



AGENDA

for the

SPECIAL MEETING OF COUNCIL

to be held on

Tuesday, 17 July 2018

commencing at 6.00pm.

**PLEASE READ THE FOLLOWING DISCLAIMER BEFORE
PROCEEDING**

Members of the public are cautioned against taking any action on Council decisions, on items on this evening's Agenda in which they may have an interest, until such time as they have been advised in writing by Council staff.

Council's Vision

Collie – a connected, committed and creative community.

Values

The core values at the heart of the Council's commitment to the community are:

- Acting with integrity, transparency and accountability
 - Leading the delivery of the community's vision
- Enabling community-led endeavours to make the Shire of Collie a better place
 - Respectful progress

NOTICE OF MEETING

Please be advised that meeting of the

Special Meeting of Council

commencing at **6:00pm**

will be held on

Tuesday, 17 July 2018

in Council Chambers at 87 Throssell Street, Collie WA,



David Blurton
Chief Executive Officer

13 July 2018

DISCLAIMER

The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Please note this agenda contains recommendations, which have not yet been adopted by Council.

MEETING SCHEDULE

July 2018

Councillors are reminded of the following meetings. Please note that other meetings may be planned that are not shown here. Councillors are advised to contact the Committee's Presiding Member/Chairperson if in doubt.

Tuesday 17 July 2018

Special Meeting of Council
6.00pm in Council Chambers

Tuesday 31 July 2018

Ordinary Meeting of Council
7.00pm in Council Chambers

SHIRE OF COLLIE
DISCLOSURE OF FINANCIAL INTEREST AND INTERESTS AFFECTING IMPARTIALITY

To: Chief Executive Officer

As required by section 5.65(1)(a) or 5.70 of the Local Government Act 1995 and Council's Code of Conduct, I hereby declare my interest in the following matter/s included on the Agenda paper for the Council meeting to be held on _____ (Date)

Item No.	Subject	Details of Interest	Type of Interest Impartial/Financial	*Extent of Interest (see below)

* Extent of Interest only has to be declared if the Councillor also requests to remain present at a meeting, preside, or participate in discussions of the decision making process (see item 6 below). Employees must disclose extent of interest if the Council requires them to.

Name (Please Print)SignatureDate

NB

1. This notice must be given to the Chief Executive Officer prior to the meeting or at the meeting immediately before the matter in which you have declared an interest is discussed, Section 5.65(1) (a) & (b).
2. It remains Councillors'/Employees' responsibility to make further declarations to the Council if a matter arises during the course of a meeting and no previous declarations have been made.
3. It is a Councillor's/Employee's responsibility to ensure the interest is brought to the attention of the Council when the Agenda item arises and to ensure that it is recorded in the minutes.
4. It remains the Councillor's responsibility to ensure that he/she does not vote on a matter in which a declaration has been made. The responsibility also includes the recording of particulars in the minutes to ensure they are correct when such minutes are confirmed.
5. It is recommended that when previewing Agenda, Councillors mark Agendas with items on which an interest is to be declared and complete the declaration form at the same time.
6. Councillors may be allowed to remain at meetings at which they have declared an interest and may also be allowed to preside (if applicable) and participate in discussions and the decision making process upon the declared matter subject to strict compliance with the enabling provisions of the Act and appropriately recorded resolutions of the Council. Where Councillors request consideration of such Council approval the affected Councillor must vacate the Council Chambers in the first instance whilst the Council discusses and decides upon the Councillor's application.

Remember: The responsibility to declare an interest rests with individual Councillors/Employees. If in any doubt seek legal opinion or, to be absolutely sure, make a declaration.

Office Use Only:	Date/Initials
1. Particulars of declaration given to meeting	_____
2. Particulars recorded in the minutes	_____
3. Signed by Chief Executive Officer	_____

Local Government Act 1995 - SECT 5.23

Meetings generally open to the public

- 5.23. (1) Subject to subsection (2), the following are to be open to members of the public
- (a) all Council meetings; and
 - (b) all meetings of any committee to which a local government power or duty has been delegated.
- (2) If a meeting is being held by a Council or by a committee referred to in subsection (1) (b), the Council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following --
- (a) a matter affecting an employee or employees;
 - (b) the personal affairs of any person;
 - (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;
 - (d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;
 - (e) a matter that if disclosed, would reveal --
 - (i) a trade secret;
 - (ii) information that has a commercial value to a person; or
 - (iii) information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government;
 - (f) a matter that if disclosed, could be reasonably expected to --
 - (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;
 - (ii) endanger the security of the local government's property; or
 - (iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety;
 - (g) information which is the subject of a direction given under section 23 (1a) of the Parliamentary Commissioner Act 1971; and
 - (h) such other matters as may be prescribed.
- (3) A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.

