



# Notice of Special Council Meeting

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**Purpose: Consideration of 2017/18 Budget**

TO:

**ALL COUNCILLORS**

To be held on

Thursday, 31 August 2017

Commencing at 9.00am

at the Function Room, Donnybrook Recreation Centre  
Steere Street, Donnybrook

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**Benjamin Rose**  
Chief Executive Officer

**25 August 2017**

## **Disclaimer**

The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

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**SPECIAL COUNCIL MEETING  
ADOPTION OF 2017/18 BUDGET**

**31 August 2017**

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# SHIRE OF DONNYBROOK BALINGUP SPECIAL COUNCIL MEETING – ADOPTION OF 2017/18 BUDGET AGENDA

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To be held at Function Room, Donnybrook Recreation Centre  
on Thursday, 31 August 2017 at 9.00am

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## MEMBERS PRESENT

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### COUNCILLORS

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

### STAFF

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

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## PUBLIC GALLERY

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## APOLOGIES

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### 1 PUBLIC QUESTION TIME

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### 2 APPLICATION FOR LEAVE OF ABSENCE

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### 3 DECLARATION OF FINANCIAL/IMPARTIALITY INTEREST

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Division 6: Sub-Division 1 of the *Local Government Act 1995*. Care should be taken by all Councillors to ensure that a financial/impartiality interest is declared and that they refrain from voting on any matter, which is considered to come within the ambit of the Act.

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### 4 PETITIONS/DEPUTATIONS/PRESENTATIONS

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## 5 REPORTS OF OFFICERS

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### 5.1 *Manager Finance and Administration*

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5.2.1	<b>SUBJECT:</b>	<b>ADOPTION OF BUDGET FOR 2017/18 FINANCIAL YEAR</b>
	<b>Location:</b>	<b>Shire of Donnybrook Balingup</b>
	<b>Applicants:</b>	<b>Administration</b>
	<b>Zone:</b>	<b>N/A</b>
	<b>File Ref:</b>	<b>FNC 04/1</b>
	<b>Author:</b>	<b>Greg Harris – Manager Finance and Administration</b>
	<b>Report Date:</b>	<b>25 August 2017</b>
	<b>Attachments:</b>	<b><i>The following attachments are available upon request at the Shire Administration Building:</i></b> <b>5.2.1(A) – Budget Document</b> <b>5.2.2(B) – Variances from Draft Budget to Final Budget (to be provided)</b> <b>5.2.3(C) - Rating Information (to be provided)</b>

### **Background**

The purpose of the meeting is to consider and adopt the Municipal Fund Budget for the 2017/18 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.

The Budget for the 2017/18 year has been compiled based on the recommended actions outlined in the Corporate Business Plan, along with guidance provided by Elected Members to the Administration at its Budget workshops.

### **Comment**

The 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 Budget include:

- The budget has been prepared with a 5.0% increase on rates levied on a gross rental valuation basis with the same increase of 5.0% in the minimum rate from \$902 to \$947. Rates levied on an unimproved valuation basis will also increase by 5.0% with the minimum rate also increasing by 5.0% from \$1,002 to \$1,052.
- Minimal increases to fees and charges.
- Standard weekly refuse removal charges are recommended to increase to \$81 per annum. Likewise the annual charge for the domestic recycling service will slightly increase to \$56.00 per annum.
- The combined organics and standard refuse removal service introduced to the Donnybrook, Balingup and Kirup service areas will increase from \$140.00 to \$148.00.
- Council's Waste Management Levy will increase by \$2 to \$170 per annum.

