
Shire of Kalamunda

General Services Committee

Agenda for 5 July 2010





NOTICE OF MEETING GENERAL SERVICES COMMITTEE

Councillors,

Notice is hereby given that the next meeting of the General Services Committee will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on:

Monday 5 July 2010 commencing at 6.30 pm.

For the benefit of Committee Members, staff and members of the public, attention is drawn to the following requirements as adopted by Council.

Open Council Meetings – Procedures

1. Standing Committees are open to the public, except for Confidential Items listed on the Agenda.
2. Standing Committees have a membership of all 12 Councillors.
3. Unless otherwise advised a Committee makes recommendations only to Full Council (Held on the third Monday of each month at 6.30 pm).
4. Members of the public are able to ask questions at a Committee Meeting, however, the questions should be related to the functions of the Committee.
5. Members of the public wishing to make a comment on any Agenda item may request to do so by advising staff prior to commencement of the Committee Meeting.
6. Comment from members of the public on any item of the Agenda is usually limited to 3 minutes and should address the recommendations (at the conclusion of the report).
7. It would be appreciated if silence is observed in the gallery at all times except for Question Time.
8. All other arrangements are in general accordance with Council's Standing Orders, the Policies and decision of person Chairing the Committee or Council Meeting.
9. Members of the public who are unfamiliar with meeting proceedings are invited to seek advice at the meeting by signalling to a staff member.

James Trail
Chief Executive Officer

30 June 2010

**** Dinner will be served at 5.30 pm ****

AGENDA

1.0 OFFICIAL OPENING

2.0 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

3.0 PUBLIC QUESTION TIME

A period of not less than 15 minutes is provided to allow questions from the gallery on matters relating to the functions of this Committee. For the purposes of Minuting, these questions and answers are summarised.

4.0 PETITIONS/DEPUTATIONS

5.0 APPLICATIONS FOR LEAVE OF ABSENCE

6.0 CONFIRMATION OF PREVIOUS MINUTES

- 6.1 That the Minutes of the General Services Committee Meeting held on 8 June 2010 is confirmed as a true and correct record of the proceedings.

Statement by Presiding Member

“On the basis of the above motion I now sign the minutes as a true and accurate record of the meeting of 8 June 2010.”

7.0 ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

8.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

9.0 DISCLOSURE OF INTERESTS

Disclosure of Financial and Proximity Interests

- (a) Members must disclose the nature of their interest in matters to be discussed at the meeting. (Sections 5.60B and 5.65 of the Local Government Act 1995).
- (b) Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the Local Government Act 1995)

Disclosure of Interest Affecting Impartiality

- (a) Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee had given or will give advice.

10.0 REPORT TO COUNCIL

Please Note:

Declaration of financial/conflict of interests to be recorded prior to dealing with each item.

<u>Report Number</u>	<u>Page Number</u>
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REPORTS

Declaration of financial/conflict of interests to be recorded prior to dealing with each item.

66. Creditors Accounts Paid during the period 26 May 2010 to 22 June 2010

Previous Items:	N/A
Responsible Officer	Director Corporate Services
Service Area:	Corporate
File Reference:	
Applicant:	N/A
Owner:	N/A
Attachments	Attachment 1 – Creditor Payments 26 May 2010 to 22 June 2010 (Attachments Page 1)

PURPOSE

1. To receive creditors' accounts paid during the period 26 May 2010 to 22 June 2010.

BACKGROUND

2. It is a requirement of the Local Government (Financial Management) Regulations 1996 (Regulation 12) that a list of Creditors' Accounts Paid is compiled each month.
3. The report is required to show payee's name, the amount of the payment, the date of the payment, and sufficient information to identify the transaction.

DETAILS

4. Accordingly, the list of Creditors' paid during the period 26 May 2010 to 22 June 2010 is attached.

STATUTORY AND LEGAL IMPLICATIONS

5. Nil.

POLICY IMPLICATIONS

6. Nil.

PUBLIC CONSULTATION/COMMUNICATION

7. Nil.

FINANCIAL IMPLICATIONS

8. Nil.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

9. Nil.

OFFICER COMMENT

10. Nil.

OFFICER RECOMMENDATION

GSC-66/2010

1. That the list of Creditors' paid during the period 26 May 2010 to 22 June 2010 attached be received by Council in accordance with the requirements of Regulation 12 of the Local Government (Financial Management) Regulations 1996.

