



Special Council Meeting Minutes

Purpose: Adoption of 2016/17 Budget

Held on

Friday, 26 August 2016

Commencing at 8.30am

at the SES Building

Bentley Street, Donnybrook WA 6239

A handwritten signature in black ink, appearing to read "BGR" followed by a flourish.

Benjamin Rose
Chief Executive Officer

31 August 2016

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SPECIAL COUNCIL MEETING MINUTES

ADOPTION OF 2016/17 BUDGET

26 August 2016

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SHIRE OF DONNYBROOK/BALINGUP SPECIAL COUNCIL MEETING MINUTES ADOPTION OF 2016/17 BUDGET

Held in the SES Building on Friday, 26 August 2016 commencing at 8.30am

MEMBERS PRESENT

COUNCILLORS

Cr Logiudice (President)
Cr Mills (Deputy)
Cr Bailey
Cr Crowley
Cr Dilley
Cr King
Cr Mitchell
Cr Van Der Heide
Cr Tan (from 8.47am)

STAFF

Ben Rose – Chief Executive Officer
Greg Harris – Manager Finance and Administration
Belinda Richards – Accountant
Damien Morgan – Manager Works and Services
Leigh Guthridge – Manager Development and Environmental Services

PUBLIC GALLERY

Anne Margetts
Neville Fry

APOLOGIES

Nil

1 PUBLIC QUESTION TIME

Nil

2 APPLICATION FOR LEAVE OF ABSENCE

Nil

3 DECLARATION OF FINANCIAL/IMPARTIALITY INTEREST

Cr Logiudice declared an Interest Affecting Impartiality with regards to Agenda Item 5.1.3 as he is a Board Member of Bendigo Bank.

4 PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

Procedural Motion

Moved: Cr Bailey

Seconded: Cr Mitchell

That Standing Orders be suspended in order to review the Draft Budget papers.

Carried 7/1

** 8.47am – Cr Tan arrived at the meeting.

5 REPORTS OF OFFICERS

5.1 *Manager Finance and Administration*

5.2.1	SUBJECT:	ADOPTION OF BUDGET FOR 2016/17 FINANCIAL YEAR
	Location:	Shire of Donnybrook-Balingup
	Applicants:	Nil
	Zone:	Shire of Donnybrook-Balingup
	File Ref:	FNC 04/1
	Author:	Greg Harris – Manager Finance and Administration
	Disclosures:	Financial Interest as salary and conditions of officers incorporated within the Municipal Budget
	Report Date:	23 August 2016
	Attachments:	5.2.1 (A) – Budget Document 5.2.1 (B) – Variances from Draft Budget to Final Budget (refer Budget booklet page S155 to S156)

Background

The purpose of the Special Meeting of Council is to consider and adopt the Municipal Fund Budget for the 2016/17 Financial Year, together with supporting schedules, including striking of the municipal fund rates, adoption of fees and charges, setting of Elected Members' fees for the year and other consequential matters arising from the budget process.

The Draft Budget for the 2016/17 year has been compiled based on the principles contained in the Community Strategic Plan, Corporate Business Plan and other integrated planning documents. The Draft 2016/17 Budget has been prepared in accordance with the recommendations made by Council at its Draft Budget meeting held on 5 July 2016, as well as additional Elected Member Workshops on the topic.

Comment

The Draft Budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and the Australian Accounting Standards. The main features of the draft Budget include:

- It has been prepared with a 3.0% increase on rates, levied on a gross rental valuation basis with the same increase of 3.0% in the minimum rate from \$859 to \$885. Rates

levied on an unimproved valuation basis will also increase by 3.0% with the minimum rate also increasing by 3.0% from \$954 to \$983.

