

**MINUTES OF A FINANCE COMMITTEE MEETING, HELD IN THE UPSTAIRS MEETING AREA, ON WEDNESDAY 10 NOVEMBER 2010, COMMENCING AT 7.00 PM****F16. OPENING OF MEETING**

The Presiding Member declared the meeting open at 7pm.

F16.1 Present

Mayor A Ferris

Cr R Olson Presiding Member

Cr B de Jong

Cr S Martin

Mr J Roberts Executive Manager Finance & Administration

F17. WELCOME TO GALLERY

There were no members of the public in the gallery.

F18. APOLOGIES

Cr Rico

F19 CONFIRMATION OF MINUTES**F19.1 Finance Committee – 22 June 2010**

Cr de Jong – Mayor Ferris

That the Minutes of the Finance Committee held on 22 June 2010, and adopted at the Council Meeting held on 6 July 2010 be confirmed subject to the following amendment:

Recommendation to Council MB Ref 14.4.condition (d) be amended as follows:

(d) a mobile phone allowance of \$360 per annum.

CARRIED

Cr Martin spoke of her disappointment that the advertised comment period for 'Plan For the Future' was less than had been agreed by Council.

F20. CORRESPONDENCE (LATE RELATING TO ITEMS IN AGENDA)

Supporting documents relating to item 7.3. Local Law register, draft advertisement, and DLG Operational Guideline 16 Local Laws.

F21. BUSINESS**F21.1 Monthly Financial Activity Statement for Period Ending 30 September 2010
By John Roberts Executive Manager Finance & Administration on 21 October 2010****PURPOSE**

To provide financial information to the Council in the form of a financial activity statement for revenues and expenditures, both operating and capital, in accordance with statutory requirements.

BACKGROUND

The monthly Financial Activity Statement for the period ending 30 September 2010 is appended and includes the following:

- Financial Activity Statement
- Notes to the Financial Activity Statement including schedules of investments and rating information.
- Capital Works/Major Capital Project Status Report

ATTACHMENT



The attached Financial Activity Statement is prepared in accordance with the amended Local Government (Financial Management) Regulations 1996; with additional material to provide Council with easy to understand financial information on Council activities undertaken during the financial year.

REPORT

Introduction/Comments

The following is summary information on the attached financial reports:

The September 2010 year to date Financial Activity Statement report shows an overall actual surplus of \$5,092,800 compared to the year to date budget of \$4,864,906, a favourable variance of \$227,894.

Revenue and expenditure variances are generally timing in nature. The surplus is large at the start of the year as the full year rate revenue is brought to account. This surplus will decrease in the remaining months of 2010/11 as it is used to fund expenditure providing works and services..

The overall favourable variance of \$227,894 can be analysed as follows:

- The YTD actual Operating Revenue is \$5,834,156 compared to the YTD budget of \$5,889,325, an unfavourable variance of \$55,169. The variance is due primarily to issue value of rates and commercial waste charges being higher than budget, higher than anticipated income from recoverable works, Development Applications, and BCTIF fees offset by a delay in receiving the Grants Commission grant and reduced mooring pen fees.
- The YTD actual Operating Expenditure is \$1,762,753 compared to the YTD budget of \$1,747,907, an unfavourable variance of \$14,846. The variance is due primarily to higher than anticipated expenditure on functional administration expenses.
- The YTD actual Capital Expenditure is \$246,041 when compared to the YTD budget of \$529,424 a favourable variance of \$283,383. The variance is due to the timing of undertaking footpath, drainage, kerbing and building works offset with the completion of building projects and installation of bus shelters funded in 2009/10

Statutory Requirements

Local Government Act 1995 (As amended)

Local Government (Financial Management) Regulations 1996 (As amended)

Relevant Council Policies

Significant accounting policies are adopted by Council on a periodic basis. These policies are used in the preparation of the statutory reports submitted to Council.

Strategic Plan Implications

Nil

Financial/Resource/Budget Implications

The September 2010 Financial Activity Statement shows variances in income and expenditure when compared with budget estimates.

Conclusion

The attached Financial Activity Statement for the period 1 July 2010 to 30 September 2010 be presented to the Council for information.

