



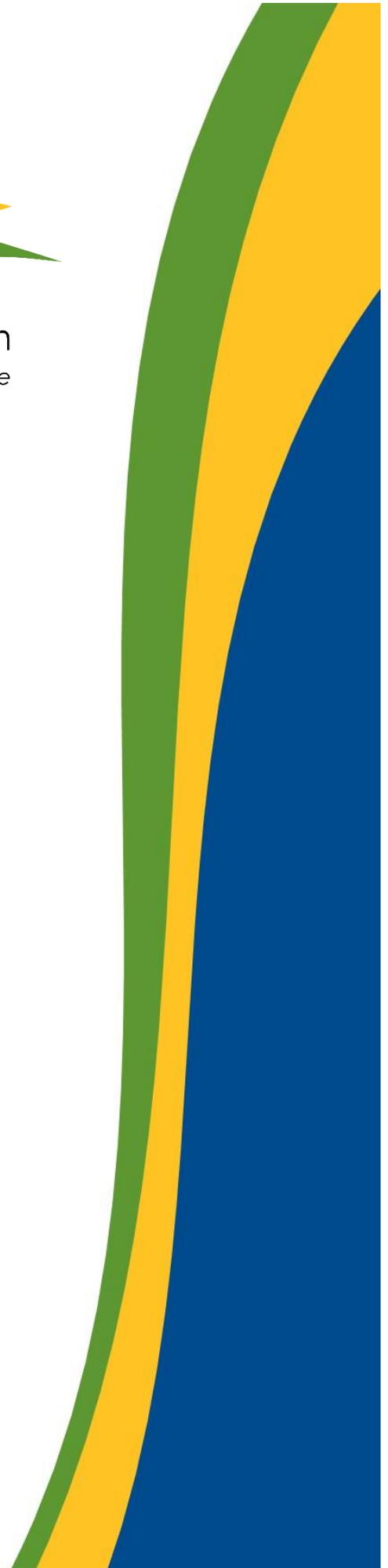
Shire of Northam  
*Heritage, Commerce and Lifestyle*

## **Shire of Northam**

### **Agenda**

### **Special Council Meeting**

**6 August 2018**



**NOTICE PAPER**  
**Ordinary Council Meeting**  
**6<sup>th</sup> August 2018**

President and Councillors

I inform you that a Special Council meeting will be held in the Council Chambers, located at 395 Fitzgerald Street, Northam on Monday, 6<sup>th</sup> August 2018 at 5:30pm.

Yours faithfully



**Jason Whiteaker**  
**Chief Executive Officer**

## DISCLAIMER

This agenda has yet to be dealt with by the Council. The Recommendations shown at the foot of each item have yet to be considered by the Council and are not to be interpreted as being the position of the Council. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Council.

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The Shire of Northam advises that anyone who has any application lodged with the Shire of Northam must obtain and should only rely on WRITTEN CONFIRMATION of the outcome of the application and any conditions attaching to the decision made by the Shire of Northam in respect of the application.

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## 1. DECLARATION OF OPENING

## 2. ATTENDANCE

### Councillors:

President

Deputy President

Councillors

C R Antonio

M P Ryan

J E G Williams

C L Davidson

R W Tinetti

S B Pollard

A J Mencshelyi

T M Little

J Proud

C P Della

### Staff:

Chief Executive Officer

Executive Manager Engineering Services

Executive Manager Development Services

Executive Manager Community Services

Executive Manager Corporate Services

Executive Assistant – CEO

J B Whiteaker

C D Kleynhans

C B Hunt

R Rayson

C Young

A C Maxwell

### 2.1 APOLOGIES

Nil.

### 2.2 APPROVED LEAVE OF ABSENCE

Nil.

## 3. DISCLOSURE OF INTERESTS

Item Name	Item No.	Name	Type of Interest	Nature of Interest

## 4. ANNOUNCEMENT BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

Nil.

**5. PUBLIC QUESTION/STATEMENT TIME**

**5.1 PUBLIC QUESTIONS**

**5.2 PUBLIC STATEMENTS**

**6. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil.

**7. RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS**

**7.1 PETITIONS**

Nil.

**7.2 PRESENTATIONS**

Nil.

**7.3 DEPUTATIONS**

Nil.

**8. APPLICATION FOR LEAVE OF ABSENCE**

Nil.

**9. CONFIRMATION OF MINUTES**

Nil.

**10. ITEMS BROUGHT FORWARD FOR THE CONVENIENCE OF THOSE IN THE PUBLIC GALLERY**

**11. REPORTS OF COMMITTEE MEETINGS**

Nil.

