

TOWN OF BASSENDEAN

NOTICE OF A SPECIAL COUNCIL MEETING

Dear Council Member

A Special Meeting of the Council will be held on Thursday 7 July 2016, in the Council Chamber, 48 Old Perth Road, Bassendean, commencing at 7.00pm. The purpose of the meeting is for Council to adopt the 2016-2020 Corporate Business Plan and the 2016/17 Budget.

Mr Bob Jarvis
CHIEF EXECUTIVE OFFICER

1 July 2016

A G E N D A

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Town of Bassendean acknowledges the past and present traditional owners of the land on which we gather to conduct this meeting, and pays its respects to their Elders, both past and present.

2.0 PUBLIC QUESTION TIME AND ADDRESS BY MEMBERS OF THE PUBLIC

3.0 ATTENDANCES, APOLOGIES & APPLICATIONS FOR LEAVE OF ABSENCE

Apologies

Cr Bob Brown

4.0 REPORTS

4.1 Integrated Planning and Reporting Framework - Review of the 2015-2019 Corporate Business Plan and Adoption of the 2016-2020 Corporate Business Plan (Ref: CORM/POLCY/1 - Bob Jarvis, CEO, and the Executive Management Team)

APPLICATION

The purpose of the report is for Council to adopt the revised Corporate Business Plan in accordance with the Local Government Act.

Attachment 1

- Draft 2016-2020 Corporate Business Plan

BACKGROUND

Council is required to review the Corporate Business Plan prior to adoption of the 2016/17 Budget and ensure that it continues to align with the Community Strategic Plan, which was adopted in February 2013.

The Objectives and Strategies are those included in the Community Strategic Plan and can only be amended if and when the Community Strategic Plan is reviewed, as this requires community consultation and endorsement.

These will be revised following the adoption of the new 2017-2027 Community Strategic Plan which will commence in the 2016/17 financial year and conclude in the 2017/18 financial year.

STRATEGIC IMPLICATIONS

The adoption of the Community Strategic Plan and development of the Corporate Business Plan and informing strategies will provide long term plans that must be taken in to consideration in the future development of the Town of Bassendean.

The Town is required to develop the following:

- Community Strategic Plan - (reviewed every 4 years);
- Corporate Business Plan - (reviewed annually); and
- Informing Strategies - Asset Management Plan, Workforce Plan and Long Term Financial Plan.

COMMENT

The Corporate Business Plans provides links to the Community Strategic Plan which provides the visions and aspirations of the Community. In order to ensure there are those linkages, information (whether financial or not), has been provided on the following themes:

- Town Planning and Built Environment;
- Environmental Sustainability and Adaptation to Climate Change;
- Economic Well-being and Prosperity;
- Arts Heritage and Culture; and
- Inclusiveness, Lifelong Learning, Health and Social Well-being.

The following draft changes have been made to the 2015-2019 Corporate Plan to incorporate the current and future developments and operational functions:

Town Planning and Built Environment

The amendments include:

- Strategic Planning Framework;
- The Winding up of TPS4A;
- Modified Local Planning Strategy by February 2018;
- Urban Intensification Plans prepared by April 2018;
- Amended Local Planning Scheme adopted by June 2019;
- Design Guidelines prepared by June 2019;
- Urban Forrest Strategy;
- Street Tree Master Plan Review by 2017;
- Review of the Playspaces Implementation Plan; and
- Establishment of a Road Safety Committee.

Environmental Sustainability and Adaptation to Climate Change

The amendments include:

- Adoption of the Swan River Precinct Plan by June 2017;
- Urban Intensification Plans that seek to mitigate the urban heat islands;
- Number of Solar Panels installations;
- Support EMRC in the establishment of a secondary waste recovery facility.

Economic Well-being and Prosperity

The amendments include:

- Collaborate with LandCorp to deliver a positive outcome on the redevelopment of Bassendean Oval;
- Promotion of NBN roll out and above average internet speeds to all households and businesses;
- Identify home based businesses and encourage greater entrepreneurialism;
- Markets attract greater number of stalls and larger audience;
- Activity Centre developments add to the community; and
- Re-New Old Perth Road Program.

Arts Heritage and Culture

The outcomes and measures of success within this key result area were reviewed and confirmed to being current.

Inclusiveness, Lifelong Learning, Health and Social Well-being

The outcomes and measures of success within this key result area were reviewed and confirmed to being current with a minor amendment to the outcomes and measure of success to reflect an enhanced priority to consultation and to accommodate programs promoting mental health.

INFORMING STRATEGIES

Long Term Financial Plan 2016-2026

The Plan provides the long term financial data for the ensuing 10 years and the first year being the allocations contained with the draft 2016/17 Budget.

Asset Management Plan

The Asset Management Plan provides the details of the development and maintenance of the Town's assets for the ensuing 10 year period.