**RECOMMENDATION**

1. That the Financial Activity Statement for the period ending 1 July 2010 to 30 September 2010 be received.
2. That a detailed Capital Works Status report be prepared for the following: July to September and October to December quarters and then monthly for the remainder of the financial year.
3. The report to be presented to Council in conjunction with the Financial Activity Statement of the same period

RECOMMENDATION TO COUNCIL**Mayor Ferris – Cr de Jong**

1. That the Financial Activity Statement for the period ending 1 July 2010 to 30 September 2010 be received.
2. That a detailed Capital Works Status report be prepared for the following periods each financial year: July to September and October to December quarters and then monthly for the remainder of the financial year.
3. The report to be presented to Council in conjunction with the Financial Activity Statement of the same period. **CARRIED**

F21.2**Accounts for Payment – October 2010**

By John Roberts, Executive Manager Finance & Admin on 3 November 2010

PURPOSE

To endorse the list of payments for the period 1 October to 31 October 2010.

BACKGROUND

It is a requirement of the Financial Management Regulations that the monthly Accounts for Payment are endorsed by the Council. The List of Accounts is attached.

ATTACHMENT**REPORT****Comments/Discussion**

The List of Accounts for the period beginning 1 October and ending 31 October 2010 require endorsement by the Council.

RECOMMENDATION

That the List of Accounts for the period beginning 1 October and ending 31 October 2010 be received, as per the following table:

<i>October 2010</i>		
Voucher Nos	Account	Amount
3983-3994	Municipal (Cheques)	\$18,035.20
EFT12838 – EFT12968	Electronic Transfer Funds	\$385,693.17
Payroll	Electronic Transfer Funds	\$136,985.06
Loans	Direct Debits	-
	Municipal Total Payments	\$539,595.43

**RECOMMENDATION TO COUNCIL****Mayor Ferris – Cr de Jong****That the List of Accounts for the period 1 October and ending 31 October 2010 be received.****CARRIED****F21.3****Review of Local Laws***By John Roberts, Executive Manager Finance and Administration on 4 November 2010.***PURPOSE**

To seek approval to commence a review of the Town's local laws pursuant to Section 3.16 of the Local Government Act 1995.

BACKGROUND

Section 3.16 of the Local Government Act requires local governments to review their local laws every eight years, and provides that:

- “(1) Within a period of 8 years from the day when a local law commenced or a report of a review of the local law was accepted under this section, as the case requires, a local government is to carry out a review of the local law to determine whether or not it considers that it should be repealed or amended.*
- (2) The local government is to give Statewide public notice stating that —*
 - (a) the local government proposes to review the local law;*
 - (b) a copy of the local law may be inspected or obtained at any place specified in the notice; and*
 - (c) submissions about the local law may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given.*
- (2a) A notice under subsection (2) is also to be published and exhibited as if it were a local public notice.*
- (3) After the last day for submissions, the local government is to consider any submissions made and cause a report of the review to be prepared and submitted to its council.*
- (4) When its council has considered the report, the local government may determine* whether or not it considers that the local law should be repealed or amended.*

** Absolute majority required.”*

The bulk of the Town's current applicable local laws were adopted in 2001, with some being amended in 2004. A project to determine if the required statutory review could be dealt with by repealing and updating them at the same time was initiated but then put 'on hold' following the State Governments introduction of local government reform (essentially mergers) in February 2009.

While the issue of local government reform remains, there appears to be little practical support at State level, but in the meantime a review required by s3.16 should be progressed, and any required changes done.

The Town has 22 local laws that are still in place, one of which was a 'Repeal' local law, meaning that there are still 21 in force.

**REPORT**

As noted above, the bulk of the Town's local laws were made in 2001, with some amended in 2004. The majority are based on models produced by the WA Local Government Association. Since 2001, WALGA has issued two major updates to its models, the most recent in June 2010.

Advice was sought from Chris Liversage of CRL Highbury Consulting Pty Ltd, who has some 27 years experience with local laws and has undertaken updates for a number of local governments recently including the Cities of Stirling and South Perth. He also assisted WALGA to update its Local Laws Manual in 2009.

His advice is that:

1. In a perfect world, all the Town's local laws could be repealed and replaced with the latest versions of the WALGA models.
2. However, as with all projects that have significant resource implications, this should be considered in the context of any other issues that the Town may be dealing with.
3. A number have been superseded by later local laws or changes to legislation, particularly the Local Government Act and its associated raft of Regulations.
4. Of the remainder, the most recent local laws were made in 2002 and 2004, and are still reasonably effective. The 2005 and 2010 updates of the model WALGA local laws are essentially refinements of the 'base' model local laws that were used to develop the Town's 2002 and 2004 local laws.
5. Under these circumstances, it seems appropriate for the Town to simply:
 - a. Undertake the 8 year review as required by s3.16;
 - b. Subject to the outcome of that review, narrow the scope of any changes to local laws to simply deal with those only those areas where problems may have arisen, and update any penalty provisions; and
 - c. Repeal a number of outdated local laws till on its books.

