

Shire of Denmark Minutes



SPECIAL MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBER,
953 SOUTH COAST HIGHWAY, DENMARK,
TUESDAY 30 JULY 2013.

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Special Council Meeting

30 July 2013

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1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

7.01pm – *The Shire President, Cr Ross Thornton, declared the meeting open.*

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

Cr Ross Thornton (President)
 Cr John Sampson (Deputy President)
 Cr Roger Seeney
 Cr Barbara Marshall
 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 Steven Broad (Acting Director of Finance & Administration)
 Mrs Annette Harbron (Director of Planning and Sustainability)
 Mr Gregg Harwood (Director of Community and Regulatory Services)

APOLOGIES:

Mr Rob Whooley (Director of Infrastructure Services)

ON LEAVE OF ABSENCE:

Nil

ABSENT:

Nil

VISITORS:

Nil

DECLARATIONS OF INTEREST:

Name	Item No	Interest	Nature
Cr Alex Syme	5.1.c	Financial	Cr Syme's spouse is nominated as contractor for one item in relation to Account Number 1420342.

3. ANNOUNCEMENTS BY THE PERSON PRESIDING

The Shire President thanked Council Officers, particularly Council's Accountant, Mr Steven Broad, for the work that they had put into preparing the Budget for Council adoption.

4. PUBLIC QUESTION TIME

Nil

5. OFFICER REPORTS

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

Cr Syme declares a financial interest in Item 5.1 c) of the Officer Recommendation on the basis that his spouse is named as contractor for one item in relation to account number 1420342 in the Budget.

5.1	ADOPTION OF 2013/14 MUNICIPAL BUDGET
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File Ref:	FIN.1
Applicant / Proponent:	Not applicable
Subject Land / Locality:	Not applicable
Disclosure of Officer Interest:	Nil
Date:	26 July 2013
Author:	Dale Stewart, Chief Executive Officer
Authorising Officer:	Dale Stewart, Chief Executive Officer
Attachments:	5.1 a) – Schedule of Submissions 5.1 b) – Differential Rating in the Shire of Denmark 5.1 c) – 2013/14 Schedule of Fees & Charges 5.1 d) – 2013/14 Municipal, Trust & Reserve Budget

Summary:

The attached budget papers are presented for consideration by Elected Members in order to formally adopt the 2013/14 Municipal Budget.

Staff commenced the preparation of the Budget in April 2013 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.

The 2013/14 Draft Municipal Budget, as presented, is balanced in that income equals expenditure and assuming all projects are completed in 2013/14, there would be a carried forward position of \$0 into the 2014/15 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. A summary of all projects that have been excluded from the final draft Budget is attached.

The purpose of this Special Meeting of Council will be to formally adopt the 2013/14 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 no later than 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 2013/14 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 3.60% for the 2012/13 year, with these costs anticipated to rise by 4.00% in the 2013/14 financial year.
4. The WA State Government has estimated the Consumer Price Index (CPI) to increase 3.25% in the 2013/14 financial year. The CPI for the 2012/13 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 12 April 2013.
6. A 1% rates increase equates to approximately \$46,869 in additional revenue to the Shire.
7. That Council will receive a similar payment from the WA Local Government Grants Commission in 2013/14 as was received in 2012/13.

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 a 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 2013/14 Municipal Budget.

In regard to the advertising of the Differential Rating proposal, six submissions have been received, which are summarised in the attached Schedule of Submissions (Attachment 5.1 a)).

Statutory Obligations:

Local Government Act 1995.

Local Government (Financial Management) Regulations 1996.

Policy Implications:

Nil

Budget / Financial Implications:

It is recommended that Council adopts 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 required.

COUNCIL RESOLUTION & OFFICER RECOMMENDATION	ITEM 5.1 a)
MOVED: CR SAMPSON	SECONDED: CR OSBORNE
That Council with respect to the advertised differential rating system for the 2013/14 Financial Year;	
1. Note the submissions received;	
2. Endorse the Officer's comments in the Schedule of Submissions (Attachment 5.1 a);	
3. Amend the Council Rating Policy (P030101) such that it reads in accordance with Attachment 5.1 b);	
4. Adopt in accordance with the attached Schedule (Attachment 5.1 b) the proposed;	
a) differential rating categories;	
b) rates in the dollar;	
c) minimum payments; and	
d) objects and reasons.	
CARRIED BY AN ABSOLUTE MAJORITY: 11/1	Res: 290713

OFFICER RECOMMENDATION

ITEM 5.1 b)

That with respect to the 2013/14 Municipal Budget Council adopt the following;

