

SECONDED: CR WAKKA

Subject to the allocation of \$10,000 for the Denmark War Memorial being deferred until 2012/13.

CARRIED: 9/0

Res: 360811

AMENDMENT

MOVED: CR HINDS

SECONDED: CR THORNTON

Subject to the Asset Management Improvement Program allocation (Account 1420332) of \$7,450 being reduced to an amount of \$2,000.

CARRIED: 9/0

Res: 370811

AMENDMENT

MOVED: CR HINDS

Subject to the \$40,700 allocation (Account 1151132) for Denmark Arts being removed.

LAPSED FOR WANT OF A SECONDER.

AMENDMENT

MOVED: CR HINDS

Subject to the amount of \$15,000 allocation for the Wentworth Road Dam Engineering Study (Account 1420322) being removed from the draft budget.

LAPSED FOR WANT OF A SECONDER.

AMENDED MOTION

That the draft Budget as presented be considered for adoption, subject to;

1. The inclusion of a Denmark Historical Society administration contribution of \$2,000;
2. The Berridge Park Playground equipment of \$56,097 be sourced from the POS contributions in trust;
3. The former Berridge Park allocation of \$56,097 be allocated to the Kwoorabup Community Park, providing a total of \$342,097;
4. the inclusion of \$20,000 for a review of Council's Fire Prevention Plans in 2011/12 with a further similar allocation proposed in 2012/13;
5. The allocation of \$10,000 for the Denmark War Memorial being deferred until 2012/13; and
6. The Asset Management Improvement Program allocation (Account 1420332) of \$7,450 being reduced to an amount of \$2,000.

THE AMENDED MOTION THEN BECAME THE SUBSTANTIVE MOTION WHICH WAS THEN PUT & CARRIED: 9/0

Res: 380811

COUNCIL RESOLUTION

ITEM 5.1

MOVED: CR WAKKA

SECONDED: CR SAMPSON

In accordance with the provisions of the Local Government Act 1995, Council adopt the 2011/2012 Municipal Budget including the following;

1. That the draft Budget as presented be considered for adoption, subject to;
 - a) The inclusion of a Denmark Historical Society administration contribution of \$2,000;
 - b) The Berridge Park Playground equipment of \$56,097 be sourced from the POS contributions in trust;
 - c) The former Berridge Park allocation of \$56,097 be allocated to the Kwoorabup Community Park, providing a total of \$342,097;
 - d) the inclusion of \$20,000 for a review of Council's Fire Prevention Plans in 2011/12 with a further similar allocation proposed in 2012/13;
 - e) The allocation of \$10,000 for the Denmark War Memorial being deferred until 2012/13; and
 - f) The Asset Management Improvement Program allocation (Account 1420332) of \$7,450 being reduced to an amount of \$2,000.
2. 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;
3. The Schedule of Fees and Charges.
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 - Councillor Telecommunications Allowance \$1,050
5. The following levels of rating be imposed by the Shire of Denmark for the 2011/12 financial year, which represents a 6% increase to municipal rates from the 2010/11 financial year.

	<u>Rate in \$</u>	<u>Min Rate</u>
GRV Developed	8.1500	\$800.00
UV	0.3072	\$850.00
GRV Vacant	15.5290	\$800.00

 - b) A rate payment instalment fee of \$7.00 per instalment be adopted and imposed for the 2011/12 financial year.
 - c) Interest of 5.5% be adopted and imposed on rates paid by instalments in 2011/12.
 - 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.

AMENDMENT

MOVED: CR HINDS

That the rate payment instalment fee be reduced from \$7.00 to \$3.00.

LAPSED FOR WANT OF A SECONDER

AMENDMENT

MOVED: CR HINDS

That part 4 c) be changed from 5.5% to %0.

LAPSED FOR WANT OF A SECONDER

THE ORIGINAL MOTION WAS THEN PUT & CARRIED BY AN ABSOLUTE MAJORITY: 9/0

Res: 390811

6. CLOSURE OF MEETING

4.30pm - 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: 2 September 2011

These minutes were confirmed at the meeting of the _____

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