



Shire of Northam

Heritage, Commerce and Lifestyle

**SHIRE OF NORTHAM
MINUTES
SPECIAL COUNCIL (BUDGET) MEETING
TUESDAY
22 July 2014**

SHIRE OF NORTHAM
MINUTES
SPECIAL COUNCIL (BUDGET) MEETING
22 JULY 2014

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1. OPENING AND WELCOME

The Shire President declared the meeting open at 5.30pm

2. DECLARATION OF INTEREST

Item Name	Item No.	Name	Type of Interest	Nature of Interest
Endorsement of Draft Budget	13.3.3	Cr Bert Llewellyn	Proximity	A matter on the list of items for consideration to be placed in the draft budget pertained to a proposed roundabout in front of his home
Endorsement of Draft Budget	13.3.3	Cr Rob Tinetti	Financial	A matter on the list of items for consideration to be placed in the draft budget pertained to Cemetery. Cr Tinetti is a Funeral Director
Endorsement of Draft Budget	13.3.3	Cr Denise Beresford	Impartiality	A matter on the list of items for consideration to be placed in the draft budget pertained to Northam Aero club, of which he is a Member
Endorsement of Draft Budget	13.3.3	Cr Ray Head	Impartiality	A matter on the list of items for consideration to be placed in the draft budget pertained to Avon Valley Arts Society (AVAS), of which he is a Committee Member
Endorsement of Draft Budget	13.3.3	Cr Kathy Saunders	Impartiality	Member of a number of Clubs/Associations which have requested funding and sponsorship
Endorsement of Draft Budget	13.3.3	Cr Julie Williams	Impartiality	Member of a number of Clubs/Associations which have requested funding and sponsorship (including Avon Tourism Inc)
Endorsement of Draft Budget	13.3.3	Cr Terry Little	Impartiality	Member of a number of Clubs/Associations which have requested funding and sponsorship
Endorsement of Draft Budget	13.3.3	Cr Ulo Rumjantsev	Impartiality	Involvement in Bakers Hill Car Event & Family Fun day
Endorsement of Draft Budget	13.3.3	Mr Jason Whiteaker (CEO)	Impartiality	A matter on the list of items for consideration to be placed in the draft budget pertained to St Josephs School as his children attend the school

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3. ATTENDANCE

COUNCIL

Councillors

S Pollard
T M Little
K D Saunders
U Rumjantsev
R Head
A W Llewellyn
D G Beresford
J E Williams
R Tinetti
D Hughes

Chief Executive Officer

J B Whiteaker

Executive Manager Engineering Services

C D Kleynhans

Executive Manager Community Services

J McGready

Executive Manager Development Services

P B Steven

Executive Manager Corporate Services

D R Gobbart

Project Manager Community Infrastructure

C B Hunt

GALLERY

Ms Belle Moore, Ms Genny Budas, Mr Jeffrey Pollard

4. APOLOGIES

Nil

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5. LEAVE OF ABSENCE PREVIOUSLY APPROVED

Nil

6. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

8. PUBLIC QUESTION TIME

Question 1:

Ms Budas asked for an update on the matter she had raised with the Council pertaining to tree roots in Morrell Park which were impacting her property. Ms Budas enquired whether she needed to raise the matter again.

Response 1:

The CEO advised that the matter was registered in the Council system and the assessment and any potential work would be undertaken as soon as possible. The CEO advised Ms Budas that she was not required to provide any further information, and encouraged Ms Budas to contact the Executive Manager Engineering Services if the matter remained outstanding in the next 4-5 weeks.

9. PUBLIC STATEMENT TIME

Nil

10. PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

11. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

11.1 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Nil

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12. ANNOUNCEMENTS BY THE PRESIDING OFFICER WITHOUT DISCUSSION

12.1 PRESIDENTS REPORT

N/A

13. REPORTS OF OFFICERS

13.1 ADMINISTRATION

Nil

13.2 DEVELOPMENT SERVICES

Nil

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13.3. CORPORATE SERVICES

13.3.1 ANNUAL BUDGET OVERVIEW

Name of Applicant:	Shire of Northam
Name of Owner:	Shire of Northam
File Ref:	
Officer:	Denise Gobbart
Officer Interest:	N/A
Policy:	N/A
Voting:	Simple Majority
Date:	16 July 2014

PURPOSE

To provide information to Elected Members in relation to the budget process and influencing factors

BACKGROUND

The development of the draft budget as presented is the culmination of many months preparatory work undertaken by each individual Department under the guidance of the Council Executive Manager of Corporate Services, Ms Denise Gobbart. The budget process to date has included the following key elements;

- Adoption of revised Corporate Plan
- Adoption of revised Strategic Community Plan
- Endorsement of draft road program June 2014
- Endorsement of draft footpath program June 2014
- Endorsement of draft plant replacement program June 2014
- Adoption of fees and charges June 2014

The budget document has very much been guided by a number of key planning documents including;

- Strategic Community Plan
- Corporate Business Plan
- Long term Financial Plan

The staff have also been through a rigorous assessment process to ensure that the Departmental and individual item draft budget allocations both reflect the intent of the Councils planning document and ensure sufficient resource to meet the established objectives.

