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Shire of Kalamunda

# Special Council Meeting Agenda

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Tuesday 17 August 2010

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Agenda for Special Council Meeting

17 August 2010

- Adoption of the 2010/2011 Budget





## **NOTICE OF MEETING SPECIAL COUNCIL MEETING**

Councillors,

Notice is hereby given that a Special Meeting of Council will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on:

**Tuesday 17 August 2010, commencing at 6.30pm.**

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

### **Open Council Meetings – Procedures**

1. All Council Meetings are open to the public, except for matters raised by Council under Item No. 8.0 of the Agenda.
2. All other arrangements are in accordance with Council's Standing Orders, Policies and decision of the Shire or Council.

James Trail  
**Chief Executive Officer**

11 August 2010

**\*Dinner will be served at 5:30pm\***

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## **AGENDA**

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### **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 Public Gallery on matters relating to the functions of this meeting.

### **4.0 MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

### **5.0 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 has given or will give advice.

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## 6.0 REPORT TO COUNCIL

*Declaration of Financial/Conflict of interests to be recorded prior to dealing with each item.*

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

### 6.1 Adoption of the 2010/2011 Budget

Previous Items:	N/A
Responsible Officer	Acting Director Corporate Services
Service Area:	Corporate Services
File Reference:	
Applicant:	N/A
Owner:	N/A
Attachments	Attachment 1 – 2009/2010 Carry Over Schedule Attachment 2 – Schedule of Fees and Charges – Community Facilities Attachment 3 – Schedule of Rees and Charges – Statutory and Regulatory Charges Attachment 4 – 2010/2011 Statutory Budget

#### PURPOSE

1. To consider and adopt the Municipal Fund Budget for the 30 June 2011 Financial Year (2010/2011 Financial Year) together with supporting schedules, including striking of the Municipal Fund Rates, adoption of fees and charges and other consequential items arising from the budget papers.

#### BACKGROUND

2. The draft Budget has been compiled based on the principles contained in the Five Year Forward Financial Plan and the Structural Reform Submission adopted by the Shire during 2009. The 2010/2011 draft budget has been prepared in accordance with the presentations made to Councillors at the Budget Workshops held on 10<sup>th</sup> and 28<sup>th</sup> June 2010.
3. The proposed differential rate basis within the budget was approved by Council at its meeting held on 21 June 2010, and was advertised for public comment, with submissions due by 19 July 2010. No submissions were received.

#### DETAILS

4. This budget is the second in a rolling five year programme designed to both lift the level of service at the Shire of Kalamunda and to address the maintenance gap that exists for the built infrastructure. Resource decisions taken in 2009/2010 have impacted on the budget together with continuing increases in costs. Specific comments on some elements of the Draft Budget are as follows:

