



9 July 2008

MINUTES

MINUTES OF A SPECIAL COUNCIL MEETING, HELD IN THE COUNCIL CHAMBERS, ON WEDNESDAY, 9 JULY 2008 COMMENCING AT 6.38PM.

INDEX

- 198. **DECLARATION OF OPENING OF MEETING**
 - 198.1 *Present*
- 199. **ACKNOWLEDGEMENT OF COUNTRY**
- 200. **WELCOME TO GALLERY AND INTRODUCTION OF ELECTED MEMBERS AND STAFF**
- 201. **PUBLIC QUESTION TIME**
- 202. **RECORD OF APPROVED LEAVE OF ABSENCE**
- 203. **RECORD OF APOLOGIES**
- 204. **CONFIDENTIAL BUSINESS**
 - 204.1 *East Fremantle Town Centre*
- 205. **OPENING OF MEETING TO PUBLIC**
- 206. **ANNOUNCEMENTS BY MAYOR**
- 207. **BUSINESS**
 - 207.1 *2008/2009 Budget*
- 208. **CLOSURE OF MEETING**

9 July 2008

MINUTES

MINUTES OF A SPECIAL COUNCIL MEETING, HELD IN THE COUNCIL CHAMBERS, ON WEDNESDAY, 9 JULY 2008, COMMENCING AT 6.38PM.

198. DECLARATION OF OPENING OF MEETING

The Mayor declared the meeting open.

198.1 Present

| | |
|----------------|--|
| Mayor A Ferris | Presiding Member |
| Cr S Dobro | |
| Cr D Arnold | |
| Cr C Collinson | |
| Cr B de Jong | |
| Cr D Nardi | |
| Cr R Olson | |
| Cr M Rico | |
| Cr A Wilson | |
| Mr S Wearne | Chief Executive Officer |
| Mr J Roberts | Executive Manager – Finance & Administration |

199. 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.”

200. WELCOME TO GALLERY AND INTRODUCTION OF ELECTED MEMBERS AND STAFF

There were three members of the public in the gallery.

201. PUBLIC QUESTION TIME

Nil.

202. RECORD OF APPROVED LEAVE OF ABSENCE

Nil.

203. RECORD OF APOLOGIES

Nil.

204. CONFIDENTIAL BUSINESS

204.1 East Fremantle Town Centre

Cr de Jong – Cr Arnold

That this matter be dealt with on a confidential basis, in accordance with Section 5.23(2)(e) of the Local Government Act, as it concerns information which has a commercial value. CARRIED

The proponents of a proposed development concerning the East Fremantle Shopping Centre invited questions from elected members and provided responses.

205. OPENING OF MEETING TO PUBLIC

Cr Olson – Cr Wilson

That the meeting be reopened to members of the public.

CARRIED

206. ANNOUNCEMENTS BY MAYOR

Mayor Ferris announced that Beryl Hogg, the mother of former Cr Don Hogg, had passed away on 3 July. Mrs Hogg had cut the cake at the last Pioneers Lunch. The Mayor extended Council's condolences to Don Hogg and his family.

207. BUSINESS

207.1 2008/2009 Budget

By John Roberts Executive Manager Finance & Admin 4 July 2008

PURPOSE

To facilitate the adoption of the annual budget for 2008/2009 financial year and authorisation of the fees and charges for the 2008/2009 financial year.

BACKGROUND

The Town of East Fremantle's 2008/2009 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.

Major expenditure components of the Draft Budget were previously considered by Council at a Finance Committee meeting held on 12 March 2008 and a Council meeting held on 27 May 2008 at which direction was provided to staff as to Council's preferred expenditure priorities and rate levels (including differential rates). On this basis, this Draft Budget has been prepared.

Staff have achieved a balanced budget by including a 6.0% increase in rates (based on 2007/2008 rate revenue) and an average 4.5% increase in the Town's Fees & Charges.

In prioritising works and services for inclusion in the Draft Budget, staff were mindful of 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 6.0% increase was required to allow staff to include the majority of items requested by Council, for the 2008/2009 Financial Year and;

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

- Each \$45,000 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 (all 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 Executive Manager Finance & Administration John Roberts, prior to the Special Budget Meeting.

REPORT

Comments/Discussion

- Expenditure Budget

The Draft Budget for 2008/2009 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 by keeping to this guideline.

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
- Office Reserve
- HACC Reserve

The draft budget provides for the transfer from Reserves of \$86,000 to fund the replacement of plant and vehicles.

- Rates

Council at the preliminary budget meeting held on 27 May 2008 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 2008 the indexes were as follows:

| | |
|-------------|------|
| General CPI | 4.3% |
| LGCI | 5.0% |

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 6% rate increase. It is believed that this is a good balance between the requirement for the budget to keep up with cost increases and the need to minimise rate increases for residents.

- Rubbish Service Charge

In previous years a separate service charge on residential properties has been adopted. In 2008/09 it is proposed to include all costs of domestic waste and recycling collection into the rates levied. This will enable eligible pensioners to effectively claim a 50% rebate on the cost of waste collection as it will be included in rates levied.

Commercial properties rubbish service charge will increase from \$260.00 to \$275.00 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 2008/09 draft budget:

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



- Salaries and Wages
Salaries and wages increased in expenditure in comparison to the 2007/08 budget figures are as follows:

| | | |
|--------------------|-------|---|
| Administration | 15.0% | (Includes a new Community Development Officer and additional relief staff allocation) |
| Ranger Services | 6.0% | |
| Health | 6.0% | |
| Welfare | 6.0% | |
| Town Planning | 10.0% | (Includes additional relief staff allocation) |
| Building | 6.0% | |
| Public Works Staff | 6.0% | |

Statutory Requirements

Section 6.2 (1) of the Local Government Act 1995 requires Council to adopt an annual budget by 31 August in each year.