The Asset Management Plan and the available asset conditions have been used as an informing strategy for the review of the 2015-2019 Corporate Plan and the draft 2016/17 Budget.

Review of Workforce Plan 2016-20

This plan was presented to Council at its March 2016 OCM and was adopted with a number of new positions for the 2016/17 financial year.

The Plan provides an analysis of the current human resources of the Town and identifies the additional resources required for the ensuing 4 years. This report has been used to prepare the additional staff requirement in the 2016/17 draft Budget.

The revised Workforce Plan forms part of the informing strategies.

STATUTORY REQUIREMENTS

Section 5.56 of the Local Government Act.
Regulation 19D, 19DA & 19DB of the Local Government (Administration) Regulations.

FINANCIAL CONSIDERATIONS

It should be noted that the Community Strategic Plan from which the contents of the Corporate Business Plan are drawn, will be comprehensively reviewed by 30 June 2017. The Corporate Plan under consideration is, however linked, as is required, to the current Community Strategic Plan for a final year.

OFFICER RECOMMENDATION – ITEM 4.1

That Council adopts the 2016-2020 Corporate Business Plan attached to the Special Council Agenda of 7 July 2016.

Voting requirement: Simple majority

4.2 Adoption of the 2016/17 Budget (Ref: FINM/BUGTG/1 - Mike Costarella, Director Corporate Services)

APPLICATION

Council is requested to adopt the 2016/17 Budget.

ATTACHMENT

Attachment 2

- 2016/17 draft Budget and supporting documents

BACKGROUND

Staff prepared and presented the two components of the draft Budget, namely the Capital Works and Operational Income and Expenditure, to a Council workshop held on the 29 June 2016.

The 2016/17 Budget has been developed using:

- Long Term Financial Plan;
- Asset Management Plan; and
- Workforce Plan.

Council held a budget workshop on Wednesday 29 June 2016, where a number of changes were made to the draft budget document. These included:

- Exclude AT1615 –New Footpath Carman Way-\$66,500; and
- Reduce A/C 131479- Street Audit/ Canopy Mapping from \$120,000 to \$60,000.
- Reduce the rates increase for the 2016/17 financial year from 4% to 3%.

COMMENT

The budget document has been formulated in accordance with requirements of the Financial Management Regulations and the Local Government Act. This incorporates:

- Statutory Financial Statements – incorporating the Rates Setting Statement, Cash Flow and Notes associated with the Statements, as well as Income and Expenditure Statements by Nature and Type and by Function.

- Operating Income and Expenditure for:
 - 2016/17 Draft Budget;
 - 2015/16 Forecast; and
 - 2015/16 Adopted Budget.
- 2016/17 Capital Works Program;
- Profit and Loss on the Sale of Assets; and
- Fees & Charges for 2016/17 (including 2015/16).

2015/16 Estimated Closing Surplus

The 2015/16 Budget (adopted in July 2015) was built around having a surplus of \$46,808. This was amended to \$68,143 at a Special Council meeting in March 2016.

The revised closing surplus at 30 June 2016 is now anticipated to be \$1.7M. Contributing to the carried forward surplus is the significant value of capital works that are anticipated will not be completed by 30 June 2016 and have been carried over to the 2016/17 financial year.

In summary the additional surplus for the 2015/16 financial year relates to:

- Uncompleted and Saving on Capital Works \$1m.
 - Uncompleted property, plant and Equipment \$670,000
 - Uncompleted infrastructure \$330,000
- Savings in Parks & Reserves Jobs \$450,000.
- Additional operational grants \$60,000.
- Savings in general recurrent expenditure \$90,000.
- Savings on Asset Depreciation(Revaluation)\$100,000.

The estimated surplus for 2016/17 year is \$24,860.

The uncompleted capital works have been included in the 2016/17 draft Budget.

The following are comments on the **major changes** to the operating income and expenditure by the nature and type classifications:

2016/17 REVENUE

Rates \$12,660,638

The 2016/17 draft Budget has been prepared utilising a 3% increase in the rateable income. Staff have also included an amount of \$160,000 in interim and back rates which when included in the increase provides for a 6.1% increase in income from rates from the 2015/16 to 2016/17 financial year.

In order to achieve a 3% increase in rateable income, the rate in the dollar has been adjusted from 6.36 cents to 6.5510 cents. The minimum rate for each property will require an increase from \$1026 to \$1,057.

Operating Grants, Subsidies and Contributions

Operating grant main sources include: General Purpose Grants, Seniors & Disability Services, Emergency Services, Youth Services, Children's Services and Road Grants.

Fees and Charges

There has been a 2.0% increase in the overall fees and charges income. These relate to waste service charges, town planning fees, building fees, rental charges for property leases, rates fees and charges, community facilities hire private works, public events and parking.