## 12. SPECIAL ITEMS

### 12.1 ANNUAL BUDGET ADOPTION

<b>Address:</b>	Shire of Northam
<b>Owner:</b>	Shire of Northam
<b>File Reference:</b>	8.2.8.1
<b>Reporting Officer:</b>	Colin Young Executive Manager Corporate Service
<b>Responsible Officer:</b>	Colin Young Executive Manager Corporate Service
<b>Voting Requirement</b>	Absolute Majority vote required (Some Parts)

#### BRIEF

To consider and adopt the Shire of Northam Budget for the 2018/19 financial year together with supporting schedules, including striking of the municipal fund rates, establishment of new reserve funds, setting of the rubbish and recycling fees, setting of elected members fees for the year and other consequential matters arising from the budget papers.

#### ATTACHMENTS

Attachment 1: Draft Budget (supplied separate).

#### BACKGROUND / DETAILS

The draft 2018/19 budget has been provided as a separate attachment to this agenda/minutes and has been compiled based on the parameters established in the Council integrated planning documents including long term financial plan, corporate business plan and strategic community plan.

Council gave consideration to the detail within the budget via a series of workshops and a budget meeting held on July 7, 2018. At this meeting Council endorsed a draft budget and requested the Chief Executive Officer to give local public notice of the differential rating requirements required to fund the budget, based on a 2.52% increase in rates levied.

The proposed differential rates have subsequently been advertised for public comment and at the time of publishing this agenda no comments had been received. The submissions close at 3.00pm on August 3, 2018 consequently any comments received between the publishing date of this agenda and the budget adoption meeting will be fully disclosed and responded to by staff.

## CONSIDERATIONS

### **Strategic Community / Corporate Business Plan**

#### Theme Area 6: Governance & Leadership.

Outcome 6.3: The Shire of Northam council is a sustainable, responsive, innovative and transparent organisation.

### **Financial / Resource Implications**

Refer to Attachment 1.

### **Legislative Compliance**

Section 6.2 of the *Local Government Act 1995* requires that 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, (Absolute Majority required) in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next day 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 draft 2018/19 budget as presented is considered to meet statutory requirements.

### **Policy Implications**

Nil.

### **Stakeholder Engagement / Consultation**

Consultation with Councillors, Staff, in addition the differential rate has been advertised for comment.

### **Risk Implications**

Nil.

## OFFICER'S COMMENT

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

### **Rate Increase**

The budget provides an average 2.52% increase in rates collected, this excludes any newly rated properties created through subdivisions or developments. The rate in the dollar has increased from 9.6004 to 9.7975 for the residential GRV, with the differential GRV increasing from 10.5800 to 10.7376

to achieve the average 2.52% increase, however there will be variances greater and lesser than the average increase.

2016/17 year saw the change of methodology of approximately 1,000 UV rated properties to the GRV rating method, Council resolved on the 18 July 2016 to phase in the new valuation over three years and is calculated as follows;