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SHIRE OF COLLIE
AGENDA – SPECIAL MEETING OF COUNCIL
Tuesday, 17 July 2018

Agenda for the Special Meeting of the Collie Shire Council to be held in Council Chambers, 87 Throssell Street Collie, on Tuesday, 17 July 2018 commencing at 7:00pm.

1. OPENING/ATTENDANCE/APOLOGIES & LEAVE OF ABSENCE

- 1.1 Councillors granted Leave of Absence at previous meeting/s.
- 1.2 Councillors requesting Leave of Absence for future Special Meetings of Council.
- 1.3 Councillors who are applying for Leave of the Absence for this Special Meeting of Council.

Cr Italiano has requested Leave of Absence for this Special Meeting of Council.

2. PUBLIC QUESTION TIME

A 15 minute public question time is made available to allow members of the public the opportunity of questioning Council on matters concerning them.

Council Consideration towards the Public:

When public questions necessitate resolutions of Council, the matter is to be dealt with immediately to allow the public to observe the determination of the matter (obviates need for the public to wait an indeterminate period of time).

3. DISCLOSURE OF FINANCIAL/IMPARTIALITY INTEREST

Councillors in attendance at meetings must disclose to the meeting any Agenda items upon which they have a Financial Interest. Section 5.65 of the Local Government Act 1995 requires Councillors to: a) give written notification of a financial Interest before the meeting; or b) at the meeting immediately before the particular matter is discussed (notification can be given verbally).

A Disclosure of Financial Interest Form is attached to this Agenda (immediately behind the Index) and can be used by Councillors for disclosure purposes - simply tear out and hand to the Chief Executive Officer. Additional forms will always be available at Council/Committee meetings.

Should Councillors be unsure on Disclosure of Financial Interest matters, further clarification can be obtained by reading Sections 5.53 to 5.59 inclusive of the Act.

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4. CORPORATE SERVICES REPORTS

4.1 2018/19 Annual Budget Overview

Reporting Department:	Corporate Services
Reporting Officer:	Hasreen Mandry – Finance Manager
Accountable Manager:	Allison Fergie – Director Corporate Services
Legislation:	WA Local Government Act (1995)
Appendices:	Yes – Supplied as a separate document
File Number:	FIN/005
Voting Requirements:	Simple Majority

Report Purpose:

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

Officer's Recommendation:

That Council receives the 2018/19 budget overview.

Background:

The development of this draft is the culmination of many months of preparatory work undertaken by each individual Department under the guidance of the Council's Finance Manager, Hasreen Mandry. The budget takes into consideration Council's long term financial plan and asset management plans. Regular reviews of these plans will continue over the coming years to ensure they remain as accurate and relevant as possible.

Draft Budget Development

In developing the draft budget Management have taken a ground up approach, adding layers to the budget through the process in order to come up with the final draft document for the consideration of Council.

1. The first layer involved a detailed analysis of the operational requirements (what is required in order for the organisation to operate based on pre-existing service standards) which has resulted in some adjustments to operational allocations to better reflect organisational requirements.
2. The second layer incorporated the inclusion of items not completed in the previous financial year which were to be carried forward into the 2018/19 draft budget.
3. The third layer involved staff submitting their 'items for consideration', that is items which are operational and not 'normal' budget items. This third layer was then assessed by myself along with the Directors with supported items finding their way onto the consideration list.

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4. The fourth layer of the budget involved the Council in their determinations of footpath, road construction and plant replacement programs as well as establishing fees and charges for 2018/19. The draft program for the coming financial year was endorsed by Council at its ordinary meeting on 27th March 2018 and a copy will be incorporated into the final budget document.
5. The fifth and final layer which is required, is the Council including any items which they have referred to budget during the year, which will be determined on the budget night (Considerations supplied as a separate document).

In its current format, the draft budget has been prepared factoring a gross rate increase of **0.55%** over rates in 2017/18 which *excludes* items that have been identified on the consideration list. This forms a starting point for the Council and using its discretion, Council can determine priority items to be included in the final budget document, bearing in mind that each additional 1% increase in rates equates to approximately \$59,380.

Statutory and Policy Implications:

WA Local Government Act 1995

Budget Implications:

Annual Budget setting.

Communications Requirements: (Policy No. CS 1.7)

Media Release

Strategic Community Plan/Corporate Business Plan Implications:

KEY OBJECTIVE 5.0

Our Business

Good governance and an effective, efficient and sustainable organisation.

Outcome 5.3:

Financial sustainability and accountability, with emphases on the below strategies;

- 5.3.4: Ensure a rating system is in place which is transparent and promotes equity, timeliness, affordability and comparability.
- 5.3.5, provide corporate financial services that support the Shires operations and meet planning, reporting and accountability requirements.