1. For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, 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 (Attachment 5.1 c);
3. Councillors fees and allowances as follows;

* Councillor Annual Sitting Fee	\$7,500
* Shire President's Sitting Fee	\$7,500
* Shire President's Allowance	\$10,500
* Deputy Shire President's Allowance	\$2,625
* Councillor Telecommunications and Information Technology Allowance	\$1,650
4. The following Differential General Rate Categories be imposed by the Shire of Denmark for the 2013/14 financial year, which represents a 4.98% increase to Municipal rates from the 2012/13 financial year;

Differential General Rate Category	Rate in \$ (cents/\$ of valuation)	Minimum Payment
Gross Rental Value Land		
1. GRV Residential Developed	9.7970	860
2. GRV Business/ Commercial Developed	9.9195	1,015
3. GRV Lifestyle Developed	10.0419	880
4. GRV Rural Developed	10.0419	880
5. GRV Holiday Use Developed	10.7767	945
6. GRV Residential Vacant	14.2595	770
7. GRV Business/ Commercial Vacant	10.8600	910
8. GRV Rural Vacant	10.8600	910
9. GRV Lifestyle Vacant	14.6160	790
Unimproved Value Land		
10. UV Base	0.4142	1,050
11. UV Additional Use 1	0.4556	1,155
12. UV Additional Use 2	0.4970	1,260
13. UV Additional Use 3	0.5385	1,365

14. UV Additional Use 4 0.5799 1,470
5. A rate payment instalment fee of \$8.00 per instalment in accordance with section 6.45 (3) of the Local Government Act 1995.
6. An interest rate of 5.5% per annum on rates paid by instalments in accordance with section 6.45 (3) of the Local Government Act 1995.
7. An interest rate of 11% per annum on all outstanding rates in accordance with section 6.51 (1) of the Local Government Act 1995.
8. An interest rate of 11% per annum on all sundry debtors that remain outstanding longer than 35 days after the due date in accordance with section 6.13 (6) of the Local Government Act 1995.

COUNCIL RESOLUTION

ITEM 5.1 b)

MOVED: CR PEDRO

SECONDED: CR OSBORNE

7.42pm – Cr Lewis left the room.

That with respect to the 2013/14 Municipal Budget Council adopt the following;

1. For the purposes of Local Government (Financial Management) Regulation 34 regarding levels of variances for financial reporting, 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 (Attachment 5.1 c);
3. Councillors fees and allowances as follows;

* Councillor Annual Sitting Fee	\$7,500
* Shire President's Sitting Fee	\$7,500
* Shire President's Allowance	\$10,500
* Deputy Shire President's Allowance	\$2,625
* Councillor Telecommunications and Information Technology Allowance	\$1,150
4. The following Differential General Rate Categories be imposed by the Shire of Denmark for the 2013/14 financial year, which represents a 4.98% increase to Municipal rates from the 2012/13 financial year;

Differential General Rate Category	Rate in \$ (cents/\$ of valuation)	Minimum Payment
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8. An interest rate of 11% per annum on all sundry debtors that remain outstanding longer than 35 days after the due date in accordance with section 6.13 (6) of the Local Government Act 1995.

CARRIED BY AN ABSOLUTE MAJORITY: 10/1

Res: 300713

REASONS FOR CHANGE

Council believed that the provision of \$1,150 for the Telecommunications and Information Technology Allowance was and remains adequate and was important to show a sense of discipline in these times.

7.45pm – Cr Lewis returned to the room.

7.47pm - Cr Syme declared his financial interest in item 5.1 c) and left the room and did not participate in discussion or vote on the matter.

OFFICER RECOMMENDATION

ITEM 5.1 c)

That Council adopt the 2013/14 Municipal, Trust Fund & Reserve Account Budgets as presented in accordance with section 6.2 (1) of the Local Government Act 1995.

COUNCIL RESOLUTION

ITEM 5.1 c)

MOVED: CR SEENEY

SECONDED: CR MARSHALL

That Council adopt the 2013/14 Municipal, Trust Fund & Reserve Account Budgets as presented in accordance with section 6.2 (1) of the Local Government Act 1995 as amended in Part 5.1 b) such that the adopted surplus is now \$4,875.00.

CARRIED UNANIMOUSLY & BY AN ABSOLUTE MAJORITY: 11/0

Res: 310713

REASONS FOR CHANGE

Council added the words “as amended in Part 5.1 b) such that the adopted surplus is now \$4,875.00” for clarity.

7.49pm Cr Syme returned to the room.

6. CLOSURE OF MEETING

7.50pm - There being no further business 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.)