2016/17 Financial Year – 2/3 Unimproved Valuation and 1/3 Gross Rental Valuation

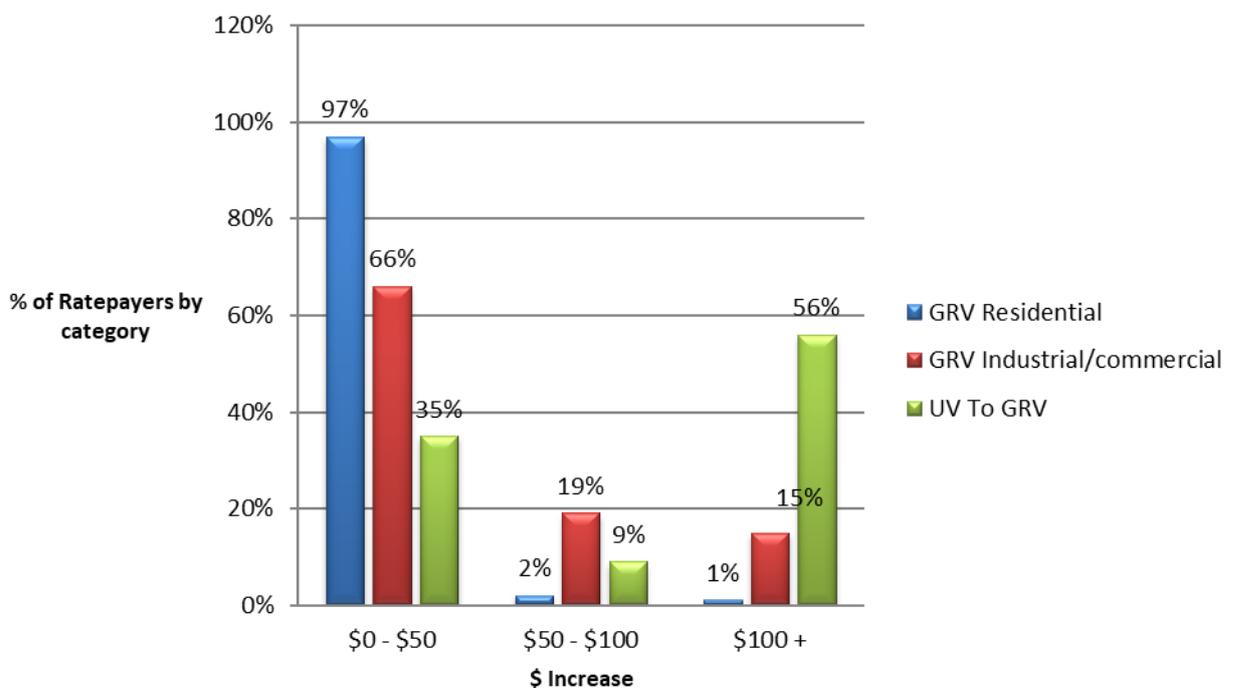
2017/18 Financial Year – 1/3 Unimproved Valuation and 2/3 Gross Rental Valuation

2018/19 Financial Year – 100% Gross Rental Value

From the 2018/19 onwards 100% Gross Rental Value applies to all properties effected by the methodology change.

The graph below as presented has the majority of ratepayers receiving increases not greater than \$100 for, GRV Residential 99%, GRV Industrial/Commercial 85%. The UV to GRV has 56% showing increases greater than \$100 due to the impact of the methodology change. The increases as presented include subdivisions and developments that in general would have increases at the greater end of the scale (greater than \$100).

**Figure 1 - Rates Increases by Rating Category**



The Unimproved Valuations (UV) were completed 1 August 2017 and effective from 30 June 2018. The overall change in valuations was negligible. Although this is the case, there will also be variances greater or less than the 2.52% average. Comments from the District Valuer were;

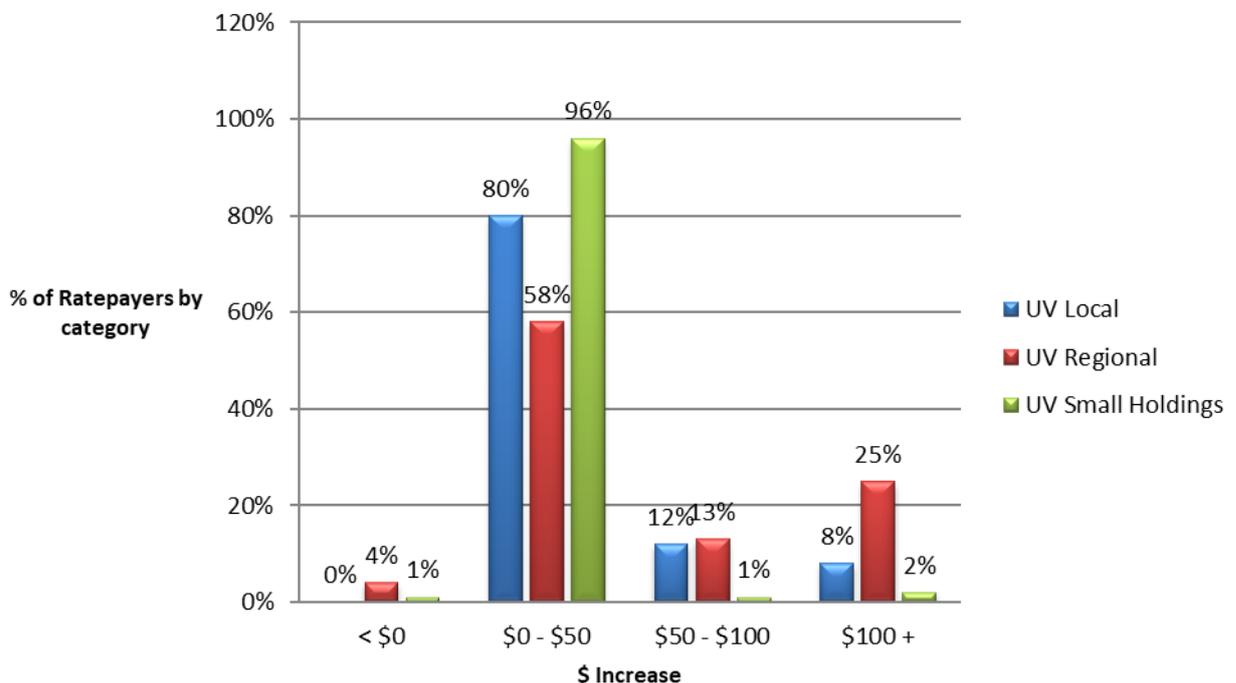
*“Generally, unimproved values have increased in the eastern portion of the Shire with little or no change in the Western Portion of the Shire.*