Moved:

Seconded:

Declaration of financial/conflict of interests to be recorded prior to dealing with each item.

67. Financial Activity Statements for the Period 31 May 2010

Previous Items:	N/A
Responsible Officer	Director Corporate Services
Service Area:	Corporate
File Reference:	FI-SRR-006
Applicant:	N/A
Owner:	N/A

Attachments	Attachment 1 – Financial Activity Statements – as at 31 May 2010 (Attachments Page 11)
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PURPOSE

1. To receive the draft financial activity statement reports for the period ended 31 May 2010.

BACKGROUND

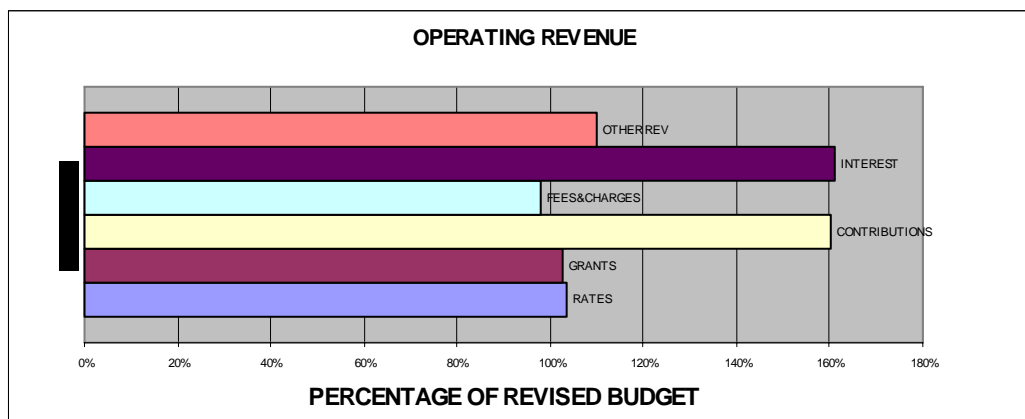
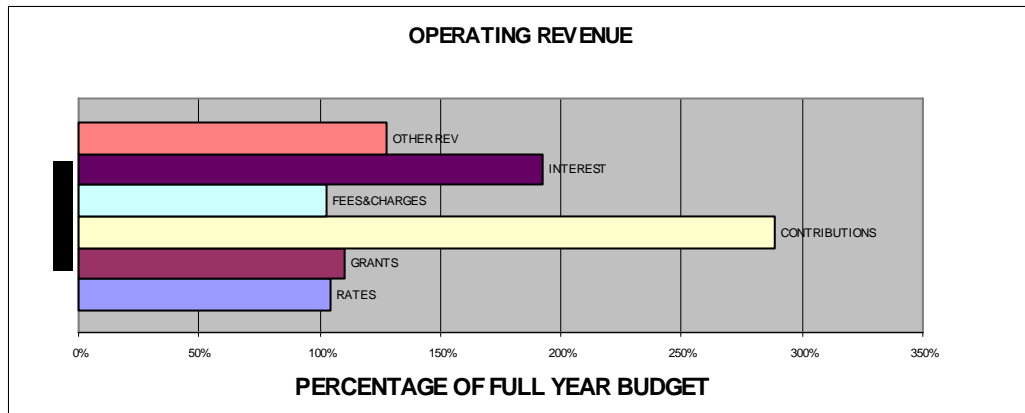
2. Attached are the financial activity statement reports for the period ending 31 May 2010 prepared in accordance with the requirements of Section 34 of the Local Government (Financial Management) Regulations 1996.
3. It is also a requirement of this regulation that each financial year a local government is to adopt a percentage or value to be used in statements of financial activity for reporting material variances.

