



MINUTES

OF the

SPECIAL MEETING OF COUNCIL

held on

Tuesday, 17 July 2018

commencing at 6.00pm.

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Minutes of the Special Meeting of the Collie Shire Council held in Council Chambers, 87 Throssell Street Collie, on Tuesday, 17 July 2018 commencing at 6:11pm.

1. OPENING/ATTENDANCE/APOLOGIES & LEAVE OF ABSENCE

PRESENT:	Sarah Stanley	Councillor (Presiding Member)
	Ian Miffling JP	Councillor (Deputy Member)
	Rebecca Woods	Councillor
	Brett King	Councillor
	Michelle Smith	Councillor
	Jodie Hanns	Councillor
	Leonie Scoffern	Councillor
	John Piavanini	Councillor
	Gary Faries	Councillor
	Elysia Harverson	Councillor
	David Blurton	CEO
	Allison Fergie	Director Corporate Services
	Amanda Arul	Assistant Accountant
	Belinda Dent	CEO PA

APOLOGIES: Cr Joe Italiano
Andrew Dover -Director Development Services
Brett Lowcock - Director Technical Services
Hasreen Mandry – Finance Manager

GALLERY: Breeanna Tirant – Collie Mail (arrived 6.31pm and left at 9.56pm.)

- 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.

7863

Moved: Cr Faries	Seconded: Cr Miffling
That Cr Italiano be granted Leave of Absence for this Special Meeting of Council.	
CARRIED 10/0	

2. PUBLIC QUESTION TIME
Nil

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3. DISCLOSURE OF FINANCIAL/IMPARTIALITY INTEREST

The Chief Executive Officer advised that Disclosures of Financial Interests had been received from Councillors/staff as listed below:

Councillor/Staff	Agenda Item 4.2 – Items for budget considerations.	Disclosure
Mrs Fergie	Demolition of old Allanson Bushfire Brigade Art Gallery Operating Grant Collie River Valley Marketing Grant	Proximity Impartial Impartial
Mr Blurton	Valleyview Board Member	Impartial
Cr Miffing	Collie Visitors Centre wife an employee Deputy Presidents Allowance North Collie Hall – Secretary of Committee Friends of Valleyview	Financial Financial Impartial Financial
Cr Woods	Collie Chamber of Commerce - employee	Financial
Cr Hanns	Collie Senior High School employee Friends of Valleyview	Financial Impartial/Financial
Cr Stanley	Presidents Allowance Collie River Valley Marketing Project Manager for Industry Road Safety Alliance Collie Chamber of Commerce Quote for Motoring South West	Financial Financial Financial Financial Financial
Cr Smith	Collie Chamber of Commerce - Executive Collie Visitors Centre – Member Collie River Valley Marketing - Representative	Impartial Impartial Impartial
Cr Faries	Friends of Valleyview	Financial
Cr Piavanini	Museum – Board Member Friends of Valleyview	Impartial Financial
Cr King	Fire Control Officer – Harris River Bushfire Brigade	Impartial

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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

7864

Officer's Recommendation/Council Decision:

Moved: Cr King

Seconded: Cr Faries

That Council receives the 2018/19 budget overview.

CARRIED 10/0

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.

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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.
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

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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.

- **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

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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 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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Cr Stanley, Cr Miffing, Cr Hanns, Cr Faries, Cr Piavanini and Cr Woods declared Financial Interests and Mrs Fergie declared a Proximity Interest in Item 4.2.

Cr Stanley and Cr Miffing left the room 6.21pm and the CEO called for nominations to chair the meeting. Cr Faries was the only nomination and assumed the Chair.

7865

Moved Cr Harverson	Seconded: Cr Piavanani
That Council increase the President allowance to \$4,000 and Deputy Shire President allowance to \$1,000 in the 18/19 budget.	
CARRIED 8/0	

Cr Stanley and Cr Miffing returned to the room 6.23pm.

Cr Stanley resumed the Chair.

Cr Stanley left the room at 6.25pm.

Cr Miffing assumed the chair at 6.25pm.

7866

Moved: Cr Faries	Seconded: Cr Harverson
That Council include an allocation of \$5,000 towards the Collie River Valley Marketing group in the 18/19 budget.	
CARRIED 9/0	

Breeanna Tirant arrived in Chambers at 6.31pm.

7867

Moved: Cr Hanns	Seconded: Cr Smith
That Council include the Industry Road Safety Alliance subscription (part of Item 2182) in the 18/19 budget.	
CARRIED 9/0	

7868

Moved: Cr King	Seconded: Cr Scoffern
That Council include the Motoring Southwest Manager allocation of \$10,000 in the 18/19 budget.	
CARRIED 9/0	

Cr Wood left the room at 6.39pm.

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7869

Moved: Cr Hanns	Seconded: Cr Faries
That Council include the Collie Chamber of Commerce and Industry membership in the 18/19 budget.	
CARRIED 8/0	

Cr Stanley and Cr Woods returned to the room 6.40pm.

Cr Stanley resumed the Chair.