- Minimal increases to fees and charges, generally no more than 2% and in many cases no increase at all.
- Standard weekly refuse removal charges will increase by \$7 from \$70 to \$77.00 per annum. However, the annual charge for the domestic recycling service will remain unchanged at \$55.00 per annum.
- The combined organics and standard refuse removal service, which now covers the Donnybrook, Balingup and Kirup townsites will increase from \$126.00 to \$140.00, to reflect the actual costs in providing this service in all areas over a full year.
- Council's Waste Management Levy will increase by 5% from \$160 to \$168 per annum.
- The recurrent operating budget includes an overall increase in estimated expenditure of 20% (although individual line items may vary from this based on specific factors affecting each of these) and continues the focus on improved service delivery to the community. The bulk of this increase is reflected in increased employee costs relating to the operation of Tuia Lodge following the recent expansion of the facility. Annual asset depreciation charges have increased significantly which now better reflect the true value of the consumption of the Shire's built assets.
- Apart from Tuia Lodge, there is only a minimal increase in staff resources planned for 2016/17. The proposed employment of a part-time OSH Officer is forecast, plus the Shire will need to consider expanding its IT support staff via the existing resource sharing arrangement from 0.6 FTE to 1.0 FTE.
- A capital works program totalling \$9.42m for investment in infrastructure, land and buildings, plant and equipment and furniture and equipment is planned. Expenditure on road and other infrastructure is the major component of this (\$5.6m) together with Building asset upgrades and improvements of 1.09m.
- New Loan borrowings totalling \$575,250 are proposed in the 2016/17 year. A loan of \$371,000 is proposed to be raised to provide funding for development of Shire owned land at Emerald Street, Donnybrook. This development will see the release of Shire owned land for residential use and the eventual demolition of the old Council works depot. A self-supporting loan of \$94,250 is also proposed to assist the Donnybrook Country Club with their plans to relocate and upgrade the bowling club greens to a synthetic surface. Due to the final repayment of Loan 87 for Preston Village falling due in the 2016/17 year, it will be necessary for the Shire to raise another loan of \$110,000 to support the ongoing funding of this project.
- Council finished the 2015/16 year with an estimated current position surplus of \$635,858. This surplus/current position includes a number of restricted assets being principally made up of grants received in advance of the commencement of projects. The figure also includes the value of assets land at Mead Street, Donnybrook, which must be classified as a current asset as Council intends to sell this land in the 2016/17 year. The value of this land is \$400,544 thereby reducing the net surplus/current position to \$235,314. This figure has been brought forward and accommodated within the 2016/17 Draft Budget. It should be noted that the surplus/current position is presently un-audited, and as a result, may change. Any change will be addressed as part of a future Budget Review.
- Through successful lobbying by Council and the WA Local Government Association, Council has been successful in having its 2012/13 Country Local Government Fund allocation of \$647,112 re-instated. Funds received from this source will be allocated towards an upgrade of the Donnybrook Recreation Centre which will include re-roofing of the main stadium, re-roofing of the pool area, energy efficiency measures and,

depending upon costs of the before-mentioned elements, an extension to the Gymnasium.

- The Works and Services staff Enterprise Agreement is currently being re-negotiated and budget provision has been made to apply an increase in wages of 2%. At this stage it is proposed that the Enterprise Agreement will run for another year to enable further negotiations to continue in regard to salaries, incentive payments and other conditions.
- In respect to the other sections of Council's workforce, a general increase of 2.0% has been provisioned. This is a provision only and specific salary increases will be awarded at the discretion of the CEO, subject to employee performance.

In summary the 2016/17 budget aims to deliver the strategies adopted by Council and the community and maintains an acceptable level of service across all programs. The Draft Budget aims to consolidate on the 2015/16 year Budget with a number of projects commenced, or budgeted to commence in 2015/16 year, being brought forward for completion in the 2016/17 year. The Draft Budget also places an emphasis on the ongoing development of new infrastructure and assets as well as the renewal and maintenance of all assets at sustainable levels.

Consultation

No specific community consultation has occurred on the 2016/17 Draft Budget, however, the Draft Budget has been prepared taking into account requests received directly from the community and through Council's community grants assessment process.

Extensive internal consultation has occurred between all divisions and through the Draft Budget meeting conducted with Elected Members.