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- i. In line with the Five Year Forward Financial Plan and subsequent guidance, the rate in the dollar for general properties has been increased by 7.5%.
  - ii. Differential rating has been extended to include Commercial as well as Industrial uses, with the level for Commercial properties being set at 5% higher than the general rate, and that for Industrial properties being set at 10% higher.
  - iii. Adoption of Percentage for Reporting Material Variances – each financial year, a local government is to adopt a percentage or value, calculated in accordance with Australian Accounting Standards, to be used in statements of financial activity for reporting material variances. The level adopted for the year 2009/2010 was 10%, without a minimum value related to it. It is proposed that for the 2010/2011 year a minimum value should be introduced in line with most other local governments in order to remove the need to report on small value items. The level proposed for 2010/2011 is 5% or \$5,000 whichever is the greater.
  - iv. The recurrent budget includes increased levels of investment in maintaining community assets.
  - v. The budget makes provision for the use of loan funds to support two major projects:
    - o \$1,500,000 to fund land acquisition on Kalamunda Road to facilitate the extension of Newburn Road in order to meet the identified need to improve road safety and traffic flow, and
    - o \$650,000 to fund the construction of the extension of Newburn Road.
  - vi. The major impact on the high level of work to be carried forward from 2009/2010 is the cost of construction of the Kalamunda Community and Cultural Centre (\$4.3 million) – work on which began in July 2010. The 2009/2011 Carry Over Schedule appears as ***(Attachment 1)***
  - vii. The capital programme is heavily impacted by the plans for the subdivision development in East Welshpool Road (\$1.2m) and the Kalamunda Road / Newburn Road project (\$1.5m) mentioned above.
  - viii. Sanitation and Household Refuse - Rubbish Rate. Details of the costs of this service are shown separately in the attached budget. Both the standard and the pensioner charge increases by 12.7%. As in previous years, the 50% pensioner discount is funded from within the overall waste budget by increasing the standard charge.
    - o It is proposed to continue the Discount Tip Voucher programme whereby residents may pre-purchase tip vouchers from Council Offices / Libraries at a discount. The vouchers allow for waste to be taken to the Walliston Transfer Station or Red Hill Landfill Site in trailers (6x4), utilities or vans.
  - ix. Reserve Accounts – two new reserve funds have been added in this budget and the name of one has been amended:
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- The Unexpended Capital Works and Specific Purpose Grants reserve has been introduced in order to ensure that carry forward expenditure and income is clearly and explicitly identified.
  - The Community Facilities reserve has been introduced to facilitate the provision of new and the renewal or upgrading of existing facilities owned by the Shire.
  - The Building reserve has been renamed as the Land and Property reserve and its purpose extended to cover the purchase of land and property within the Shire and the upgrading of existing property.
- x. Estimated Year End Position – 30 June 2010
- The estimated year end (2009/2010) position is (\$96,874) deficit after the transfer of \$6,533,443 to the Unexpended Capital Works and Specific Purposes Grants Reserve in respect of the net carry forward position. This is subject to confirmation by the Shire's Auditors. It is further recommended that any additional surplus identified following the completion of the 2009/2010 audited financial statements shall be transferred to the Community Facilities Reserve.

## **STATUTORY AND LEGAL IMPLICATIONS**

5. Section 6.2 of the *Local Government Act 1995* requires a local government to adopt its budget prior to 31 August each year.
6. Divisions 5 and 6 of the Local Government Act 1995 refer to the setting of budgets and the raising of rates and fees and charges. The 2010/2011 Budget as presented is considered to meet these statutory obligations.

## **POLICY IMPLICATIONS**

7. The budget has been developed based on the principles contained in the Five Year Forward Financial Plan and the Structural Reform Submission and also the Shire's Policy FIN6 – Asset Financing and Borrowing Policy.

## **PUBLIC CONSULTATION/COMMUNICATION**

8. Whilst no specific public consultation has taken place in regard to the 2010/2011 budget, community consultation has occurred for a number of the major projects identified within the budget document. A notice of intention to levy differential rates was also advertised in the Kalamunda Reporter on the 29 June 2010, and the Echo and the Kalamunda Gazette on the 3 July 2010 and the 21 day public comment period ended on Monday 19 July 2010. No comments were received.

## **FINANCIAL IMPLICATIONS**

9. Specific financial implications are as outlined in the Detail section of this report and in the attached 2010/2011 budget document.

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## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

### 10. Strategic Planning Implications

- The budget has been developed based on the existing strategic planning documents adopted by Council.

### 11. Sustainability Implications

- The Budget has been developed to align with the sustainability implications addressed in the Structural reform Submission Report adopted in August 2009.

#### Social Implications

- The Budget has been developed to align with the social implications addressed in the Structural reform Submission Report adopted in August 2009.

#### Economic Implications

- The Budget has been developed to align with the economic implications addressed in the Structural reform Submission Report adopted in August 2009.

#### Environmental Implications

- The Budget has been developed to align with the environmental implications addressed in the Structural reform Submission Report adopted in August 2009.

## OFFICER COMMENT

12. The 2010/2011 budget continues to reflect the decision taken by the Council in 2009 to address the issue of the historic under funding of asset maintenance and renewal. It continues the objective of delivering a responsible budget with a view to the long, rather than the short term financial position of the Shire. In the course of formulating the draft budget officers have taken into account a broad range of factors with the emphasis being on ensuring that appropriate levels of service are maintained and increased costs of operating are provided for.