Comment:

There have been a wide range of factors which have influenced the development of the 2018/19 annual draft budget. The major factors, as well as other information of interest, are highlighted below;

- **Financial Assistance Grant**

The Shire is expecting to receive \$1,739,494 as Financial Assistance (FAG). There has not been an increase estimated as the Department has advised there's a minimal growth in the funding pool from the State government. A prepayment has been received for a approximately 50% of the 2018/19 grant allocation but for the purpose of this budget process its been carried forward to 201819.

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- **Employee Costs**

An overall decrease of 2.5% is expected on the operating portion of the employment cost. However, the overall position of Council's employment cost has increase by 1.03%, which can be attributed to a 2% increase in the EBA, a 0.97% decrease to cost due to a reduction in fringe benefit tax and employment termination of the Community House Officer and Project Manager.

- **Materials and Contracts**

The main reason for a reduction in materials & contracts is due to an increase in capitalisation of plant costs. There's also specific items in 2017/18 listed below that do not appear in the 2018/19 budget:

- i. Local Government Election: \$29,600
- ii. Strategic & Corporate Business Plan: \$22,000
- iii. Urban Interface Bush Fire Hazard Reduction Program: \$19,900
- iv. PHN Innovation and Collaboration: \$20,000

Additional item removed from the 2018/19 budget is rates printing (\$4300) and donations (\$30,850) which has been presented in the considerations list.

- **Higher Utility (Electricity & Water) Prices**

Consistent with recent years, an increase of 10% is expected due to the increase in tariff for water and electricity.

- **CPI and Local Government Cost Index (LGCI)**

Figures show that the Perth CPI increased by 0.9% for the twelve months to March 2018 and is forecast to grow by 1.5% in 2018/19. This is however a general measure of inflation and is not specific to the cost increases faced by local governments in providing services to their local communities. The LGCI is specific to local government and therefore a valuable measure of inflation for Council. WALGA reported that the Local Government Cost Index (LGCI) is forecast to increase by 2.1% for the same period.

- **Previous Years Rates**

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.

Year	2013/14	2014/15	2015/16	2016/17	2017/18
% Rates Increase	9.07%	4.59%	4.26%	3.86%	2.00%

The presented increase does not include the additional items for consideration that Council may resolve to include within the budget. The greater than average increases shown in the table above for the 2012/13 - 2013/14 years resulted from the change in methodology of the distribution of multi-purpose grants by the Grants Commission. This signified an \$800,000 reduction over a four year period for

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Council, however the loss in 2014/15 was offset with additional income from Bluewaters powerstation rates and changes in the funding pool. The 2015/16 budget reflected the final financial year affected by this change in methodology.

- **Projected Surplus**

A projection of the end of year (30 June 2018) is \$965,659, which represents projects which have not been completed and will be carried into the 2018/19 financial year. The actual figures may change after we finalise our financial statement and complete the annual audit, which will determine the budget surplus for start of 2018/19. Any untied surplus if generated will be guided by Council policy CS3.13 'End of year surplus policy'. An important element of this policy states that 'Council recognises that untied surpluses will not be used to offset the future annual operating costs of the Council'.

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4.2 Items for Consideration

Reporting Department:	Corporate Services
Reporting Officer:	Hasreen Mandry – Finance Manager
Accountable Manager:	Allison Fergie – Director Corporate Services
Appendices	Yes - Supplied as a separate document
File Number:	
Voting Requirement	Simple Majority

Report Purpose:

For Council to determine which projects identified on the Items for Consideration are to be included in the 2018/19 Draft Budget document.

Officer's Recommendation:

That Council endorses the 2018/19 Draft Budget as presented with the following adjustments;

Background:

All Elected Members were provided with the opportunity to attend budget workshops to allow the Council Finance team to provide an outline of the budget document as presented, answer questions, and provide clarifications.

The budget document consisted of the draft budget, list of items for consideration and Possible operational and Capital Budget saving options. 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 0.55%

Statutory and Policy Implications:

Nil

Budget Implications:

The projects which are listed in the items for consideration can be funded from a range of sources including;

- General Revenue, every additional (\$59,380) of expenditure equates to a one percentage rise in required rates revenue.
- Reserve Accounts
- By removing other items from the provided budget.
- By looking at possible operational/capital budget saving options

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Communications Requirements: (Policy No. CS 1.7)
Media Release

Strategic Plan Implications:

Goal 5: Our Business - Good governance and an effective, efficient and sustainable organisation

Outcome 5.3: Financial Sustainability and Accountability

- Strategy 5.3.4: Ensure a rating system is in place which is transparent and promotes equity, timeliness, affordability and comparability.
- Strategy 5.3.5: Provide corporate financial services that support the Shires operations and meet planning, reporting and accountability requirements.

Relevant Precedents:

N/A

Comment:

A separate list is provided for items for consideration which require the Council to make determinations for the final budget to be developed. Elected Members have been provided this information as a separate document.

For the benefit of Councillors, staff will have a "live update" up on the screen on the night so Council can track the impact on rates increases as decisions are made.

5. **CLOSE**