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As Elected Members would be aware the long term Financial Plan reports on a number of key performance indicators, which are reflective of Local Government Act requirements. The following information provides an indication as to how the Council is performing against a number of the key indicators;

	2014/15	
	LTFP	Draft Budget
Debt Service Ratio	3.60%	5.31%
Operating Surplus Ratio	-10.00%	3.63%
Funding Ratio	13.70%	9.20%
Own Source Revenue Ratio	67.00%	76.50%

Debt Service Ratio

Measures a Council's ability to service debt out of its uncommitted or general purpose funds available for its operations. Councils with a higher proportion of revenue from rates can also effectively operate at lower debt service ratios as they are more able to generate income (via Rate increases) to cope with the debt burden.

- If Ratio > 10 accept as reasonable
- If Ratio > 5 and <10 exercise caution around debt management
- If Ratio <5 debt management may be an issue and needs to be considered in context of overall financial position.

Operating Surplus Ratio

Effectively highlights the scale / extent of any operating surplus or deficit in relation to the overall size of the local government. A sustained period of deficits will erode that local government's ability to maintain both its operational service level and asset base.

- If Ratio > 0.15 strong operating surplus which gives flexibility in relation to future operational service levels and asset base.
- If Ratio > 0.00 and < 0.15 should closely monitor with improvements made where possible to increase capacity to give flexibility in relation to future operational service levels and asset base.
- If Ratio <= 0.00 experiencing an operating deficit

Funding Ratio

Identifies the level of funding consumed by operations and capital requirements. An improving ratio means that more funds are being released for capital reinvestment.

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If Ratio > 0.20% and < 0.30% Base
 If Ratio > 0.30% Advanced

Own Source Revenue Ratio

Measures the local government's ability to cover operating expenses from own source revenue. The higher the ratio, the more self-reliant the local government is. Allows greater flexibility as less external funds are required for operational purposes.

If Ratio > 0.9 satisfactory
 If Ratio > 0.6 and < 0.9 will need to improve if it hopes to maintain and improve the current service levels of its asset base
 If Ratio < 0.6 needs to examine the level of its own source revenue given current levels of operating expenses.

STATUTORY IMPACTS

N/A

CONFORMITY WITH THE STRATEGIC COMMUNITY PLAN / CORPORATE PLAN

The draft budget has been developed in the context of the range of planning documents endorsed by Council.

FINANCIAL IMPLICATIONS

Refer supporting documents.

OFFICER'S COMMENT

There have been a wide range of factors which have influenced the development of the 2014/15 annual draft budget. The major factors, as well as other information of interest, are highlighted below;

- Corporate Plan
 - Staffing Levels: as part of the Corporate Business Plan review the Council endorsed an increase in staff levels within the Engineering Department. These positions have since been filled and obviously impact on the organisational employment costs. Assisting to offset these additional costs is the removal of two positions associated with the Supertowns initiative.
 - The following reconciliation of wages and salaries is provided to highlight the actual increasing costs of employment for the Shire of Northam

	2013/14 Budget	2014/15 Budget	% Change
Total Salaries & Wages	6,122,333	6,346,068	3.65%

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- **Previous Year Rate increases**

Council has in previous years taken a responsible approach to increasing rates. The table below illustrates the Council's position over the last 5 years. The proposed 5% rate increase is in line with the parameters established within the long term financial plan.

Year	2010/11	2011/12	2012/13	2013/14	2014/15 proposed	2014/15 LTFP
% Rate Increase	5.0	8.5	5.7	5.0	5.0	5.0

- **Projected Surplus**

The current budget document reflects a budget surplus which is reflective of projects which are being carried forward. In addition to this it is expected that an 'untied' surplus will be achieved by the Council at June 30. It is proposed that the Council allocates the untied budget surplus to a range of reserves, which Council can access in the future for specific projects, once it has been determined.

- **Local Government Cost Index**

Based on forecasts of its component indexes, the LGCI is expected to increase by 2.5% in 2014-15 and 3.2% in 2015-16:

	2013-14 Estimated Actual (%)	2014-15 Forecast (%)	2015-16 Forecast (%)
Wages and Salaries ¹	2.9	3.2	3.5
Road and Bridge Construction ²	0.9	2.0	2.2
Non-residential Building ²	0.0	2.0	2.2
Consumer Prices ¹	3.0	2.8	2.5
Machinery and Equipment ³	0.0	1.4	1.1
Electricity and Street Lighting ⁴	2.6	4.7	18.9
Local Government Costs	1.6	2.5	3.2

(Source: WALGA May 2014 Economic Briefing)

RECOMMENDATION / COUNCIL DECISION

Minute No. C2251

Moved: Cr R Head
Seconded Cr D Hughes

That Council receives the budget overview as presented.

CARRIED 10/0

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13.3.2 ROYALTIES FOR REGIONS COUNTRY LOCAL GOVERNMENT FUND
2012/13 ALLOCATION

Name of Applicant:	Shire of Northam
Name of Owner:	Shire of Northam
File Ref:	8.2.5.22
Officer:	Jason Whiteaker
Officer Interest:	N/A
Policy:	N/A
Voting:	Simple Majority
Date:	16 July 2014

PURPOSE

For the Council to make a determination on the use of the 2012/13 Royalties for Regions (R4R) Individual Allocation.

BACKGROUND

As Council would be aware the State Government withdrew the 2012/13 R4R allocation, however this has recently been reinstated. As a consequence the Council is required to re-submit its Funding Agreement and support this with a resolution for the allocation of these funds.