DETAILS

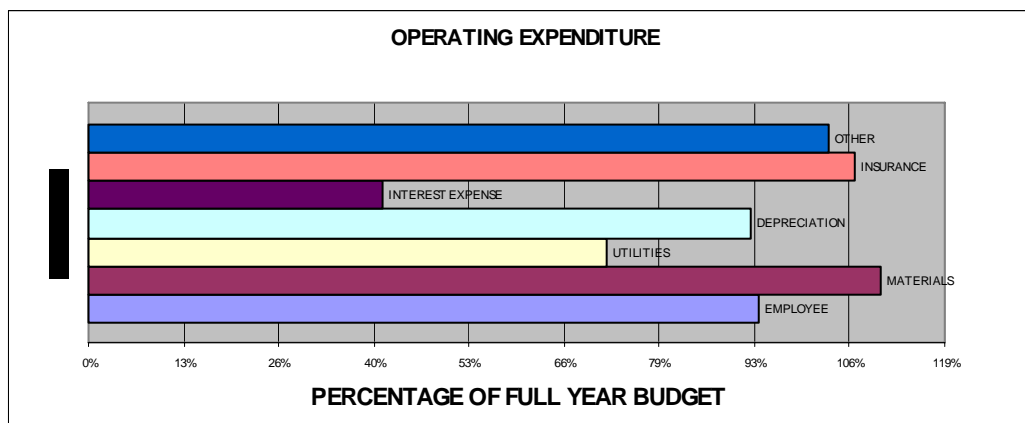
4. It has previously been agreed a percentage value of 10% variance be used for the Financial Activity Statement. This amount is in accordance with the materiality provision of the Australian Accounting Standards (refer AAS5) which is also set at 10%.
5. Refer for the comments relating to the above mentioned variances.
6. Financial Commentary

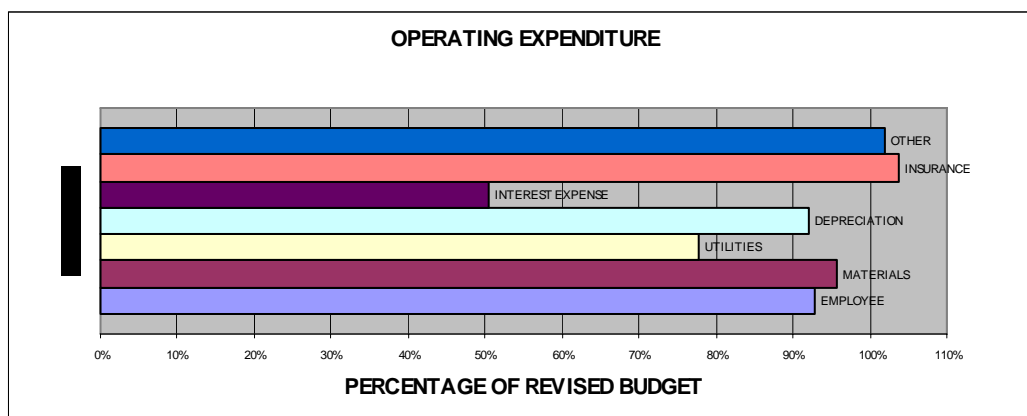
Operating income: Contribution revenue has spiked due to invoicing of grants for CCTV project work approved by the Office of Crime Prevention and the Attorney Generals Department. The nature of these funds, be it contribution or grants needs confirming and its impact in the graph over stated due to the smaller amount of contributions budgeted (\$941,526 revised) compared to grants (\$3,663,526 revised). Interest earnings continues to perform well, with several more term deposits set to mature in May. Interest earnings are influenced from having established loan funding for the depot administration building and having little construction costs thus far. Rates revenue is set to further improve on revised budget estimates. As reported to May's General Services Committee Meeting, the completion of a reconciliation project has identified \$206,614 in 2008/2009 back rates and \$308,784 in 09/10, plus ESL.

These will be levied in May. The reconciliation involved comparing the Shires and Landgates valuation registers. The final number of properties identified as having been undervalued in the Shires register was 250.



Operating expenditure: Insurance expenses have only marginally increased further over last months reported figures, Again, the receipt of retrospective adjusted premiums for prior years are funded from the insurance contingency reserve. Utility charges have increased due to the payment of street lighting invoices. Interest expense is under due to the timing of loan payments and by not establishing new loans until the second half of the year. Material purchases and salaries are on revised targets, having changed the accounting for HACC staff under unit costing requirements as program (material) costs.