Policy/Statutory Implications

The Draft Budget is based on the principles contained in the Strategic Plan and Corporate Business Plan. Section 6.2 (1) of the *Local Government Act 1995* requires not later than 31 August in each financial year, or such extended time as the Minister allows, each Local Government is to prepare and adopt (by Absolute Majority), in the form and manner prescribed, a Budget for its Municipal Fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. *The Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The 2016/17 Draft Budget as presented is considered to meet the statutory requirements.

An Absolute Majority decision of Council will be required for parts of the recommendations.

Financial Implications

Specific financial implications are as outlined in the comment section of this report and as itemised in the 2016/17 budget presented for adoption.

Strategic Implications

The 2016/17 Draft Budget has been developed based on existing strategic planning documents adopted by Council.

Chief Executive Officer's Comments

Council's Long Term Financial Plan is a core component of its overall strategy-setting documentation for the Shire. The most recent Long Term Financial Plan was approved by Council during the 2013/14 year, with a rate-setting strategy of 6.7% per annum. In approximate terms, the Council has applied the following rate setting:

- 2013/14 – 6.7%
- 2014/15 – 6%
- 2015/16 – 5%
- 2016/17 – to be decided.

Clearly, the intent of the Long Term Financial Plan is not being realised, and its present review (currently underway), therefore, is timely. The fact that the Long Term Financial Plan for the Shire is not being strictly followed is not ideal, although not all-together inappropriate; external conditions (economic, environmental, State and Federal political etc) change over time and the Shire needs to be nimble enough to respond to these external influences, but also proactive enough to plan and manage around them. If the capital works program and continued operational levels and breadth of service to the Donnybrook-Balingup Shire community is to be maintained, the Shire must work to identify and secure revenue sources other than rates, fees and charges. This will be a mid-long term initiative; it cannot be achieved through one financial year.

The Draft Budget for 2016/17 has been prepared to 'balance' with a 3% rise in rating revenue. This presents a fairly austere outlook for the financial year for the Shire's capital works, projects and proposed initiatives, with minimal transfers to Reserves. The community of the Shire deserve more (and better) than this, and it will be this Council's (and Administration's) primary challenge to address in the short to mid-term.

Whilst the 2016/17 Budget will balance at a 3% rating revenue increase, the Council is strongly encouraged to consider bringing the rating revenue closer to that recommended in the Long Term Financial Plan.

Procedural Motion

Moved: Cr Mitchell

Seconded: Cr King

That Standing Orders be resumed.

Carried 9/0

Council Decision (Officer's Recommended Resolution)

Moved: Cr Mitchell

Seconded: Cr Tan

That Council approve the list of variances identified between the first Draft 2016/17 Budget (considered at the Special Meeting of Council on 5 July, 2016) and the final Draft 2016/17 Budget, as attached (refer pages S155 to S156).

**Carried 9/0
By Absolute Majority**

Residents with tip pass: no charge for domestic quality of sorted waste up to 1 cubic metre.

Unsorted waste, no quantities more than 1 cubic metre and commercial: charged in accordance with the fee schedule.

* Up to 1 cubic metre (min. fee)	\$35
* Per additional cubic metre	\$35

Greenwaste

Contaminated greenwaste (domestic and commercial); charged in accordance with the Putrescible Waste fee schedule.

Commercial greenwaste; charged in accordance with the Greenwaste fee schedule.

Greenwaste that is delivered with logs/stumps/stems with girth of more than 300mm will be charged in accordance with the Greenwaste fee schedule.

* Up to 1 cubic metre (min. fee)	\$5
* Per additional cubic metre	\$5
* Logs/stumps/stems with girth of more than 300mm	\$40

Vehicle Bodies – per unit

* Car/truck bodies	\$15
* Tyres (Car/Light Truck)	\$6
* Tyres (Large Truck/Loader etc)	\$13

E-Waste (TVs, computers, printers, computer products (Domestic and Commercial)) N/C

E-Waste (Other – per item)

<i>Residents with tip pass:</i>	
<i>Commercial: charged in accordance with the fee schedule</i>	\$5.00

Fridges, Freezers, Airconditioning Units

Non-degassed or uncertified (per item)	\$15
De-gassed items (must be certified)	\$0

Disposal of Asbestos

Residents with tip passes and commercial: charged in accordance with the fee schedule.