The following guidelines apply to the R4R funding:

The expenditure of Royalties for Regions funds is for the following purposes:

- To provide infrastructure and services in regional Western Australia;
- To develop and broaden the economic base of regional Western Australia; and
- To maximise job creation and improve career opportunities in regional Western Australia.

Royalties for Regions has six policy objectives:

- building capacity in regional communities;
- retaining benefits in regional communities;
- improving services to regional communities;
- attaining sustainability;
- expanding opportunity; and
- growing prosperity.

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Project proposals and grant expenditure must meet the following criteria:

Criterion 1. Projects must be identified in a Council approved FCWP

Local governments should review their 2010-11 FCWP, and update it for 2012-13 onwards, as necessary. Local governments should notify RDL in writing of changes as necessary.

Criterion 2. Local governments should be well advanced in their project planning

Where required by RDL, local governments should provide written evidence that:

- Initial planning work through feasibility studies, business plans and risk assessments has been undertaken;
- Realistic cost estimates for the project by appropriate independent professionals such as engineers, quantity surveyors and architects have been obtained;
- Obtaining all necessary approvals and licences are well advanced;
- Additional or alternative funding sources have been identified to address funding gaps; and
- Where projects are of a strategic nature and/or relate to core agency business, for example Sport and Recreation or Culture and the Arts, local governments have consulted with the relevant agencies.

Criterion 3. CLGF expenditure must be directly related to the delivery of capital works projects

Capital works is defined as building and engineering works that:

- Create a fixed infrastructure asset, for example:
 - Materials and labour associated with constructing a building, road or bridge;
 - Installing facilities and fixtures that form an integral part of those works, such as floor finishes, air conditioning and security systems;
 - Purchase of buildings; or
 - Earthworks, landscaping and head works costs associated with an eligible CLGF project.

- Renew or preserve a fixed infrastructure asset. This could include a major restoration or renovation project, such as:
 - Repainting a building;
 - Rewiring a building; or
 - Replacement of a bridge, road, roof, ceiling, floor or air-conditioning system.

Notes to Criterion 3:

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• **Assets owned or managed by third parties**

Individual country local governments may expend CLGF funds on assets which are not under the direct care or control of a local government where **all** of the following are demonstrated in writing through a formal agreement between the parties:

- There is a clear commitment from the owner for the asset to be accessible on a long term basis to the broader community;
- The local government maintains appropriate control over ensuring that the asset is used for the benefit of the community; and
- There is a plan for the long-term future maintenance of the asset. Long term is expected to be a minimum of five years.

• **Purchasing vacant land for the purposes of development**

The purchase of the land must clearly relate to the establishment of:

- A fixed community and local government infrastructure asset; or
- Residential, commercial or industrial subdivision.

CLGF should not be used for the sole purpose of purchasing and selling land in its vacant state. Development of the land needs to commence within 2 years of signing the Financial Assistance Agreement (FAA). Using CLGF funds to purchase vacant land may be considered where no other funds can be secured for this purpose.

• **Related Costs**

Up to 15% of the total project cost can be allocated from CLGF towards project management fees and project documentation activities (such as architectural fees and the development of structural, mechanical and hydraulic engineering plans) on eligible CLGF projects.

For example, if the total project cost of a project identified in a FCWP was valued at \$1,000,000, a local government could spend up to a total of \$150,000 from CLGF on related costs to that project.

• **Local government staff wages**

The cost of limited but reasonable direct wages, where they are a component in the construction of an infrastructure asset, may be included under CLGF expenditure. Please refer to Section 9, Pages 40-41, of the *Local Government Accounting Manual (Edition 2)* for the relevant treatment of employee benefits in relation to CLGF.

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WHAT CANNOT BE FUNDED

CLGF funds are **not** to be used for:

- projects not identified in the local government's FCWP;
- purchasing equipment (e.g. furniture, computers, vehicles or moveable plant);
- retiring debt;
- engaging consultants or staff outside or beyond the timeframe of an approved CLGF funded infrastructure project;
- general maintenance (such as the day-to-day servicing of an asset including small parts - please refer to Section 9, Page 10, of the *Local Government Accounting Manual (Edition 2)* for the relevant definition);
- feasibility studies, cost-benefit analysis, impact studies, marketing plans or research projects;
- the sole purpose of return on investment (e.g. interest); or
- Retrospective funding, where projects have been completed or have commenced construction prior to receiving approval from RDL.

Previous allocations have been used as follows –

2008-9	\$1,413,188	being	
	\$189,200		Animal Pound
	\$120,000		Northam Pool
	\$245,000		Drainage
	\$524,330		Footpaths
	\$334,658		Recreation Centre
2009-10	\$35,000		Forward Capital Works Plan
2010-11	\$890,874		Recreation Centre
2011-12	\$783,124		Bakers Hill Oval and Wundowie to Bakers Hill Pipeline
2012-13	\$783,124		

STATUTORY IMPACTS

N/A

CONFORMITY WITH THE STRATEGIC COMMUNITY PLAN / CORPORATE PLAN

As outlined above the projects must be identified in the Council forward capital works plan.