A list of the 21 local laws still that are under consideration is attached. Also included are suggested comments about what action should be taken with respect to each. In this regard, subject to any additional feedback that may come in during the period for public submissions in the review period under s3.16, it is proposed that:

- Thirteen be repealed or their provisions incorporated into other local laws;
- No action other than a review of penalties be taken with respect to 3 local laws;
- Amendments be undertaken to one local law (Local Government Property) to deal with a problem recently encountered by the Town to deal with boats illegally moored; and
- No action be taken with respect to the remainder, although further research may be required with respect to some such as signs and hoardings.

Relevant Council Policies

Nil.

Strategic Plan Implications

Nil, although a reduction in the numbers of local laws administered by the Town will contribute to administrative efficiency.

Financial/Resource/Budget Implications

The Town's 2010/11 Budget contains provision to undertake a review of its local laws to ensure they remain consistent with other legislation and up to date.

Discussion

The above course of action is considered to be the most appropriate. The Town must comply with the requirements of s3.16. As part of the process, it should repeal those local laws that are no longer required, and amend the remainder - but only to the extent to deal with identified problems, and to update penalty provisions.

**RECOMMENDATION**

That a review of the Town's local laws under s3.16 of the Local Government Act 1995 be commenced and the results reported to Council in due course.

RECOMMENDATION TO COUNCIL

Cr de Jong – Cr Martin

1. That a review of the Town's local laws under s3.16 of the Local Government Act 1995 commence on 20 November 2010 with Local and Statewide Notice that the review is being undertaken.
2. The results of the review to be reported to Council on 1 March 2011. CARRIED

F21.4***Councillors' Communication and IT Allowance Policy***

By John Roberts, Executive Manager Finance & Administration on 5 November 2010

PURPOSE

To present to Council an amendment to Council Policy F7.1 to incorporate Councillor's Communication & IT allowances.

BACKGROUND

Council adopted to amend the Legitimate Expenses for Councillors Policy at the meeting on 6 July 2010 to include allowances for Information Technology and Communication expenses.

REPORT

Policy F7.1 has been amended to include the following allowances:

- IT Allowance \$1,000 per financial year.
- Internet Allowance \$700 per financial year.
- Landline telephone Allowance \$360 per financial year.
- Mobile Phone Allowance \$360 per financial year.

ATTACHMENT

The amended policy includes the requirement that each elected member must sign a declaration that the allowance(s) claimed are in respect of costs incurred in undertaking their Council duties.

Allowances will be calculated pro-rata for retiring and newly elected members.

RECOMMENDATION

That Policy F7.1 Legitimate Expenses for Councillors be amended to include Councillors' Information Technology Allowances. **Absolute Majority Resolution Required**

RECOMMENDATION TO COUNCIL

Mayor Ferris – Cr de Jong

That Policy F7.1 Legitimate Expenses for Councillors be amended to include Councillors' Information Technology Allowances. CARRIED

F21.5***Finance Timetable 2010/2011***

By John Roberts, Executive Manager Finance & Administration on 5 November 2010

PURPOSE

To advise Elected Members of key dates and outcomes for finance related activities in the 2010/2011 financial year.

REPORT**Comments/Discussion**

As in previous years a timetable has been compiled to ensure financial tasks are completed efficiently and that statutory deadlines are met. This timetable is presented to elected members for information. **ATTACHMENT**



RECOMMENDATION

That the 2010/2011 Finance Timetable be received.

RECOMMENDATION TO COUNCIL

Mayor Ferris – Cr de Jong

1. That the 2010/2011 Finance Timetable be received.
2. That Council host a budget information session for sporting and community groups with a proposed date of Thursday 16 December 2010. CARRIED

F22.

CLOSURE OF MEETING

There being no further business, the meeting closed at 8.10pm.

*I hereby certify that the Minutes of the meeting of the **Finance Committee** of the Town of East Fremantle, held on **10 November 2010**, Minute Book reference **F16. to F22.** were confirmed at the meeting of the Committee on*

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Presiding Member