



MINUTES OF A SPECIAL COUNCIL MEETING, HELD IN THE COUNCIL CHAMBERS, ON WEDNESDAY, 15 JULY 2009 COMMENCING AT 6.30PM.

193. DECLARATION OF OPENING OF MEETING

The Mayor (Presiding Member) declared the meeting open.

193.1 Present

Mayor A Ferris	Presiding Member
Cr B de Jong	
Cr R Olson	
Cr D Nardi	
Cr M Rico	
Mr S Wearne	Chief Executive Officer

194. ACKNOWLEDGEMENT OF COUNTRY

Mayor Ferris made the following acknowledgement:

"On behalf of the Council I would like to acknowledge the Nyoongar people as the traditional custodians of the land on which this meeting is taking place."

Cr de Jong commended Council for flying the Aboriginal flag during NAIDOC Week.

195. RECORD OF APPROVED LEAVE OF ABSENCE

Nil.

196. RECORD OF APOLOGIES

Cr Dobro
Cr Collinson
Cr Wilson

197. PUBLIC QUESTION TIME

Nil.

198. APPLICATIONS FOR LEAVE OF ABSENCE

198.1 D Arnold

An application for leave of absence for work related reasons was submitted by the Chief Executive Officer on behalf of Cr Arnold.

Cr de Jong – Cr Olson

That leave of absence be granted to Cr Arnold for this meeting.

CARRIED

199. BUSINESS

199.1 2009/2010 Budget

By John Roberts Executive Manager Finance & Admin 7 July 2009

PURPOSE

To facilitate the adoption of the annual budget for 2009/2010 financial year and authorisation of the fees and charges for the 2009/2010 financial year.

BACKGROUND

The Town of East Fremantle's 2009/2010 draft Municipal Budget is hereby presented for consideration by Elected Members.

As in previous years, a consultation process was undertaken in the preparation of the draft budget, with elected members and staff.



15 July 2009

MINUTES

Major expenditure components of the draft budget were previously considered by Council at a Budget Workshop held on 22 May 2009, at which direction was provided to staff as to Council's preferred expenditure priorities and rate levels (including differential rates). On this basis, the draft budget has been prepared.

Staff have achieved a balanced budget by including a 5.0% increase in rates.

In prioritising works and services for inclusion in the draft budget, staff considered the following factors:

- The determined need for the project;
- Whether the project has previously been committed to (particularly in relation to projects that require grant funding);
- The cost of the project and possible funding sources;
- Setting expenditure levels so that rate increases were prepared to allow for a balanced budget. A 5.0% increase was required to allow staff to include the majority of items requested by Council, for the 2009/2010 financial year.

When examining the budget and considering adding projects not currently provided for, elected members should be mindful of the following:

- Each \$47,000 of additional expenditure equates to an approximate increase in rates of 1%;
- All salaries, wages and plant costs have been fully allocated, so that eliminating any project will result in a saving of the direct cost component of the project only, with salaries, wages and plant costs (or indirect costs) required to be re-allocated elsewhere in the budget; and
- Many projects contained within the draft budget have previously been committed to by Council, either by resolution, or other means.

Any elected member who has any query regarding the draft budget is encouraged to contact the Chief Executive Officer prior to the Special Budget Meeting.

REPORT

Comments/Discussion

- Expenditure Budget
The draft budget for 2009/2010 includes the normal statutory works and services and capital expenditure items which improve the infrastructure assets of the Town with particular emphasis on footpaths, road resurfacing and drainage.
- Loan Borrowings
The major focus on future planning has been structuring Council's level of debt so that the requirement to borrow for annual infrastructure works is eliminated. This budget has been prepared in line with this philosophy. There is no additional borrowing suggested in this budget.
- Transfers from Reserves
Council will operate with the following Reserve Funds, following a rationalisation in previous years:
 - Plant Replacement Reserve
 - Staff Leave Reserve
 - Civic Building Reserve

15 July 2009

MINUTES

- Strategic Plan Reserve
- Legal Costs Reserve
- Office Reserve
- HACC Reserve

The draft budget provides for the transfer from Reserves of \$536,820 to fund the upgrade of buildings and the replacement of plant and vehicles.

- Rates
Council at the Budget Workshop held on 22 May 2009 discussed the cost increases to local government in relation to the Consumer Price Index (CPI). The Western Australian Local Government Association (WALGA) has provided councils with a Local Government Cost Index (LGCI) as opposed to the general CPI.

As at the March quarter 2009 the indices were as follows:

General CPI	2.1%
LGCI	2.4%

The LGCI is based on the cost increase to the typical goods a local authority would purchase. The Town of East Fremantle draft budget has been based on a 5% rate increase. It is believed that this is a good balance between the requirement for the budget to keep up with cost increases particularly utilities, State Government levies and insurance, and the need to minimise rate increases for ratepayers.