FINANCIAL IMPLICATIONS

Will impact budget provision

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OFFICER'S COMMENT

The Council had, at the time, identified the R4R funding to be allocated against the relocation of the Municipal Works depot. This relocation is planned to occur over the next two years, however it may not meet the eligibility criterion # 2;

Where required by RDL, local governments should provide written evidence that:

- *Initial planning work through feasibility studies, business plans and risk assessments has been undertaken;*
- *Realistic cost estimates for the project by appropriate independent professionals such as engineers, quantity surveyors and architects have been obtained;*
- *Obtaining all necessary approvals and licences are well advanced;*
- *Additional or alternative funding sources have been identified to address funding gaps; and*
- *Where projects are of a strategic nature and/or relate to core agency business, for example Sport and Recreation or Culture and the Arts, local governments have consulted with the relevant agencies.*

In addition to this it is strongly suggested that the Council identify a manageable number of projects.

The recommendation is around funding a number of projects which are ready for implementation and have been factored into the Council draft budget. This will also provide Council with the financial capacity to transfer funds the Regional Development Reserve, which can be used at a later time for opportunities identified around the regional blueprint document and funding opportunities arising in 2015 through royalties for regions and Supertowns

RECOMMENDATION

That Council;

1. Undertake the following projects through the funding provided by the Department of Regional Development (2012/13 R4R Country Local Government Fund);
 - a) Footpaths & Cycle ways (identified draft 14/15 draft budget) 400,000
 - b) Roads (identified in 14/15 draft budget) 100,000
 - c) Drainage (identified in 14/15 draft budget) 100,000
 - d) Parks & Playground Improvements 150,000
2. Amends the draft budget to reflect a transfer of \$600,000 to the Regional Development Reserve

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COUNCIL DECISION

Minute No. C2252

Moved: Cr Head
Seconded: Cr Tinetti

**That Council deliberate on this matter as part of the following officer report (13.3.3
– Endorsement of Draft Budget)**

CARRIED 10/0

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13.3.3 ENDORSEMENT OF DRAFT BUDGET

Name of Applicant:	Shire of Northam
Name of Owner:	Shire of Northam
File Ref:	
Officer:	Denise Gobbart
Officer Interest:	N/A
Policy:	N/A
Voting:	Simple Majority
Date:	18 July 2014

- The Chief Executive Officer, Cr Beresford, C Head, Cr Saunders, Cr Williams, Cr Little all declared impartiality interests in the item;
- Cr Llewellyn declared a proximity interest in a specific element of the item and left Chambers when it was being considered.
- Cr Tinetti declared a financial interest in a specific element of the item and left Chambers when it was being considered.

PURPOSE

For Council to give consideration to matters raised by Elected Members and the presented consideration list for incorporation into the 14/15 annual budget

BACKGROUND

All Elected Members were provided with the opportunity to attend small workshops to allow the Council Finance team to provide an outline of the budget document as presented, answer questions, and provide clarifications. These workshops were well attended and the feedback received from Elected Members has been positive.

The budget document consisted of the draft budget and a list of items for consideration. At the budget workshops Elected Members were provided the opportunity to raise/identify issues they felt warranted further detailed discussion or debate at the Budget Meeting.

As has been outlined in the previous report, the budget as it is currently presented provides for an increase in gross rates levied of approximately 2.75%

STATUTORY IMPACTS

N/A

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CONFORMITY WITH THE STRATEGIC COMMUNITY PLAN / CORPORATE PLAN

The budget has been developed in accordance with the broad parameters established in the range of Council planning documents.

FINANCIAL IMPLICATIONS

Budget endorsement

OFFICER'S COMMENT

As a result of the assessments by staff and the workshops held with Elected Members the following information is provided;

1. There were some general comments made at the workshops which individual Elected Members asked to be raised/discussed at the budget meeting, these are disclosed below;

- 1.1 Wages Increases

There have been queries raised in relation to apparent significant increases reflecting in the various wages & salaries budgets. For example schedule 4 Governance shows an increase in salaries from \$224,274 in 2013/14 to \$511,576 proposed in 2014/15. In this instance, and many other instances, this is simply reflecting an alteration of the treatment of salaries and wages allocations. In the above example this includes salaries for the CEO Office (including CEO, CEO Exec Assistant, HR Coordinator, Communications Officer and Manager Projects/Community Infrastructure). In previous years some of these salaries have been spread throughout the budget document, which makes it difficult to track and therefore manage. As a consequence they have all been brought into one account.

- 1.2 Killara reconciliation

Queries have been raised in relation to the cost of the Killara facility to Council. Schedule 08, page 50, of the budget shows the following figures:

Total Revenue	\$1,210,635	
Total Expenditure	\$1,238,600	\$27,965 (cost or loss)

While these figures are reflecting a net cost to Council of \$27,965, consideration needs to be given to two critical elements of this, being the Administration Allocation (\$64,587), and Depreciation (\$58,326). In the case of the Administration allocation this is reflecting a cost of 'administration' which is borne out of the general administration costs of creditor / debtor processing, accounting and payroll for example. These functions are undertaken by Council staff, who it is considered would still

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be employed by the Council in the event Killara was no longer operated by Council – hence this represents an accounting treatment, but a ‘sunk cost’. In relation to Depreciation, this is currently not ‘cash backed’ and as such is an accounting treatment which is not currently representing a cash cost to Council. With these comments in mind the Corporate Plan identifies a review of the financial sustainability of the Killara business in this financial year, where these matter will be further assessed.