*Some changes to individual assessments may have occurred either as a product of the mass valuation process or where records have been amended or corrected for more up to date information about soil types etc.”*

It is noted that property owners have the right to appeal against the valuation of their property. This appeal is made to Landgate the agency responsible for conducting the valuation service

The graph below as presented has the majority of ratepayers receiving increases not greater than \$100, UV Local 92%, UV Regional 72% and UV Small Holdings 97%.

**Figure 1 - Rates Increases by Rating Category**



The minimum rates are proposed to be increased from \$905 to \$923.

**Rubbish and Recycling Fees**

Management are recommending that the Waste Charges remain the same as the 2017/18 financial year which is a rate not greater than that required to cover the running costs of Councils waste facilities. The table below shows both the 2017/18 and the proposed 2018/19 Rubbish and Recycling Fees;

Service	2017/18 charge	2018/19 charge
Residential and Commercial rubbish collection	\$163.00	\$163.00
Residential and Commercial recycling levy	\$87.00	\$87.00
Pensioner recycling	\$66.00	\$66.00
1500L Commercial bin weekly	\$1,000.00	\$1,000.00
1500L commercial bin fortnightly	\$500.00	\$500.00
3000L Commercial bin weekly	\$2,000.00	\$2,000.00
3000L commercial bin fortnightly	\$1,000.00	\$1,000.00
1500L commercial recycling bin fortnightly	\$1,100.00	\$1,100.00
3000L commercial recycling bin fortnightly	\$2,200.00	\$2,200.00
4500L commercial recycling bin fortnightly	\$3,300.00	\$3,300.00
4500L Commercial bin weekly	\$3,000.00	\$3,000.00
4500L commercial bin fortnightly	\$1,500.00	\$1,500.00

### End of year position

The 2017/18 end of year position is summarised below;

	<b>2017/18 Actual</b>
<b>NET CURRENT ASSETS</b>	
Composition of Estimated Net Current Asset Position	
<b>CURRENT ASSETS</b>	
Cash - Unrestricted	3,592,834
Cash - Restricted	6,112,388
Receivables	3,886,652
Inventories	631
	13,592,652
<b>LESS: CURRENT LIABILITIES</b>	
Payables and Provisions	(2,927,055)
<b>NET CURRENT ASSET POSITION</b>	<b>10,665,450</b>
Less: Cash - Restricted	(6,112,388)
Add: Current Loan Liability	227,611
Add: Leave Liability Reserve	418,145
Add: Budgeted Leave	250,000
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>	<b>5,448,818</b>