## RECOMMENDATIONS

### PART A – 2009/2010 END OF YEAR ACTIONS

1. **That the 2009/2010 projects not complete as at 30 June 2010 and listed in *Attachment 1* be included in the Budget for 2010/2011 and funded from the Unexpended Capital Works and Specific Purpose Grants Reserve**

Moved:

Seconded:

**ABSOLUTE MAJORITY REQUIRED**

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**PART B – RESERVE FUNDS – RENAMING AND ESTABLISHMENT**

2. That pursuant to Section 6.11 of the *Local Government Act 1995*:-
- 2.1.1 The Building Reserve be renamed the Land and Property Reserve.  
The purpose of the Reserve is for the purchase of land and property and the upgrading of existing property.
- 2.1.2 An Unexpended Capital Works and Specified Purpose Grant Reserve be established.  
The purpose of the Reserve is to ensure that carry forward expenditure and income is clearly and explicitly identified and recorded in the accounts.
- 2.1.3 A Community Facilities Reserve be established.  
The purpose of this Reserve is to facilitate the provision of new and the renewal or upgrading of existing facilities owned by the Shire.

Moved:

Seconded:

**ABSOLUTE MAJORITY REQUIRED**

**PART C – COUNCILLOR FEES AND ALLOWANCES FOR 2010/2011**

3. That 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 the payment of Councillors in lieu of individual meeting attendance fees:-

Shire President	\$14,000
Councillors	\$7,000

4. That pursuant to Section 5.99A of the *Local Government Act 1995* and Regulations 34A and 34AA of the *Local Government [Administration] Regulations 1996*, Council adopts the following annual allowances:-

Telecommunications Allowance	\$2,400
Information Technology Allowance	\$1,000



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5. That pursuant to Section 5.98 (5) of the *Local Government Act 1995* and Regulation 33 of the *Local Government [Administration] Regulations 1996*, Council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:-

Shire President \$14,000

6. That pursuant to Section 5.98 (A) of the *Local Government Act 1995* and Regulation 33A of the *Local Government [Administration] Regulations 1996*, Council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:-

Deputy Shire President \$2,900

Moved:

Seconded:

**ABSOLUTE MAJORITY REQUIRED**

#### **PART D – GENERAL FEES AND CHARGES FOR 2010/2011**

7. That pursuant to Section 6.16 of the *Local Government Act 1995*, Council adopts the Hall Hire, Community Recreation Facilities Charges and Reserve Hire – Outdoor Activities Charges as per (*Attachment 2*)
8. That the fees and charges for Regulatory and Other Services as per the attached (*Attachment 3*) be adopted
9. That pursuant to Section 245A (8) of the *Local Government (Miscellaneous Provisions) Act 1960*, Council adopts a swimming pool inspection fee of \$17.60 including GST.
10. That pursuant to Section 6.51 of the *Local Government Act 1995* and Regulation 70 of the *Local Government [Financial Management] Regulations 1996*, Council impose an interest charge of 6.0% on all rates and service charges including the refuse charge and swimming pool inspection fee that are not paid by the due date.

11. That pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government [Financial Management] Regulations 1996*, Council adopt an instalment administration charge of \$12.00 where a property owner has elected to, and is adhering to, paying rates and service charges through an instalment arrangement.

Moved:

Seconded:

**ABSOLUTE MAJORITY REQUIRED**

#### **PART E – WASTE AND RUBBISH CHARGES FOR 2010/2011**

12. That pursuant to Section 66(1) and (2) of the *Waste Avoidance and Resources Recovery Act 2007*, Council adopt the following charges for the removal and deposit of domestic and commercial waste:-

i. **Domestic / Commercial Service**

- a. Ordinary domestic collection/disposal service including kerbside recycling service. \$311.60
- b. Eligible pensioners – a concession rate for the domestic collection/disposal service including kerbside recycling service of \$155.80

ii. **Walliston Transfer Station**

The deposit of rubbish at Walliston Transfer Station reflect the schedule of fees and charges adopted by the Eastern Metropolitan Regional Council, and will be charged as follows

- Car or station wagon \$17.00
- Van or utility \$31.00
- Trailer (6x4) \$34.00
- Trailer (6x4) high sided \$39.00
- Tandem / horse float \$72.00
- Utilities/Trailers > 1 tonne \$102.50 per tonne

iii. **Discount Tip Vouchers**

That pursuant to Section 6.12 of the *Local Government Act 1995*, a discount of \$5.00 per entry be provided, by way of pre-purchased vouchers, for entry into the Walliston Transfer Station or Red Hill Landfill Site for residents with rubbish in trailers (not exceeding 6 x 4), utilities or vans