Section 6.2 (2) of the Local Government Act 1995 requires Council to have regard to the contents of the Plan for the Future, made in accordance with Section 5.56 of the Act.

Council advertised its Plan for the Future 2008/09 to 2017/18 on 31 May 2008. Submissions were invited from electors and ratepayers by 20 June 2008. No submissions were received.

The 2008/09 Draft Budget was compiled with regard to the Plan for the Future as advertised.

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.

Council currently levies differential rates for its residential and commercial properties. The purpose of imposing a differential rate is to obtain a fairer rate distribution and reduce the burden on residential areas by moving a minor percentage of the rates from the residential sector to the commercial sector. It is considered this differential should be maintained.

Council advertised its intention to levy differential rates for 2008/09 on 31 May 2008. Submissions were invited from electors and ratepayers by 20 June 2008. No submissions were received.

Relevant Policies

Nil

CONCLUSION

The proposed Budget for the year ending 30 June 2009, as attached, should be adopted by Council.

1. The Draft Income and Expenditure budget for 2008/2009, including the supporting financial statements and notes.
2. The statement of 2008/2009 rating information:

Differential General Rate

- Residential rate is 7.5700 cents in the dollar of GRV
- Commercial rate is 10.4939 cents in the dollar of GRV
- Minimum General Rate for any Residential Property is \$650.00 and any Commercial Property is \$800.00



3. Fees and Charges

That all fees and charges shown in the 2008/2009 budget be adopted and imposed for the financial year ending 30 June 2009, 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 2009
- 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 2008.
 - The third instalment of 25% of the total current rates payable by 6 January 2009.
 - The fourth instalment of 25% of the total current rates payable by 10 March 2009.

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. Rubbish Service Charge

In accordance with Section 112 of the Health Act 1911 (as amended):

- the cost of rubbish collection fee for residential properties be included in rates levied.
- the rubbish collection fee for commercial properties be set at \$275.00 per annum.

7. Interest Charges on Outstanding Rates

The interest to be imposed on all current and arrears of all rates for the 2008/2009 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 2008/2009 financial year is the rate of 11% per annum (calculated on a simple 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 41 ratepayers utilising the concession.

Charges

It is proposed the car park charges (inc GST) be as follows:

| | |
|-------------------------------------|---------|
| One hour | \$3.00 |
| Two hours | \$6.00 |
| Three hours | \$9.00 |
| Four hours to a maximum of 24 hours | \$12.00 |

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 41 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 \$12,792 or \$312.00 per person.

RECOMMENDATION

That the following 2008/09 draft Budget be adopted.

1. The Draft Income and Expenditure budget for 2008/2009, including the supporting financial statements and notes, be adopted.
2. The Schedule of Fees and Charges included within the 2008/2009 Draft Budget as attached, be adopted.
3. In accordance with Section 112 of the Health Act 1911 (as amended):
 - the cost of rubbish collection fee for residential properties be included in rates levied.
 - the rubbish collection fee for commercial properties be set at \$275.00 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 7.5700 cents in the dollar of (GRV)
 - Commercial rate is 10.4939 cents in the dollar of (GRV)
 - Minimum General Rate for
 - any Residential Property is \$650.00
 - any Commercial Property is \$800.00
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.

6. Interest Charges on Outstanding Rates
The interest rate to be imposed on all current and arrears of all rates for the 2008/2009 financial year is the rate of 11% per annum calculated on a simple interest basis 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.
7. Interest Charges on Outstanding Debts
The interest rate to be imposed on all current and arrears of non rate debtors for the 2008/2009 financial year is the rate of 11% per annum (calculated on a simple interest basis) on amounts that remain unpaid 35 days from the issue date of the original invoice or notice of debt.
8. Parking Concessions
Council approve the concession for the use of the Leeuwin car park and boat ramp facility for the 2008/2009 financial year for East Fremantle ratepayers.
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

Mayor Ferris – Cr de Jong

That the following 2008/09 draft Budget be adopted.

1. **The Draft Income and Expenditure budget for 2008/2009, including the supporting financial statements and notes, be adopted.**
2. **The Schedule of Fees and Charges included within the 2008/2009 Draft Budget as attached, be adopted.**
3. **In accordance with Section 112 of the Health Act 1911 (as amended):**
 - **the cost of rubbish collection fee for residential properties be included in rates levied.**
 - **the rubbish collection fee for commercial properties be set at \$275.00 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 7.5700 cents in the dollar of (GRV)**
 - **Commercial rate is 10.4939 cents in the dollar of (GRV)**
 - **Minimum General Rate for**
 - **any Residential Property is \$650.00**
 - **any Commercial Property is \$800.00**
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.**
6. **Interest Charges on Outstanding Rates**
The interest rate to be imposed on all current and arrears of all rates for the 2008/2009 financial year is the rate of 11% per annum calculated on a simple interest basis 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.



- 7. **Interest Charges on Outstanding Debts**
The interest rate to be imposed on all current and arrears of non rate debtors for the 2008/2009 financial year is the rate of 11% per annum (calculated on a simple interest basis) on amounts that remain unpaid 35 days from the issue date of the original invoice or notice of debt.
- 8. **Parking Concessions**
Council approve the concession for the use of the Leeuwin car park and boat ramp facility for the 2008/2009 financial year for East Fremantle ratepayers.
- 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 |

CARRIED
ABSOLUTE MAJORITY

208. CLOSURE OF MEETING

There being no further business, the meeting closed at 8.55pm.

*I hereby certify that the Minutes of the Special meeting of the **Council** of the Town of East Fremantle, held on **9 July 2008**, Minute Book reference **198. to 208.** were confirmed at the meeting of the Council on*

.....

Presiding Member