- The recurrent operating budget includes an overall increase in estimated expenditure of 3.2% (although individual line items may vary from this based on specific factors) and continues the focus on services delivered to the community.
- A capital works program totalling \$10.87m 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 (\$3.9m) together with Building and Plant asset upgrades / improvements and other financing activity totalling approximately \$7m.
- New Loan borrowings totalling \$900,000 are proposed to be initiated in the 2017/18 year. Council is proposing to raise a short term interest only loan to fund the construction of the final stage of Preston Village, being units 14 to 17.
- Council finished the 2016/17 year with an estimated current position surplus of \$1,972,431. There may be some minor adjustments required to this figure as the year end accounting is completed however any variance between the estimated year end position and the final position can be addressed during the mid-year Budget Review (i.e. February / March 2018). This surplus is principally made up of a number of restricted amounts and carry over funding for various projects and activities. For example the surplus includes an advance payment from the WA Local Government Grants Commission of \$993K, an advance payment of \$30K from DFES for the Local Government Grants Scheme (ESL funding), Grant and Shire funds associated with the refurbishment of the Donnybrook Recreation Centre and Old Church, repayment of funds of \$110K from Tuia Lodge and various other tied and untied amounts totalling \$468K.
- Organisational Structure – the budget includes modifications to the structure to align the workforce with the objectives and actions set out in the Corporate Business Plan. New positions to include a Community Emergency Services Manager (CESM) which will be 60% funded by the State Government. Required funding from the Shire will increase to between \$40K to \$50K per annum as the budget amount represents only part year funding. The budget also includes provision for the employment of a part-time communications officer, part-time finance officer and a projects officer. Funding for the CESM is included as a line item in Schedule 5 (\$30K), the Communications Officer is shown as a line item in schedule 4 (\$36K) and the Part-time finance officer is included within administration salaries reallocated to various programs throughout the schedules. For greater clarity the additional funding for other organisational structure initiatives (including the Projects Officer) has been shown as a separate line item in Schedule 4 (\$95K).
- The budget layout reflects an improved and expanded Activity Based Costing system. Where practical the budget, at a service level, includes the reallocation of Shire administration costs, most notably for waste management services and for aged care services.
- In respect to Activity Based Costing Council has, through budget workshops, determined that it will subsidise administration costs to be applied to Tuia Lodge by 50% and the Draft Budget reflects this policy decision.
- An increase of 1.5% in staff salaries and wages has been incorporated into the budget. This accords with the recently negotiated Enterprise Bargaining Agreement with the Works and Services team which is currently awaiting approval from the fair Work Commission.
- The budget also reflects an increased focus on training and staff development and allowances have been made throughout the budget to provide sufficient funds for appropriate and relevant staff training.

- Major projects included with the budget are the Road Construction and Maintenance which totals \$5.5m. Other capital projects include the construction of the final stage of Preston Village (units 14 to 17), completion of the replacement roof over the Pool of the Donnybrook Recreation Centre and the upgrade of the Old Church to be used as the Shire Council Chambers.

In summary the 2017/18 budget aims to deliver the strategies adopted by Council (chiefly the Corporate Business Plan) and the community and maintains a high level of service across all programs. The budget aims to consolidate on the 2016/17 year budget with a number of projects commenced, or budgeted to commence in the 2017/18 year, being brought forward for completion in the 2017/18 year. The budget also places an emphasis on the ongoing development of new infrastructure and assets as well as the renewing of all assets at sustainable levels.

### **Consultation**

No specific community consultation has occurred on the draft 2017/18 budget, however, the 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 draft budget meetings conducted with Elected Members.

### **Policy/Statutory Implications**

The budget is based on the principles contained in the Corporate Business Plan. Section 6.2 (1) of the Local Government Act 1995 requires that no 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 2017/18 budget as it will be 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 2017/18 budget presented for adoption.

### **Strategic Implications**

The 2017/18 budget has been developed with consideration of existing strategic planning documents adopted by Council.



**PART B – GENERAL AND MINIMUM RATES, INSTALMENT PAYMENT ARRANGEMENTS**

**Officer’s Recommended Resolution**

**Moved: Cr Seconded: Cr**

**1. That for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at this meeting, Council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 impose the following general and minimum rates on Gross Rental and Unimproved Values.**

**1.1.1 General Rates**

<b>* Residential (GRV)</b>	<b>7.5632 cents in dollar</b>
<b>* Rural (UV)</b>	<b>0.5030 cents in dollar</b>

**1.1.2 Minimum Rates**

<b>* Residential (GRV)</b>	<b>\$947.00</b>
<b>* Rural (UV)</b>	<b>\$1,052.00</b>

**2. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 64(2) of the Local Government (Financial Management) Regulations 1996, Council nominates the following due dates for the payment in full by instalments:**

<b>* Full payment and 1<sup>st</sup> instalment due date</b>	<b>20 October 2017</b>
<b>* 2<sup>nd</sup> half instalment due date</b>	<b>23 February 2018</b>
<b>* 2<sup>nd</sup> quarterly instalment due date</b>	<b>22 December 2017</b>
<b>* 3<sup>rd</sup> quarterly instalment due date</b>	<b>23 February 2018</b>
<b>* 4<sup>th</sup> and final quarterly instalment due date</b>	<b>27 April 2018</b>

**3. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 67 of the Local Government (Financial Management) Regulations 1996, Council adopts an instalment administrative charge where the owner has elected to pay rates (and service charges) through an instalment option of \$9 for each instalment after the initial instalment is paid.**

**4. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 68 of the Local Government (Financial Management) Regulations 1996, Council adopts an interest rate of 5.5% where the owner has elected to pay rates (and service charges) through an instalment option.**

**5. Pursuant to section 6.51 (1) and subject to section 6.51 (4) of the Local Government Act 1995 and regulation 70 of the Local Government (Financial Management) Regulations 1996, Council adopts an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.**