- 1.3 Banners in the terrace
Query as to why the Council has not participated in the Banners in the Terrace initiative. There is no specific reason and this will be addressed in the 2015.
- 1.4 St Joseph’s School
Query in relation to why the Council would undertake works in this area to assist parking, when there are similar issue across the Shire. The query relates to two elements, firstly should the Council be doing the work and secondly if the Council chooses to undertake the work will it be replicated in other trouble spots in and around schools.
- 1.5 Landfill From Other Local Governments
Is the current revenue, sufficient to cover the cost of expenses related to tip management for capacity that is being utilised from this service?
- 1.6 Parks and Gardens
Concerns raised regarding the number of parks and that it may be time to rationalise our parks. There was a common theme in the workshops particularly Purslowe Park.
- 1.7 Elected Member Training
If more elected member training was offered within the region it would be more effective and efficient. A previous workshop in Toodyay was well received and encourages communication with neighbouring counterparts.
- 1.8 Public Halls
General discussion on why we continue to maintain under-utilised facilities. An example being Quellington Hall.
- 1.9 Libraries
Discussion occurred regarding the cost to fund our library services, of particular interest was the Wundowie Library service. Does the use warrant the expense?

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Previously, when the Community Resource Centre (CRC) was operating the service was open on a daily basis. A few of the expenses that the CRC directly funded were building security monitoring, telephone lines, internet costs and provision of public computers. The shire paid for only one telephone service, being the library direct number.

The current budget provides approximately \$46,000 in direct library operating costs for Wundowie. With an additional \$15,000 for building maintenance.

1.10 Town Clock

Expenses related to the Town Clock were discussed. The question being "Do we need a town clock?"

1.11 AVAS Sponsorship

Discussion around the sponsorship of AVAS, currently a cash contribution of \$5,000 and \$5,000 for venue hire. A request had come in for an additional contribution of \$3,000, which has not been included in the draft budget

1.12 Festivals & Events

Discussion regarding the combining the family fun day's events with the major event in the communities. The history with this funding was Recreation Services was responsible for delivering 3 family fun events in Bakers Hill, Wundowie and Northam.

There were issues with the timing of the events, and it was decided to run these events in conjunction with other events in the communities, to enhance those events.

Further to this clarification was sought and provided in regards to the Bakers Hill Family Fun day. Staff confirmed that as in recent times the intent is to incorporate the family fun day with the Bakers Hill Motorama Festival.

2. There were a number of items currently in the draft budget which Elected Members asked to be identified for further Council consideration. These items are;

2.1 Verge Bin Collection

Discussion was held regarding the red skip bins in Northam. In particular "Why only Northam town site?"

The general feeling was that as we are one Shire we should be consistent in our approach to the service, and extend it to Bakers Hill, Wundowie and other towns.

The cost to of the current collection service is the order of \$50,000.

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There was further discussion around the provision of a kerb side collection service as a replacement service.

Officer Comment

Free Red Skip Bins Northam Town site – 12 bins per week that can be booked out by residents once per financial year, on a first come first served basis. This service of 624 bins per year is approximately \$50,000.

Free Bulk Regional Bins – These bins are 2 x 10m³ for household bulk waste and 1 x 9m³ scrape steel which are circulated throughout the Shire's regional areas for two week periods and are positioned at central locations. The cost of this service is estimated as \$15,000 per annum and the bins are usually emptied a few times throughout their rostered weeks to ensure they have capacity for residents. These bins are an alternative to the town free red bin service.

The last review of a kerbside waste collection has an estimated cost of \$300,000. A map is to be provided identifying where the current roadside collection is undertaken throughout the shire.

2.2 Cricket Pitch – Jubilee Oval

A provision of \$15,000 has been made to install a concrete cricket pitch in Jubilee Oval. Concern was expressed as the clubs prefer turf pitches.

3. Each year the Council makes contributions to external groups; these contributions have been identified below;

• School Prizes & Donations:	\$ 4,140
• Seniors Groups:	\$ 2,250
• Progress and Community Associations:	\$ 30,000
• AVAS - Arts Prize Subsidy:	\$ 12,000
• Northam Agricultural Society:	\$ 5,250
• Wundowie Iron Festival:	\$ 13,000
• Wundowie family fun day:	\$ 5,000
• Bakers Hill Car Event:	\$ 5,000
• Bakers Hill Family fun day:	\$ 5,000
• Avon Tourism Inc.	\$ 10,000
• Avon Descent NADA contribution	\$ 20,000
• Northam Chamber of Commerce	\$ 60,000
• Various Community Sponsorships	\$126,695
TOTAL	\$298,335

4. Each year the Council contributions to or is involved in a significant number of events; these events have been identified below;

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EVENT	MONTH 2014	ORGANISER	SoN BUDGET
Movie Series	January & July	Shire of Northam	\$10,000
Australia Day	January	Shire of Northam and Progress Associations	\$8,890
Country Arts Touring Shows	Various	Shire of Northam	\$18,000 allocated
Northam Get Involved	April	Shire of Northam, Dept Sport & Recreation and Dept Health	Special Event Sponsorship
Community Safety Expo	November	Bakers Hill VBFB and Shire of Northam	Special Event Sponsorship
Pink Ribbon Walk	October	Shire of Northam	\$2,500
Wundowie Iron Festival	May	Wundowie Progress Association	\$13,000 + \$5,500 for activities
Bakers Hill Car Event and Bakers Hill Community Fair	March	Bakers Hill Progress Association	\$5,500 + \$5,500
Dogs Day Out	October	Shire of Northam	\$5,000
Concerts Series	March	Shire of Northam	\$45,000
Avon River Festival	August	Shire of Northam	\$37,000
Christmas Carols	December	Christian Ministers Association	\$5,000
Christmas Carnival	December	Shire of Northam	\$17,000
Relay for Life	March	Cancer Council Volunteers	\$3,225
Avon Valley Vintage Festival	March	Avon Events & Marketing	\$4,545
Avon Valley Gourmet Food and Wine Festival	June	Avon Events & Marketing	\$4,545
Northam Flying 50	April	Vintage Sports Car Club of WA	\$15,000 plus \$5,500 for Family Fun Zone
Agricultural Show	September		\$5,250
Estimated Total (excluding staff time and on costs)			\$215,955