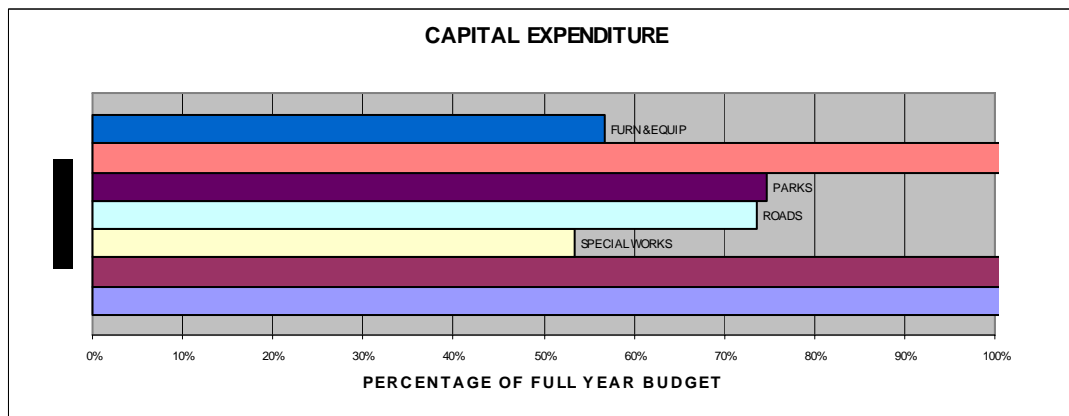


Salaries and Wages

Having reviewed staff costs, year to date comparison to revised budgets shows as just under expected levels. This is affected by training and recent commencement of new staff which will bring the level of expenditure up over the next 3 months.

Capital Expenditure

The capital works programme, including both roadworks infrastructure and building construction is at 36.1% of revised budget based upon actual expenditure, with outstanding purchase orders of \$1,897,716 issued. This is influenced heavily by two projects, the \$5m Community Centre and the \$2.1m Depot Administration Building, both of which remain in their early stages. Capital income is down as a direct result with still no grant funding for the Community Centre (\$3.7m) received this year. Asset purchases have increased significantly on last month, at 67.1% of revised budget.



FINANCIAL RATIOS

2009/10

2008/09

Current Ratio

4.6 : 1

1.11 : 1

Calculated as follows:

Current assets minus restricted current assets

Current liabilities minus liabilities associated with restricted assets

The current ratio is used to evaluate the liquidity, or ability to meet short term debts.

Untied Cash to Trade Creditors Ratio

9.3 : 1

1.33

Calculated as follows:
$$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$$

The untied cash to trade creditors ratio indicates the ability of the Council to pay its trade creditors, in accordance with normal trading terms and conditions, using untied / unrestricted funds.

Debt Ratio 2.22% 1.71%

Calculated as follows:
$$\frac{\text{Total liabilities}}{\text{Total assets}}$$

The debt ratio is a measure of the Council's liabilities as a percentage of its assets. Generally the lower the ratio the greater the capacity to borrow, though a local government must include infrastructure assets in this calculation.

Debt Service Ratio 0.29% 0.36%

Calculated as follows:
$$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$$

The debt service ratio represents Council's ability to service debt out of uncommitted or general purpose funds available for operations. Self supporting loans should be taken into consideration when evaluating this ratio.

FINANCIAL RATIOS (cont'd) 2009/10 2008/09

Gross Debt to Revenue Ratio 10.88% 1.83%

Calculated as follows:
$$\frac{\text{Gross debt}}{\text{Total revenue}}$$

The gross debt to revenue ratio illustrates Council's ability to cover gross debt with its revenue in any given year. The lower the percentage the greater the ability to service borrowings.

Gross Debt to
Economically Realisable Assets Ratio 2.02% 0.31%

Calculated as follows:
$$\frac{\text{Gross debt}}{\text{Economically realisable assets}}$$

The gross debt to economically realisable assets ratio relates actual borrowings directly to tangible assets (excludes infrastructure assets). It illustrates a Council's reliance on borrowings to fund new projects and gives an indication as to its future.

Rate Coverage Ratio 53.22% 47.55%

Calculated as follows:
$$\frac{\text{Net rate revenue}}{\text{Operating revenue}}$$

The rates coverage ratio measures Council's dependence on rate revenue to fund operations. It is considered that a higher ratio would indicate a higher controllable dependency on rates revenue and less of a dependency on government grants.

<u>Outstanding Rates Ratio</u>	1.52%	2.36%
Calculated as follows:	$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$	

The outstanding rates ratio helps to determine the effectiveness of Council's rate collection procedures. The lower the ratio the better the collection policy and procedures. This ratio ignores pensioner rates deferrals due to their nature.

STATUTORY AND LEGAL IMPLICATIONS

7. Nil.

POLICY IMPLICATIONS

8. Nil.

PUBLIC CONSULTATION/COMMUNICATION

9. Nil.

FINANCIAL IMPLICATIONS

10. Nil.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

11. Nil.

OFFICER COMMENT

12. Nil.

OFFICER RECOMMENDATION

GSC-67/2010

1. That the Financial Activity Statement reports for the period ending 31 May 2010 be received.

Moved:

Seconded:

Declaration of financial/conflict of interests to be recorded prior to dealing with each item.