**6. That in accordance with Section 6.47 of the *Local Government Act 1995* Council grant a rating concession to all properties classified as Donnybrook Special Townsite and Donnybrook Special Rural whereby a maximum rate of \$368.00 for GRV and UV properties will be imposed for the 2017/18 year.**

**Absolute Majority Required**







**Fridges, Freezers, Airconditioning Units**

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

**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

**Mattresses**

<b>Per Mattress</b>	<b>\$10</b>
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**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.*

<b>Per litre</b>	<b>\$0.20c</b>
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**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.**

<b>4.1</b>	<b>Removal from Tuia Frail Aged Lodge Facility</b>	<b>\$4,000 pa (Inc. GST)</b>
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**Absolute Majority Required**



<b>5.1.2</b>	<b>SUBJECT:</b>	<b>WASTE MANAGEMENT LEVY</b>
	<b>Location:</b>	<b>Shire of Donnybrook/Balingup</b>
	<b>Applicants:</b>	<b>Administration</b>
	<b>Zone:</b>	<b>N/A</b>
	<b>File Ref:</b>	<b>FNC 04/1 &amp; RAT 01</b>
	<b>Author:</b>	<b>Greg Harris – Manager Finance &amp; Administration</b>
	<b>Report Date:</b>	<b>25 August 2017</b>
	<b>Attachments:</b>	<b>Nil</b>

## Background

A waste management levy will be imposed on all rate assessments under Section 66 of the *Waste Avoidance and Resource Recovery Act 2007* for the following purposes:

- (i) Provision of suitable places, buildings and appliances for the disposal of refuse.
- (ii) Construction and installation of plant for the disposal of refuse.

The object of this rate is to ensure that costs in relation to the maintenance and servicing of all refuse disposal sites within the Shire is equally distributed.

A concession will be granted to ratepayers owning contiguous (as defined by Council policy) vacant assessments.

## Officer's Recommended Resolution

**Moved: Cr**

**Seconded: Cr**

**That under Section 66 of the *Waste Avoidance and Resource Recovery Act 2007*, Council impose the following rates as a waste management levy.**

Description	Total Props.	Rateable Value	Rate in Dollar	Rate Yield	Minimum		Budget 2017/2018
					No.	Yield	
Waste Avoidance & Resource Recovery Act Rate 2007 Unimproved Valuations	1,333	398,978,781	0.00123358	4,922	1,333	226,610	226,610
Gross Rental Valuations	1,951	27,909,434	0.05029586	14,037	1,951	331,670	331,670
(less concessions)	(80)				(80)	(13,600)	(13,600)
Total Levied	3,204	426,888,215			3,204	544,680	544,680

**A minimum rate of \$170 will be imposed.**

<b>5.1.3</b>	<b>SUBJECT:</b>	<b>RATES EARLY PAYMENT INCENTIVE PRIZES</b>
	<b>Location:</b>	<b>Shire of Donnybrook/Balingup</b>
	<b>Applicants:</b>	<b>Shire of Donnybrook/Balingup</b>
	<b>Zone:</b>	<b>N/A</b>
	<b>File Ref:</b>	<b>RAT 08</b>
	<b>Author:</b>	<b>Greg Harris, Manager Finance and Administration</b>
	<b>Report Date:</b>	<b>25 August 2017</b>
	<b>Attachments:</b>	<b>Nil</b>

### **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 the Bendigo Bank and attended by the prize winners (plus family members), Bendigo Bank Branch Manager, Shire President and Council staff. The morning tea is certainly appreciated by the prize winners who are able to attend.

### **Policy/Statutory/Voting Implications**

In accordance with section 6.46 of the *Local Government Act 1995* a local government may, when imposing a rate or service charge, resolve by absolute majority to grant a discount or other incentive for the early payment of any rate or service charge.

Voting – Absolute Majority

### **Financial Implications**

Prize offers financial incentive to ratepayers to pay early. Early payment assists Council cash flow and maximizes investment opportunities.

### **Strategic Implications**

N/A

## Officer's Recommended Resolution

**Moved: Cr**

**Seconded: Cr**

1. That Council accept the offer from the Donnybrook Branch of the Bendigo Bank to sponsor Council's early rate payment incentive scheme and provide a total prize pool of \$1,000.
2. That in accordance with section 6.46 of the Local Government Act 1995 Council offer the early rate payment incentive prize to ratepayers who pay their rates in full on or before the rates due date, being 20<sup>th</sup> October 2017.
3. That following determination of the prize winners, Council hosts a suitable function to enable presentation of the prizes.

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**Absolute Majority Required**

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## **6 CLOSURE OF MEETING**

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The Shire President to advise that the date of the next Ordinary Council Meeting will be held on Wednesday 27 September, 2017, commencing at 5.00pm at a venue to be confirmed.

The Shire President to declare the meeting closed at \_\_\_\_\_.