Staff are suggesting that the Council assess the items listed within this report and make a determination if the information provided warrants any further action in relation to amending the draft budget document.

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Once this has been completed Council will need to make an assessment of the items on the consideration list and determine which of these will and will not be included in the final budget document.

At the completion of the above processes the Council will be in a position to endorse its draft budget, in the context of the impact this will have on rate revenues. Once the Council has adopted the budget staff will finalise rate modelling, advertise the rates as required by the Local Government Act 1995 and present a final report to Council in August for adoption.

(The total rates increase percentage will be calculated by dividing the projected 14/15 rate requirement by the actual rates levied at June 30 2014.)

Moved: Cr Hughes
Seconded Cr Tinetti

Minute No. C2253

That Council suspends Standing Orders 9.1 to 9.3 to allow further discussion pertaining to the budget content

CARRIED 10/0

The Shire President asked Elected Members to identify the items within the draft budget provided which they wished to discuss further and potentially debate. There were a number of items identified.

The Council, by consensus agreed that;

- **The AVAS sponsorship should remain (with \$500 provision for eisteddfod) on the advice of Cr Head who is Councils nominated representative**
- **The item raised pertaining to Verge Collection Bins should be the subject of further analysis at a later time.**
- **The item pertaining to the potential relocation of the Council Municipal Depot should be removed from the draft budget given it was not likely to be developed in the financial year.**
- **The Council transfer \$50,000 from Reserve to allow for the required drainage and ground improvements at the Henry Street Oval.**
- **Matter of further expenditure on the Town Clock – to be formally debated**
- **Matter of funding of Hugo Throssell VC Statue – to be formally debated**

Council worked through the consideration list table item by item to make an initial determination on what should and should not be included in the draft budget.

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during deliberations the following Elected Members and staff left the chambers (at various times);

- The Chief Executive Officer left the Chamber at 5.55pm and returned at 5.57pm whilst the Council was discussing the funding of events and community groups outlined in the report. The discussion was pertaining to the application of the Community Grants Policy;
- Cr Tinetti left the Chamber at 7.50pm and returned at 7.55pm whilst the Council was giving consideration to the inclusion of items 29-32 on the consideration list (Cemetery matters)
- Cr Tinetti left the Chamber at 8.02pm and returned at 8.05pm whilst the Council was giving consideration to the inclusion of item 35 on the consideration list (Cemetery matter)
- Cr Rumjantsev left the Chamber at 8.20pm and returned at 8.24pm whilst the Council was discussing items 39 & 40 on the consideration list.
- Cr Llewellyn left the Chamber at 8.34pm and returned at 8.39pm whilst the Council was giving consideration to the inclusion of item 43 on the consideration list (Roundabout at Wundowie)
- Council had a 5 minute recess at 8.55pm (returning at 9.00pm) after discussing item 48 on the consideration list

During deliberations Cr Williams provided a verbal report on the public consultation she had undertaken in regards to the proposed lighting of Brockman St / Taite Close and George St / Tame Rd advising that there appeared to be no overwhelming desire for the streets to be lit.

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Source	Description	Estimated Cost	REMOVE	BUDGET PROVISION	FUNDED FROM				Net Impact on Rates
					Confirmed External Funding	Potential External Funding	Potential Internal Funding	Potential Internal Funding	
Staff									
Breen Rise	Emergency Access DESIGN ONLY	5,000		5,000					5,000
Digital Aerial Mapping	Regional project, support requested from Shire of Toodyay	12,000		12,000					12,000
Memorial Hall	Sand & Reseal Floor	9,553	- 9,553	-					-
	Replace Verticals with Curtains	4,100		4,100					4,100
Jubilee Pavilion	Shutters on Large Windows	6,800		6,800					6,800
	Electrical Connection	770	- 770	-					-
Northam Library	Solar Panels	25,990		25,990		-	- 25,990	Internal Debt (Council Buildings & Amenity Reserve)	-
Wundowie Fluff Ducks	Gable Patio	5,871	- 5,871	-					-
	Electrical	3,850	- 3,850	-					-
	Earthworks	2,200	- 2,200	-					-
Club Development Officer	Club Development Officer (DSR Funded)	45,000		45,000	- 40,000			Dept Sport & Recreation	5,000
Wundowie Library	PA System	1,000		1,000					1,000
Northam Rec Centre	Replacement Chairs	12,980		12,980			- 12,980	Recreation & Community Facility Reserve	-
	Automatic Doors	11,000		11,000			- 11,000	Recreation & Community Facility Reserve	-
	Relocate Lighting Touch Screen	5,500	- 5,500	-					-
	Automatic Hand Dryers	5,280		5,280			- 5,280	Recreation & Community Facility Reserve	-
	Portable Light Weight Stage	2,750		2,750			- 2,750	Recreation & Community Facility Reserve	-
Northam Pool	Engineers Assessment	17,500		17,500	- 17,500			Annual Swimming Pool Grants	-
Wundowie Pool	Engineers Assessment	17,500	- 17,500	-	-				-
	Replace Shade Cover	25,000		25,000	- 25,000			Annual Swimming Pool Grants	-
Visitor Centre	Door Counter	1,259	- 1,259	-					-
	Point of Sale	4,389	- 4,389	-					-
Rec Center Redesign of all Carparking		7,500		7,500					7,500