68. Debtors and Creditors Report

Previous Items: N/A
Responsible Officer: Director Corporate Services
Service Area: Corporate
File Reference:
Applicant:
Owner:

Attachments: Attachment 1 – Debtors Report May 2010
(Attachments Page 50)
Attachment 2 – Creditors Report May 2010
(Attachments Page 51)

PURPOSE

1. To receive a monthly report on debtors and creditors.

BACKGROUND

2. Attached are reports detailing aged debtors and creditors as at 31 May 2010.
3. Council has requested information as to outstanding debtors and creditors be reported on a monthly basis.

DETAILS

4. Debtors
See **(Attachment 1)** for details.
5. Creditors
See **(Attachment 2)** for details.

STATUTORY AND LEGAL IMPLICATIONS

6. Nil.

POLICY IMPLICATIONS

7. Nil.

PUBLIC CONSULTATION/COMMUNICATION

8. Nil.

FINANCIAL IMPLICATIONS

9. Nil.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

10. Nil.

OFFICER COMMENT

11. Nil.

OFFICER RECOMMENDATION

GSC-68/2010

1. That the outstanding debtors and creditors report as at 31 May 2010 be received.

Moved:

Seconded:

Declaration of financial/conflict of interests to be recorded prior to dealing with each item.

69. Rates Debtors Report

Previous Items:	N/A
Responsible Officer	Director Corporate Services
Service Area:	Corporate
File Reference:	
Applicant:	N/A
Owner:	N/A

Attachments	Attachment 1 – Rates Debtors Report May 2010 (Attachments Page 52)
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PURPOSE

1. To receive a report on rates debtors as at 31 May 2010.

BACKGROUND

2. Attached is the report detailing rates debtors as at 31 May 2010.

DETAILS

3. Rates Debtors

See (***Attachment 1***) for details.

STATUTORY AND LEGAL IMPLICATIONS

4. Nil.

POLICY IMPLICATIONS

5. Nil.

PUBLIC CONSULTATION/COMMUNICATION

6. Nil.

FINANCIAL IMPLICATIONS

7. Nil.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

8. Nil.

OFFICER COMMENT

9. Nil.

OFFICER RECOMMENDATION

GSC- 69/2010

1. That the rates debtors report as at 31 May 2010 be received.

Moved:

Seconded:

Declaration of financial/conflict of interests to be recorded prior to dealing with each item.

70. Asset Financing and Borrowing Policy

Previous Items:	N/A
Responsible Officer	Director Corporate Services
Service Area:	Finance
File Reference:	FI-LNS-001
Applicant:	N/A
Owner:	N/A
Attachments	Attachment 1 – Current Policy FIN6 – Loan Borrowing (Attachments Page 53) Attachment 2 – New Policy – Financing and Borrowing Policy (Attachments Page 54)

PURPOSE

1. To consider the adoption of an expanded Asset Financing and Borrowing Policy to define Council's position in relation to the raising of loans.

BACKGROUND

2. The current Loan Borrowing Policy (FIN6) (***Attachment 1***) was adopted in 2002 and whilst recognising that there are circumstances in which borrowings can be appropriate does not provide guidelines to the Council for borrowing. In the past a number of Councils borrowed for inappropriate expenses and in order to ensure that a framework is in place for the Shire of Kalamunda, it is proposed to replace Policy FIN6 with the attached Asset Financing and Borrowing Policy (***Attachment 2***).
3. At a Budget Forum held on 10 June 2010 the new policy Asset Financing and Borrowing Policy was presented to Councillors and staff for their information and feedback. Following feedback, the original draft policy has been edited to make it less wordy.

DETAILS

4. Nil.

STATUTORY AND LEGAL IMPLICATIONS

5. Any borrowings will be conducted in accordance with relevant statutory requirements as contained in the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

POLICY IMPLICATIONS

6. Policy FIN6 – Loan Borrowing to be replaced with Asset Financing and Borrowing Policy.

PUBLIC CONSULTATION/COMMUNICATION

7. Nil.

FINANCIAL IMPLICATIONS

8. Nil.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

9. **Strategic Planning Implications**

Not applicable.

10. **Sustainability Implications**

- **Social Implications**

Not applicable.