Moved:

Seconded:

**ABSOLUTE MAJORITY REQUIRED**

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**PART F – MUNICIPAL FUND BUDGET FOR 2010/2011**

13. That pursuant to the provisions of Section 6.2 of the *Local Government Act 1995* and the Part 3 *Local Government [Financial Management] Regulations 1996*, Council adopt the Municipal Fund Budget as contained in (*Attachment 4*), Statutory Statements and Notes (including supplementary information) for the year ending 30 June 2011.

Moved:

Seconded:

**ABSOLUTE MAJORITY REQUIRED**

**PART G – GENERAL AND MINIMUM RATES , INSTALMENT PAYMENT ARRANGEMENTS AND INCENTIVES FOR EARLY PAYMENTS FOR 2010/2011**

14. That for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Item 14, Council pursuant to Sections 6.32, 6.33 6.34 and 6.35 impose the following differential general and minimum rates on Gross Rental and Unimproved Values

**14.1 General Rates**

- |                                      |                            |
|--------------------------------------|----------------------------|
| • General - Gross Rental Values(GRV) | 6.986 cents in the dollar  |
| • Commercial – GRV                   | 7.335 cents in the dollar  |
| • Industrial – GRV                   | 7.685 cents in the dollar  |
| • General - Unimproved Values (UV)   | 0.2583 cents in the dollar |
| • Commercial – UV                    | 0.2712 cents in the dollar |
| • Industrial – UV                    | 0.2841 cents in the dollar |

**14.2 Minimum Rates**

- |                                      |       |
|--------------------------------------|-------|
| • General - Gross Rental Values(GRV) | \$595 |
| • Commercial – GRV                   | \$625 |
| • Industrial – GRV                   | \$655 |
| • General - Unimproved Values (UV)   | \$595 |
| • Commercial – UV                    | \$625 |
| • Industrial – UV                    | \$655 |

### 14.3 Instalment Arrangements

**That pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, Council nominate the following due dates for the payment of rates in full and by instalments:-**

Full payment and 1 <sup>st</sup> instalment due date	8 October 2010
2nd Half instalment due date	11 December 2010
2nd Quarterly instalment due date	10 December 2010
3rd Quarterly instalment due date	11 February 2011
4th and final quarterly instalment due date	8 April 2011

### 14.4 Incentives for Early Payment of Rates

**That pursuant to Section 6.46 of the *Local Government Act 1995*, Council offers the following incentive prizes to ratepayers who have paid their rates in full within 35 days of the rate assessment being served:-**

• Toyota Yaris supplied by Shire of Kalamunda		Approx \$15,000
• \$1,000 cash prizes – Shire of Kalamunda	4	\$4,000
• \$500 cash prizes – Shire of Kalamunda	6	\$3,000
• Apple Ipad – Nightingales Pharmacy & Newsagency	2	Approx \$1,400
• \$600 cash Commonwealth Bank	1	\$600
• \$500 cash Bendigo Bank, Forrestfield	1	\$500
• \$500 cash Bendigo Bank, High Wycombe	1	\$500
• 6 month Gym membership Hartfield Park Recreation Centre	1	\$395

**14.5 That all Elected Members, staff of the Shire of Kalamunda and government bodies and their agencies be ineligible to be chosen as a winner of the early rate payment incentive prizes either as a sole or part owner of any property.**

Moved:

Seconded:

**ABSOLUTE MAJORITY REQUIRED**

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**PART H – MATERIAL VARIANCE REPORTING FOR 2010/2011**

15. That in accordance with Regulation 34 of the *Local Government (Financial Management) Regulations 1996*, and AAS 5 the level to be used in statements of financial activity in the year 2010/2011 for reporting material variances shall be 5% or \$5,000, whichever is the greater.

Moved:

Seconded:

**ABSOLUTE MAJORITY REQUIRED**

**7.0 MEETING CLOSED TO THE PUBLIC**

**8.0 CLOSURE**