<b>Surplus Carried Forwards</b>		
<b>Budget 2018/19</b>		
<b><u>Grants</u></b>		
03023023	FAG General Purpose	\$1,274,946
03023033	FAG Roads	\$392,349
12373063	RTR Grants	\$526,319
12373013	Black Spot Funding	\$436,428
05063063	BFB ESL Grant	\$44,440
05083003	SES ESL Grant	\$8,895
<b><u>Capital</u></b>		
2054	King Creek Drainage	\$80,395
1610	CBD Streetscaping	\$131,000
05067044	Standpipe Conversion	\$12,500
4217	NRM Grant Expenditure	\$40,100
1819	Painting Window Frames, N/Hall	\$3,200
1819	Painting & Patching of Internal Walls, N/Hall	\$4,200
1904	Bert Hawke Pavilion Upgrade	\$40,000
6431	Bridge Crossing Fixings	\$10,000
11359004	Replace Sewer Line Library	\$14,300
11359004	Repairs to Exterior Steps Library	\$20,000
6419	Bert Hawke - Drainage	\$40,000
6421	Bert Hawke - Lighting	\$20,000
Various	Various Items of Plant	\$171,783
10317204	Cemetery Public Rest Room	\$11,536
1625	Cemetery Lot Development	\$18,121
6425	Playground POS Improvements	\$66,995
3758	O'Neill Road	\$175,092
3527	Jennapullin Road	\$26,777
3766	Coates Road	\$140,000
3672	GEH Upgrade	\$100,214
3085	Katrine Road	\$36,586
3420	Lobelia Footpath	\$49,967
05087124	CCTV Stage 2 (Wundowie)	\$38,575
7012	Chinganning	\$42,000
3800	Mitchell Ave	\$101,338
3082	Fermoy Rd	\$5,000
3751	Newman Rd	\$20,000
1039	AVVA Building	\$45,000
1503	Old Quarry Site Drainage	\$100,000
1503	Design Recycling Stations	\$10,000
1025	Old Railway Station	\$50,000
1025	Exit Gates for Fire Escape	\$13,000
13499104	Bakers Hill Water Project - Easement	\$25,000
12379094	Laneway Acquisition	\$57,000
13499064	Waste Water Pump Station Upgrade	\$169,681
Various	BKB Centre	\$112,292
13459124	Signage, Tower GEH	\$10,000
3426	BKB Footpath	\$45,521
<b><u>Operation</u></b>		

1961	Northam Depot	\$10,000
4042132	Business Case Development CBD	\$60,000
4042132	Urban Renewal Planning	\$30,000
4042132	Reconciliation Action Plan	\$5,000
4042132	Crime Prevention Plan	\$5,000
4042132	Marketing & Promotion Juice Box	\$10,000
4042132	Community Plan Grass Valley	\$8,000
1017	Engineering Design for Accessible Toilets	\$7,500
10292122	Avon River Dredging Investigation Works	\$10,000
1500	Inkpen Rd Refuse Site Cell Development	\$142,560
10302002	Review Town centre Parking Strategy	\$10,000
10302002	Review TPS no 6LPS	\$30,000
05072112	Cat Sterilisation Grant Expense	\$4,000
05062112	Bakers Hill Fire Shed Concrete Apron	\$8,700
6155	Expansion Joints, B/H Pavilion	\$1,800
10302112	Heritage Inventory	\$15,000
<b>Adopted Draft Budget</b>	<b>Purchase of Lot 1 GE Hwy (education department)</b>	<b>\$220,000</b>
<b>Untied Surplus</b>	<b>BKB Centre</b>	<b>\$80,708</b>
<b>Untied Surplus</b>	<b>Fitzgerald Street</b>	<b>\$50,000</b>
	<b>Total</b>	<b>\$5,448,818</b>

The result of the final surplus calculations are that Council has an end of year untied surplus of \$130,708. The Fitzgerald Street re-align was adopted as part of the 2018/19 roads program, however was omitted from the Draft Budget in error, it is therefore recommended that \$50,000 of the untied surplus is allocated to fund the realignment. The additional \$80,708 has been allocated towards the finalization of the BKB Centre. An additional amount of untied surplus was allocated to the purchase of lot 1 GE Hwy, \$220,000, and is included in the budget as presented – as per a previous direction/resolution of Council.

Minor adjustments to the timing of projects have been carried out, these affect both the surplus and the budget as presented, however as they are timing they have no impact on the budget.

### **Annual fees and reimbursement of costs**

The recommendations include the setting of annual sitting fees and allowances for members. This includes the Presidents allowance of \$45,000 the Deputy President's allowance \$11,250 and members annual sitting fees of \$19,750 and \$23,600 for the President. A \$3,500 allowance is included for each member to provide for costs associated with information and communication technology expenses incurred by members in carrying out their functions on behalf of the Shire. Other claims such as travelling will need to be submitted

quarterly or more frequently should a member so require. All payments may be made direct to Members designated bank accounts. These fees and allowances are in accordance with Sec 5.98, 5.98A, 5.99 and 5.99A of the Local Government Act and the Local Government (Administration) Regulations.