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MINUTES
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22 JULY 2014

Source	Estimated Cost	REMOVE	BUDGET PROVISION	FUNDED FROM				Net Impact on Rates	
				Confirmed External Funding	Potential External Funding	Potential Internal Funding	Potential Internal Funding		
Staff									
Parks Seating and Play Equipment	40,000		40,000	-	-			40,000	
Wundowie Oval Retic Upgrade	23,000		23,000			- 23,000	Recreation & Community Facility Reserve	-	
Fleet Tracking	25,000		25,000					25,000	
Powder Coating Poles	13,000	- 13,000	-				Already in budget	-	
Cemetery Drainage - Stage 1	6,197	- 6,197	-					-	
Cemetery Drainage	10,080		10,080					10,080	
Cemetery Drainage - Stage 3	4,014	- 4,014	-					-	
Cemetery - Next Lot Development	20,000		20,000					20,000	
Northam Town Hall	Design & Cost Balcony	3,000	-	3,000				3,000	
Ballooning Championships	Support Funding - Council Res	15,000	-	15,000				15,000	
Cemetery Replacement or Refurb of Existing Toilets	Cr Beresford - Res: C2205	100,000	- 90,000	10,000				10,000	
Mtc on the (luminaries) area lighting pole fixtures at Hooper Park	Cr Rumjanstev - Res: C2202	15,000	- 5,000	10,000				10,000	
Sealing of Keane St (North) & Bedford Streets and Newman Road	Cr Rumjanstev - Res: C2202	61,000	- 61,000	-				-	
Placement of Street lights in Brockman St & Tait Close & upgrade St George & Tame Rd	Cr Rumjanstev - Res: C2202	50,000	- 50,000	-				-	
Stirling St - Traffic Calming		25,000	- 25,000	-				-	
Hampton - Traffic Calming		25,000	- 25,000	-				-	
Old York Road		-		-				-	
Air Condition Northam Rec Centre		77,256	- 67,256	10,000		-		10,000	
Air Condition Additional Works (Zamia Tce and Lobelia Ave & Zamia Tce and Wattle Crescent)	Provision suggested for planning / assessment only	10,000	- 10,000	-		-		-	
Wundowie Skate Park	Skate Park	150,000		150,000	-	- 74,000	- 76,000	Recreation Reserve & Recreation & Community Facilities Reserve	-
Wundowie Skate Park 2				28				-	
Wundowie Skate Park 3				-				-	
Playground POS improvements		30,675	-	30,675	-			30,675	

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Wundowie Skate Park	Skate Park	150,000		150,000	-	- 74,000	- 76,000	Recreation Reserve & Recreation & Community Facilities Reserve	-
Wundowie Skate Park 2				-					-
Wundowie Skate Park 3				-					-
Playground POS improvements		30,675	-	30,675	-				30,675
George Nuich Playground / Shade		100,000	-	100,000			- 90,000	POS Fairways Green	10,000
Stormwater Drainage Improvements - Rural		55,000	- 15,000	40,000			- 40,000	Drainage reserve	-
Jubilee Playground Upgrade		20,450	-	20,450					20,450
Underground Power	Design and Planning for CBD Underground Power	7,500		7,500					7,500
Old Railway Station - Carpark / Drop Zone		100,716	-	100,716					100,716
Northam Town Hall Lift - Design		85,000	- 80,000	5,000					5,000
Lance Street Parking (St Josephs)		18,722	- 18,722	-					-
Fermoy St Parking - Stage 1 (St Josephs)		23,722	- 23,722	-					-
Fermoy St Parking - Stage 2 (St Josephs)		64,414	- 64,414	-					-
Airport Cable Gate		6,800	- 6,800	-					-
Business Case Development	Provision to allow detailed design / business case development for future funding	100,000	- 50,000	50,000					50,000
TOTAL		1,541,338	- 689,017	852,321	- 82,500	- 74,000	- 287,000	-	408,821

RATES LEVIED AT JUNE 30 7,820,627
1% rate = 78,206

RATE EQUATION	
Current Deficit Budget	- 160,811
Add Consideration list additions	- 408,821
Less adjustment for last year growth	68,480
Less items removed from draft budget	
Add revenue increased in draft budg	60,000
Add Henry St Oval From Reserve	50,000
Deficit to be funded from Rates	- 391,152
RATE INCREASE REQUIRED	5.00%

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MINUTES
SPECIAL COUNCIL (BUDGET) MEETING
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RECOMMENDATION;

That Council endorses the 2013/14 Draft Budget as presented with the following adjustments;

1. Including the following items from the considerations list presented;
2. Exclude the following items from the presented draft budget;
3. Authorises staff to advertise the proposed differential rating based on an estimated total rates levied increase of approximately 5%.