* Quantities up to 0.01 m3 (2m2)	\$0
* 0.01m3 – 1m3	\$65

- * **Large quantities (per additional cubic metre) \$65**

Disposal of Chemicals

Residents with tip pass: no charge for domestic quantity up to 5 litres (labelled or unlabelled)

Quantities more than 5 litres and commercial: charged in accordance with the fee schedule.

- * **Labelled Chemicals (per litre) \$12**
- * **Unlabelled Chemicals (per litre) \$25**

Disposal of Oil

Residents with tip pass: no charge for domestic quantity up to 20 litres

Quantities more than 20 litres and commercial: charged in accordance with the fee schedule.

Per litre \$0.20c

2. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, and section 6.16 of the *Local Government Act 1995*, Council adopt the following charges for the collection and deposit of commercial waste:

- | | | |
|-----|---|--------------------------|
| 4.1 | Removal from Donnybrook Hospital | \$4,000 pa
(Inc. GST) |
| 4.2 | Removal from Tuia Frail Aged Lodge Facility | \$4,000 pa
(Inc. GST) |

**Carried 9/0
By Absolute Majority**

PART D – ELECTED MEMBERS’ FEES AND ALLOWANCES FOR 2016/17

**Council Decision
(Officer’s Recommended Resolution)**

Moved: Cr Tan Seconded: Cr King

1. Pursuant to section 5.99 of the *Local Government Act 1995* and within the range of fees determined by the Salaries and Allowances Tribunal under the *Salaries and Allowances Act 1975* section 7B, Council adopts the following annual fees for payment of elected members in lieu of individual meeting attendance fees:

President	\$12,000
Councillors	\$7,612

2. Pursuant to section 5.99A of the *Local Government Act 1995* and within the range of fees determined by the Salaries and Allowances Tribunal under the

Description	Total Props.	Rateable Value	Rate in Dollar	Rate Yield	Minimum		Budget 2016/17
					No.	Yield	
Waste Avoidance & Resource Recovery Act 2007							
Unimproved Valuations	1,322	394,439,962	0.001287	5,075	1,322	222,096	222,096
Gross Rental Valuations (less concessions)	1,951 (69)	27,627,402	0.049704	13,732	1,951 (69)	327,768 (11,592)	327,768 (11,592)
Total Levied	3,204	422,067,364			3,204	538,272	538,272

A minimum rate of \$168 will be imposed.

**Carried 9/0
By Absolute Majority**

Cr Logiudice declared an Interest Affecting Impartiality with regards to Agenda Item 5.1.3 as he is a Board Member of Bendigo Bank.

5.1.3	SUBJECT:	RATES EARLY PAYMENT INCENTIVE PRIZES
	Location:	Shire of Donnybrook-Balingup
	Applicants:	Shire of Donnybrook-Balingup
	Zone:	N/A
	File Ref:	RAT 08
	Author:	Greg Harris, Manager Finance and Administration
	Report Date:	23 August 2016
	Attachments:	Nil

Background

The Manager of the Donnybrook branch of the Bendigo Bank has confirmed the bank's continuing sponsorship of Council's Early Rate Payment Incentive Scheme.

The Bendigo Bank has sponsored the incentive scheme since 2004 and has annually donated funds of \$1,000 which are distributed on the basis of \$500 to the first drawn winner, \$300 to the second and \$200 to the third drawn winner.

Winners are drawn soon after the rates payment due date. All ratepayers who pay their rates in full on or before the due date are eligible. Councillors and staff are not eligible to participate.

Winners receive a Bendigo Bank account at the Donnybrook branch.

Comment

Last year the winners of the early rate payment incentive prize were invited to attend a small morning tea to receive their prize. The morning tea was hosted by Council and attended by the prize winners (plus family members), Bendigo Bank Branch Manager, Shire President and Council staff. Whilst the morning tea is certainly appreciated by the prize winners who