- **Economic Implications**

Not applicable.

- **Environmental Implications**

Not applicable.

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OFFICER COMMENT

11. Whilst the preferred policy position of the Shire of Kalamunda has broadly been to support no loans (except for Self Supporting loans), it is recognised that in order to ensure intergenerational equity in funding the acquisition, renewal or construction of assets, it may need to resort to the prudent use of loan borrowings, debt instruments or other finance or capital raising methodologies from time to time.

The existing adopted policy is not specific concerning the many issues surrounding this when it may be appropriate to fund projects through loans, and the draft submitted herewith seeks to create a set of definitions and guidelines for the future.

OFFICER RECOMMENDATION GSC-70 /2010

1. That Council approve the adoption of the Asset Financing and Borrowing Policy and that it replace the current Loan Borrowing Policy (FIN6).

Moved:

Seconded:

Declaration of financial/conflict of interests to be recorded prior to dealing with each item.

71. Munday Road, High Wycombe - Request for Traffic Calming Device

Previous Items: N/A
Responsible Officer: Mahesh Singh
Service Area: Engineering Services
File Reference: IPE-103376; MN-08/GEN
Applicant:
Owner:
Attachments: Attachment 1 - Petition with 39 signatories.
(Attachments Page 58)
Attachment 2 – Location Map (Attachments Page 60)

PURPOSE

1. To consider a petition requesting a traffic calming device on Munday Road, High Wycombe.

BACKGROUND

2. A petition, signed by 39 residents, shown at **(Attachment 1.)**, was received requesting the installation of a traffic calming device in Munday Road, High Wycombe.
3. There is no record of any previous complaints regarding speeding traffic in this street.

DETAILS

4. Munday Road is approximately 350 metres long and is located in a built up area, as shown at **(Attachment 2.)** Accordingly, the speed limit is 50km/hr.
5. A traffic survey was carried out in Munday Road, which showed an average daily traffic volume of 1,294 vehicles.
6. 85% of the vehicles were recorded travelling, at or below, 51.5 km/hr, while 95% of the vehicles travelled below 55.8 km/hr.
7. Four vehicles registered a speed of over 100 km/hr and one vehicle recorded the highest speed of 139 km/hr.

STATUTORY AND LEGAL IMPLICATIONS

8. Nil

POLICY IMPLICATIONS

9. ENG13 Traffic Calming Programme – Setting of Priorities.
10. Based upon the criteria specified under this policy, this project would result in a low priority score.

PUBLIC CONSULTATION/COMMUNICATION

11. The proponent of the petition, Mr Malcolm Jones, was contacted to inform him of the outcome of the traffic survey and to obtain more details regarding the difficulties being experienced in Munday Road. The main concern is with traffic speeding around the curves in Munday Road, with one resident having their letter box damaged beyond repair, due to a vehicle taking the curve too fast.
12. Mr Jones also reported that traffic has increased significantly in this street, after Worrell Road was re-opened at the intersection of Abernethy Road.

FINANCIAL IMPLICATIONS

13.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

14. **Strategic Planning Implications**
15. **Sustainability Implications**
 - **Social Implications**
 - **Economic Implications**
 - **Environmental Implications**

OFFICER COMMENT

16. Since the traffic data shows 95% of vehicles drive under 55.8 km/hr, it is unlikely that the Police would be willing to show a regular presence in Munday Road, to take action to apprehend speeding vehicles. They generally expect residents to lodge complaints in respect to the vehicles involved in the hoon behaviour with specific registration details.
17. Traffic devices are useful in lowering the general speed in local roads; however, they do not help in preventing the odd speeding vehicle or hoon activity. In some cases irresponsible drivers take them on as a challenge to test their driving skills. In this case the odd speeding vehicle is more likely to cause damage to themselves or the property of others.
18. In this case 85% of the vehicles using Munday Road are travelling under 51.5 km/hr, indicating that the general speed in the street is within the desirable limit. Accordingly, installation of traffic calming devices in this street is not recommended.

OFFICER RECOMMENDATION**GSC-71/2010**

1. That the request for the installation of a Traffic Calming Device on Munday Road, High Wycombe, is not supported.

Moved:

Seconded:

11.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12.0 QUESTIONS BY MEMBERS WITHOUT NOTICE

13.0 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

**14.0 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY
DECISION**

15.0 MATTERS CLOSED TO THE PUBLIC
(Matters Behind Closed Doors)

16.0 CLOSURE