These fees are within the determinations for Band 2 as set by the Salaries and Allowances Tribunal 10 April 2018. These annual fees & Allowances remain unchanged from the 2017/18 financial year. Please follow the link for review <https://www.sat.wa.gov.au/LocalGovernmentCEOsandElectedMembers/Pages/Default.aspx>

### **PART A – ELECTED MEMBER’S FEES AND ALLOWANCES FOR 2018/19**

#### **RECOMMENDATION**

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

President	\$23,600
Councillors	\$19,750

2. That Council, pursuant to section 5.99A of the *Local Government Act 1995* and within the range determined by the Salaries and Allowances Tribunal, adopts the following annual Information & Communication Technology (ICT) expenses allowance for elected members:

ICT Expenses Allowance	\$3,500
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3. That Council, pursuant to section 5.98(5) of the *Local Government Act 1995* and within the range determined by the Salaries and Allowances Tribunal, adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

President	\$45,000
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4. That Council, pursuant to section 5.98A of the *Local Government Act 1995* and within the range determined by the Salaries and Allowances Tribunal, adopts the following annual local government allowance to be paid in addition of the annual meeting allowance:

Deputy President	\$11,250
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**ABSOLUTE MAJORITY VOTE REQUIRED**

## **PART B – RUBBISH AND RECYCLING FEES FOR 2017/18**

### **RECOMMENDATION**

That Council adopts the following Rubbish and Recycling Fees for the 2018/19 financial year:

• Residential and commercial rubbish collection Charge	\$163.00
• Residential and commercial recycling levy	\$87.00
• Pensioner recycling levy	\$66.00
• 1500L commercial bin weekly	\$1,000.00
• 1500L commercial bin fortnightly	\$500.00
• 3000L commercial bin weekly	\$2,000.00
• 3000L commercial bin fortnightly	\$1,000.00
• 4500L commercial bin weekly	\$3,000.00
• 4500L commercial bin fortnightly	\$1,500.00
• 1500L commercial recycling bin fortnightly	\$1,100.00
• 3000L commercial recycling bin fortnightly	\$2,200.00
• 4500L commercial recycling bin fortnightly	\$3,300.00

**ABSOLUTE MAJORITY VOTE REQUIRED**

## **PART C – GENERAL AND MINIMUM RATES, INSTALMENT PAYMENT ARRANGEMENTS**

### **RECOMMENDATION**

1. That Council, for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* impose the following differential general and minimum rates on Gross Rental and Unimproved Values for the 2018/19 financial year.

#### **1.1 Differential General Rates**

• Residential (GRV)	9.7975cents in the dollar
• Commercial / Industrial (GRV)	10.7376 cents in the dollar
• Agriculture Local (UV)	0.6072 cents in the dollar
• Agriculture Regional (UV)	0.5099 cents in the dollar
• Rural Small Holdings (UV)	0.7558 cents in the dollar

#### **1.2 Minimum Rates**

• Residential (GRV)	\$923
• Commercial / Industrial (GRV)	\$923
• Agriculture Local (UV)	\$923
• Agriculture Regional (UV)	\$923

• Rural Small Holdings (UV)

\$923

2. That Council, pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, offers a one, two and four instalment payment option, and nominates the following due dates for the payment in full by instalments:
- Full payment & 1<sup>st</sup> instalment due date 19 September 2018
  - 2<sup>nd</sup> half instalment due date 19 November 2018
  - 2<sup>nd</sup> quarterly instalment due date 19 November 2018
  - 3<sup>rd</sup> quarterly instalment due date 21 January 2019
  - 4<sup>th</sup> & final quarterly instalment due date 21 March 2019
4. That Council, 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 administration charge where the owner has elected to pay rates (and charges) through an instalment option of \$10 for each instalment after the initial instalment is paid.
5. That Council, 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 charges through an instalment option.
6. That Council, 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 charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

**ABSOLUTE MAJORITY REQUIRED**

**PART D – MUNICIPAL FUND BUDGET FOR 2017/18**

**RECOMMENDATION**

1. That Council;
  - a. Allocate \$50,000 of the untied surplus to the realignment of Fitzgerald Street
  - b. Allocate \$80,708 of the untied surplus for the finalisation of the BKB Centre
  
2. That Council, Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, adopt the Municipal Fund Budget as contained in the Attachment of this agenda and the minutes, for the Shire of Northam for the 2018/19 financial year as prepared and presented.

**ABSOLUTE MAJORITY REQUIRED**

**PART E – MATERIAL VARIANCE REPORTING FOR 2017/18**

**RECOMMENDATION**

That Council, In accordance with regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2018/19 for reporting material variances shall be a percentage of ten (10) or a minimum of \$20,000, whichever is greater.

**SIMPLE MAJORITY REQUIRED**

**13. MATTERS BEHIND CLOSED DOORS**

Nil.

**14. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil.

**15. URGENT BUSINESS APPROVED BY PERSON PRESIDING OR BY DECISION**

Nil.

**16. DECLARATION OF CLOSURE**