Moved: Cr Hughes
Seconded Cr Tinetti

Minute No. C2254

That Council resumes Standing Orders 9.1 - 9.3 to allow formal debate pertaining to the budget content

CARRIED 10/0

There were a number of items provided for in the Draft Budget document which Elected Members wished to debate as to their inclusion;

Moved Cr Beresford
Seconded Cr Llewellyn

Minute No. C2255

That Council;

1. Removes the GPS Time Setter \$2,530 from account 10312072 on page 97 of the draft budget pertaining to the electronic time adjustor for the Town Clock; and
2. Removes the Town Clock

LOST 3/7

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Moved Cr Head
Seconded Cr Hughes

Minute No. C2256

That Council retains the \$137,000 provision for the ANZAC 100 Year Commemorations (on page 182 of the draft budget), inclusive of the development of a statue in recognition of Hugo Throssell VC

CARRIED 9/1
Cr Beresford voted against the Motion

COUNCIL DECISION

Minute No. C2257

Moved Cr Head
Seconded Cr Tinetti

That Council;

1. Undertake the following projects through the funding provided by the Department of Regional Development (2012/13 R4R Country Local Government Fund);
 - a) Footpaths & Cycle ways (identified draft 14/15 draft budget) 400,000
 - b) Roads & Kerbing (identified in 14/15 draft budget) 100,000
 - c) Drainage (identified in 14/15 draft budget) 250,000

3. Amends the draft budget to reflect a transfer of \$750,000 to the Regional Development Reserve

CARRIED 10/0

SHIRE OF NORTHAM
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SPECIAL COUNCIL (BUDGET) MEETING
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COUNCIL DECISION

Minute No. C2258

Moved Cr Rumjantsev
 Seconded Cr Llewellyn

That Council endorses the 2014/15 Draft Budget with the following adjustments;

1. Including the following items from the considerations list;

Name	Detail	Budget Provision	Revenue	Revenue Source	Net Cost to Council
Breen Rise	Emergency Access DESIGN ONLY	5,000			5,000
Digital Aerial Mapping	Regional project, support requested from Shire of Toodyay	12,000			12,000
	Replace Verticals with Curtains	4,100			4,100
Jubilee Pavilion	Shutters on Large Windows	6,800			6,800
Northam Library	Solar Panels	25,990	- 25,990	Internal Debt (Council Buildings & Amenity Reserve)	-
Club Development Officer	Club Development Officer (DSR Funded)	45,000	-40,000	Dept Sport & Recreation	5,000
Wundowie Library	PA System	1,000			1,000
Northam Rec Centre	Replacement Chairs	12,980	- 12,980	Recreation & Community Facility Reserve	-
	Automatic Doors	11,000	- 11,000	Recreation & Community Facility Reserve	-
	Automatic Hand Dryers	5,280	- 5,280	Recreation & Community Facility Reserve	-
	Portable Light Weight Stage	2,750	- 2,750	Recreation & Community Facility Reserve	-
Northam Pool	Engineers Assessment	17,500	- 17,500	Annual Swimming Pool Grants	-

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Wundowie Pool	Replace Shade Cover	25,000	- 25,000	Annual Swimming Pool Grants	-
Recreation Centre	Redesign of all Car parking	7,500			7,500
Parks Seating and Play Equipment		40,000			40,000
Wundowie Oval	Reticulation Upgrade	23,000	- 23,000	Recreation & Community Facility Reserve	-
Fleet Tracking		25,000			25,000
Cemetery	Drainage	10,080			10,080
Cemetery	Next Lot Development	20,000			20,000
Northam Town Hall	Design & Cost Balcony	3,000			3,000
Ballooning Championships	Support Funding - Council Res	15,000			15,000
Cemetery	Replacement or Refurbishment of Existing Toilets	10,000			10,000
Hooper Park	Maintenance on the (luminaries) area lighting pole fixtures	10,000			10,000
Northam Rec Centre	Air Condition Design only	10,000	-		10,000
Wundowie Skate Park	Development	150,000	- 76,000 -74,000	Recreation Reserve & Recreation & Community Facilities Reserve	-
Playground POS	Improvements	30,675			30,675
George Nuich Playground	Further development	100,000	- 90,000	POS Fairways Green	10,000
Stormwater Drainage	Improvements - Rural	40,000	- 40,000	Drainage reserve	-
Jubilee Playground	Upgrade	20,450			20,450
Underground Power	Design and Planning for CBD Underground Power	7,500			7,500

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Old Railway Station	Car park / Drop Zone	100,716			100,716
Northam Town Hall Lift	Design	5,000			5,000
Business Case Development	Allow detailed design / business case development for future funding	50,000			50,000

2. Includes a \$50,000 transfer from Reserve to accommodate the drainage and associated works to be undertaken at the Henry Street Oval;

3. Removes the expenditure and revenue associated with the relocation of the Northam Municipal Works Depot

4. Authorises staff to advertise the proposed differential rating based on an estimated total rates levied increase of approximately 5%.

CARRIED 10/0

SHIRE OF NORTHAM
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13.4. COMMUNITY SERVICES

Nil

13.5. ENGINEERING SERVICES

Nil

14. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

15. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

15.1. Elected Members

Nil

15.2. Officers

Nil

16. CONFIDENTIAL ITEMS

Nil

17 DECLARATION OF CLOSURE

There being no further business the Shire President declared the meeting closed at 9.55pm.