- Waste and Recycling Service Charge
There is no separate service charge for the collection of recyclable and general domestic waste. The recovery of costs associated with these collections is incorporated in the rate charge.

There is a separate Commercial properties waste and recycling service charge which will increase from \$275 to \$365 per annum.

- Councillors' Meeting Fees and Allowances
Elected members currently receive entitlements in accordance with Section 5.98(1) of the Local Government Act 1995 (as amended) and Regulations 30, 33, 33(a) and 34 of the Local Government (Administration Regulations) 1996.

Local governments have two broad choices in respect of paying these fees:

- (i) a fee per meeting
- (ii) an annual fee.

In respect of both of these options there is a prescribed minimum fee which must be paid and a prescribed maximum fee which can be paid. These minimum and maximum fees constitute the "prescribed range". Council may elect to pay any fee provided it is within that range.

The fee *per meeting* range is:

- \$ 60 - \$140 per Council meeting (Councillor)
- \$120 - \$280 per Council meeting (Mayor)
- \$ 30 - \$70 per Committee meeting (Councillor and Mayor)

The total fees paid to a council member other than the Mayor for attending meetings (whether of the council or of any committee) in each year is not to exceed \$7,000. In the case of the Mayor it is not to exceed \$14,000.

The *annual fee* range is:

- \$2,400 - \$7,000 (Councillor)
- \$6,000 - \$14,000 (Mayor)

Mayoral Allowance

In addition to the abovementioned entitlement, the Mayor is entitled to be paid a Mayoral Allowance (which used to be called the "Annual entertainment allowance for Mayors" and is also described as an "annual local government allowance for a Mayor") within the prescribed range.

The minimum annual local government allowance for a Mayor is \$600. The maximum which can be paid in the case of the Town of East Fremantle is \$12,000.

Deputy Mayoral Allowance

In addition to their entitlement in regard to elected member meeting fees, a local government may decide (absolute majority required) to pay the deputy mayor of the local government an allowance of up to the prescribed percentage of the annual local government allowance to which the mayor is entitled, as above.

The prescribed percentage (i.e. maximum) is 25%.

Council has previously adopted the annual fee payment.

Based on the above information, the following allowances have been made in the 2009/10 draft budget:

Mayor Meeting Allowance	\$14,000
Annual Councillor Meeting Allowance	\$ 7,000
Mayoral Allowance	\$12,000
Deputy Mayoral Allowance	\$ 3,000

Statutory Requirements

Section 6.2 of the Local Government Act 1995 requires Council to adopt the annual budget by 31 August in each year.

Section 6.36 of the Act requires that Council advertise any proposed differential rate for a period of at least 21 days prior to imposing a differential rate. The closing date for submissions was 7th July 2009. As in previous years no submissions were received.

Relevant Policies

Nil

CONCLUSION

The proposed Budget for the year ending 30 June 2010 as attached should be adopted by Council.

1. The Budget estimates of Income and Expenditure for 2009/2010 including the supporting financial statements as amended;
2. The statement of 2009/2010 rating information:

Differential General Rate

- o Residential rate is 7.9485 cents in the dollar of (GRV)
- o Commercial rate is 11.0186 cents in the dollar of (GRV)
- o Minimum General Rate for any Residential Property is \$682.00 and any Commercial Property is \$840.00

3. Fees and Charges

That all fees and charges shown in the 2009/2010 budget be adopted and imposed for the financial year ending 30 June 2010, in accordance with Section 6.16 of the Local Government Act 1995.

4. Administration Fee (payment by instalments)
That an administration charge of \$46.50 be imposed where payment of a rate or service charge is made by instalments except that eligible pensioners will be excluded from paying the charge as per Section 6.45(3) of the Local Government Act, 1995.

An administration fee of \$50 be imposed for all other special payment arrangements.

5. Payment of Rates by Instalments
The Town, in accordance with Section 6.45 of the Local Government Act 1995 offers the following payment options for the payment of rates:-
- One instalment
 - Payment in full within 35 days of the issue date of the annual rate notice.
 - Two instalments
 - The first instalment of 50% of the total current rates plus the total outstanding arrears payable within 35 days of the issue date of the annual rate notice.
 - The second instalment of 50% of the total current rates payable by 6 January 2010
 - Four Instalments
 - The first instalment of 25% of the total current rates plus the total outstanding arrears payable within 35 days of the issue date of the annual rate notice.
 - The second instalment of 25% of the total current rates payable by 4 November 2009.
 - The third instalment of 25% of the total current rates payable by 6 January 2010.
 - The fourth instalment of 25% of the total current rates payable by 10 March 2010.

The above instalment option is subject to an administration fee of \$15.00 for each of the instalments two, three and four, together with an interest charge of 5.5% per annum calculated on a simple interest basis as follows:

- 75% of the total current general rate calculated 35 days from the issue date of the annual rate notice to the date upon which the second instalment is due;
- 50% of the total general rate calculated from the due date of the second instalment to the due date of the third instalment; and
- 25% of the total general rate calculated from the due date of the third instalment to the due date of the fourth and final instalment.