Cr Miffing left the room at 6.41pm.

7870

Moved: Cr Faries	Seconded: Cr Scoffern
That Council increase the Collie Visitors Centre operating grant by \$30,000 in the 18/19 budget.	
CARRIED 6/3	

Cr Miffing returned to the room at 6.59pm.

Cr Hanns left the room at 7.00pm.

7871

Moved: Cr Harverson	Seconded: Cr Smith
That Council include a \$5,000 contribution for towards Youth Care for the Schools in Collie in the 18/19 budget	
CARRIED 9/0	

7872

Moved: Cr Faries	Seconded: Cr Harverson
That Council decline Item 25 being a contribution of \$75,000 requested from the WA Education Department to construct 40 angled verge embayment and advise in writing.	
CARRIED 9/0	

Cr Hanns returned to the room at 7.09pm.

Cr Piavanini, Cr Faries and Cr Miffing left the room at 7.11pm.

7873

Moved: Cr King	Seconded: Cr Harverson
That Council consider the Valleyview rating concession at the next meeting of Council.	
CARRIED 7/0	

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Cr Piavanini, Cr Miffling and Cr Faries returned to the room at 7.18pm.

Mrs Fergie left the room at 7.18pm.

Moved: Cr Faries

Seconded: Cr Smith

That Council decline Item 7 being the demolition of the former Allanson Bushfire Brigade building in the 18/19 budget.

Lost 4/6

7874

Moved Cr King

Seconded: Cr Scoffern

That Council include the demolition of the former Allanson Bushfire Brigade building in the 18/19 budget.

CARRIED 6/4

Mrs Fergie returned to the room at 7.33pm.

7845

Moved: Cr Harverson

Seconded: Cr Woods

That Council suspend Standing Orders.

CARRIED 10/0

Council then worked through each matter listed on the the list budget consideration list asking questions and having informal discussion.

Ms Dent left the room at 7.59pm and returned at 8.00pm.

Cr Scoffern left the room at 8.30pm and returned at 8.31pm.

Adjourned for Dinner at 9.33pm.

Breeanna Tirant left Council Chambers at 9.56pm.

The meeting recommenced at 9.57pm.

Cr Woods left the room at 11.11pm and returned at 11.12pm.

7846

Moved: Cr Faries

Seconded: Cr Woods

That Council resumes Standing Orders.

CARRIED 10/0

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Rescission of a Previous Motion:

Mrs Fergie declared a Proximity Interest and, left the room at 11.57pm.

7847

Rescind Motion #7874:

Moved: Cr Faries

Seconded: Cr Piavanini

That Council rescind the motion to include the demolition of the Allanson Bushfire Brigade old building in the 18/19 budget.

**CARRIED 7/3
Cr King Against**

Mrs Fergie returned at 11.59pm.

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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.

7848

Officer's Recommendation/Council Decision:

Moved: Cr Faries

Seconded: Cr Woods

That Council,

A. endorses the 2018/19 Draft Budget as presented with the following adjustments;

- 1) \$2,000 towards Marketing of the Busselton / Margaret River airport
- 2) \$1,500 towards removal of underground fuel tank at old depot
- 3) \$65,000 towards stabilising Roche Park cracking walls (loan funded pending report)
- 4) \$20,000 towards an open space strategy (loan funded)
- 5) \$4,000 towards trail strategy promotion (to be funded from economic development carry forward)
- 6) \$25,000 towards additional building maintenance requests
- 7) \$10,000 towards irrigation audit and bore development strategy (loan funded)
- 8) \$20,000 towards replacing basketball backboards at Roche Park
- 9) \$3,999 towards purchase of inflatables at Mineworkers Memorial Swimming pool offset by an increase of \$2,000 in revenue.
- 10) \$14,917 towards creation of new brand and logo for the Shire of Collie (to be funded from economic development carry forward)
- 11) \$35,000 material cost towards modifications to transfer station weighbridge (loan funded)
- 12) \$5,360 towards an additional street light in Saunders Street
- 13) \$1,000 towards jumbo toilet roll dispensers at the Collie Senior Citizens

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centre.

- 14) Reduce general donations account from \$7,500 to \$5,000
- 15) Reduce annual contributions from \$5,000 to \$4,000 for the Collie Rotary Club (Adventure Race), Collie Agricultural Society (Collie Show) and Collie Lions Club (Christmas pageant);
- B) Raise a loan in the 18/19 budget totalling \$130,000 for the identified projects above.

CARRIED 10/0

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

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:

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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.

The following matters/notes were made during the meeting which require action from staff;

1. Staff to respond to all organisations and individuals who made budget requests advising of success or otherwise;
2. Council requested a review of the donations policy
3. More information was requested regarding the increasing need for alarm monitoring and new alarm systems in some Council buildings.

5. CLOSE

The Shire President thanked Council and Staff for their attendance. The Presiding Member declared the meeting closed 12.00am.

I certify that these Minutes were confirmed at the Ordinary Meeting of Council held on Tuesday, 31 July 2018.

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Presiding Member

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Date