6. Waste Service Charge
In accordance with Section 112 of the Health Act 1911 (as amended) the waste collection fee for commercial properties be set at \$365.00 per annum.
7. Interest Charges on Outstanding Rates
The interest to be imposed on all current and arrears of all rates for the 2009/2010 financial year is the rate of 11% per annum calculated on a simple interest basis. Such interest will be imposed on amounts that remain unpaid 35 days from the issue date of the original rate notice, or the due date of the instalment and continues until such instalment is paid.
8. Interest Charges on Outstanding Debts
The interest to be imposed on all current and arrears of non rate debtors for the 2009/2010 financial year is the rate of 11% per annum (calculated on a simple



15 July 2009

MINUTES

interest basis) on amounts that remain unpaid 35 days from the issue date of the original invoice or notice of debt.

9. Concessions and Discounts

Under Policy 117 Council provides a concession to ratepayers who use the Leeuwin car park and boat ramp facility. There are currently 69 ratepayers utilising the concession.

In order to provide a concession the Local Government Act (Section 6.12) requires that Council must resolve by an absolute majority at the time of the budget adoption to provide the concession.

The amount of concession to be granted is difficult to estimate as this is dependent on the number of times the car park/boat ramp is used by the ratepayer. However by way of an example, if the 69 ratepayers referred to above used the car park/boat ramp one (1) day a week from October to April (26 weeks) for a 4 hour period, this would equate to \$13,814 or \$200.20 per person.

RECOMMENDATION

That the following 2009/10 draft budget be adopted.

1. The Budget estimates of Income and Expenditure included within the 2009/2010 Draft Budget as attached to and forming part of the budget document be adopted.
2. The Schedule of Fees and Charges included and forming part of the notes to the 2009/10 budget be adopted.
3. In accordance with Section 112 of the Health Act 1911 (as amended) the rubbish collection fee for commercial properties be set at \$365.00 per annum.
4. The following rates be imposed on rateable land within the district. Differential general rates for rateable land within the district are as follows:
 - Residential rate is 7.9485 cents in the dollar of (GRV)
 - Commercial rate is 11.0186 cents in the dollar of (GRV)
 - Minimum General Rate for - any Residential Property is \$682.00
- any Commercial Property is \$840.00
5. Payment by Instalments
The following options for payment of rates will be available:
 - (a) single payment within 35 days of rate notice issue;
 - (b) two instalments; and
 - (c) four instalments.
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8. Parking Concessions
Council approve the concession for the use of the Leeuwin car park and boat ramp facility for the 2009/2010 financial year for East Fremantle ratepayers.



15 July 2009

MINUTES

9. Elected Member meeting fees & allowances

The following elected member meeting fees and allowances be endorsed:

- Mayor annual meeting allowance \$14,000
- Councillor annual meeting allowance \$ 7,000
- Mayoral allowance \$12,000
- Deputy Mayoral allowance \$ 3,000

Absolute Majority Resolution Required

The Mayor thanked the Executive Manager Finance & Administration, Mr Roberts, and the Chief Executive Officer, Mr Wearne, for their work on the budget.

The Mayor noted Mr Roberts was in the UK for the funeral of Mr Roberts' father who had died recently and expressed condolences to Mr Roberts and his family.

The Mayor stated he was happy with the proposed budget and hoped Council would be able to successfully complete the proposed capital works, even if it meant temporarily obtaining additional staff resources to do so.

Cr Olson moved the recommendation.

Cr Rico raised several queries.

One issue involved the proposed upgrade of the Allen Street units. The Chief Executive Officer advised that before any upgrades went ahead, he would ensure elected members were advised of the works in question. The Chief Executive Officer further noted the cost of the upgrades would be partly offset by rent increases.

Cr Olson – Cr de Jong

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2. **The Schedule of Fees and Charges included and forming part of the notes to the 2009/10 budget be adopted.**
3. **In accordance with Section 112 of the Health Act 1911 (as amended) the rubbish collection fee for commercial properties be set at \$365.00 per annum.**
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8. Parking Concessions

Council approve the concession for the use of the Leeuwin car park and boat ramp facility for the 2009/2010 financial year for East Fremantle ratepayers.

9. Elected Member meeting fees & allowances

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- Deputy Mayoral allowance \$ 3,000

CARRIED UNANIMOUSLY
ABSOLUTE MAJORITY

200. CLOSURE OF MEETING

There being no further business, the meeting closed at 6.58pm.

I hereby certify that the Minutes of the special meeting of the Council of the Town of East Fremantle, held on 15 July 2009, Minute Book reference 193. to 200 were confirmed at the meeting of the Council on

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Presiding Member