Rubbish Charges

The waste management expenditure of the draft budget equates to \$2.3m and in order to recoup the cost of the service, it is proposed to increase the rubbish charge from \$335 to \$345 per service. The state government has increased the waste services levy by \$5.00 per tonne.

The Fees and Charges will include a new fee for shared waste faculties within multi unit developments. This will cater for the shared bins between 2 owners. The following statement is included in the Fees and Charges Schedule:-

Shared waste services

Where a number of units share bin services the waste service charge shall be divided by the number of dwelling based on the standard waste service charge. As an example where 9 dwellings share 4 services the fee will be $4 \times \$345.00/9 = \153.33

Tip Passes - Attached to Rates Notice for 2016/17

It is proposed to continue the printing of the tip passes for the 2016/17 rating period, and when a rubbish service charge is levied on a property, 4 tip passes will be printed onto that rates assessment/notice.

With the introduction of the new tip pass process in July 2015, a number of administrative issues were encountered. To provide guidance to staff, guidelines of how the tip pass system operates has been produced, and is attached to this agenda.

The Fees and Charges Schedule also includes a fees for requests for additional tip passes in the event that the owner of the property has lost or requires additional tip passes.

Expenditure - 2016/17

Employee Costs

Expenditure for employee costs has increased by 10% due to an EBA increase of 4% on the previous year and additional positions as listed below.

The draft budget also provides for additional staff within the adopted Workforce Plan in a number of service areas. These include:

- Webmaster;
- Director Strategic Planning;
- Administration Support Officer – Planning;
- Library Officer (Part-time);
- Engineering Technical Officer (Part-time);
- Client Liaison Officer HACC; and
- Assistant in home nursing.

Depreciation

This is a non-cash item and does not have any affect on the rates and charges. The amount is included in the statement of comprehensive income to reflect the reduction in value of assets for the ensuing 12 months. A charge (\$3,467,084) for depreciation is included as required by Accounting Standards.

2016/17 Capital Works Program

The capital works program was developed using the Asset Management Plans for the 2016/17 financial year. The total of all projects anticipated to be undertaken in the 2016/17 financial year equates to a total of \$4,848,988.

These were prioritised on the following basis:

Priority 1

Works/project are listed in the Asset Management Plan as a priority 1, funded by an outside source and funding will be lost if not used. Council resolved to actually do the work/project.

Priority 2

Works/project is listed in the Asset Management Plan as a priority 2. Council resolved to list the work/project for budget consideration.

Priority 3

Works/project is an officer recommendation without a Council resolution or AMP priority listing.

The amounts for each priority equates to the following:

- Priority 1: \$4,861,080 (included in draft Budget)
- Priority 2: \$1,187,000 (not included in draft Budget)
- Priority 3: \$ 83,500 (not included in draft Budget)

A complete list of all the capital works projects with their respective priority is included as part of the budget documents.

The capital works program, consists of the following improvements to Assets:

- | | |
|-----------------------------|-------------|
| • Land and Buildings | \$2,008,927 |
| • Plant & Equipment | \$22,000 |
| • Furniture & Equipment | \$71,953 |
| • Roadworks | \$1,563,200 |
| • Drainage | \$300,000 |
| • Footpaths | \$380,500 |
| • Parks, Gardens & Reserves | \$895,000 |

Funding is from the following sources:

- Grants \$1,657,421
- Transfer from Reserves \$ 620,000
- Trade-in (Vehicle) \$ 3,000
- Cash in Lieu \$ 540,000
- Rates Income \$2,040,659

Mayoral and Councillors' Fees and Allowances

The fees payable to the Mayor and Councillors have been reviewed by the Salaries and Allowances Tribunal on 12 April 2016. The Tribunal decided to increase the amounts within the ranges by 1.5%.

The meeting fees are based on an individual meeting fee or an annual fee and have a minimum and a maximum range. All WA Councils have been allocated a Band ranging between 1 to 5. The Town of Bassendean has been assessed as a Band 3 Council.

The following are the Town of Bassendean's allowance applicable to Band 3:

	Minimum	Maximum
Councillor Annual Meeting Fee	\$7,612	\$16,205
Mayor Annual Meeting Fee	\$7,612	\$25,091
Mayoral Annual Allowance	\$1,015	\$36,591
ICT Expenses (Communication)	\$500	\$3,500

There is provision for an amount up to 25% of the allowance paid to the Mayor, to be paid to the Deputy Mayor. The following have been included in the 2016/17 draft Budget:

Councillor Annual Meeting Fee	\$16,000
Mayor Annual Meeting Fee	\$ 25,000
Mayoral Annual Allowance	\$ 36,000
ICT Expenses (Communication)	\$3,500
Deputy Mayoral Allowance	\$9,000

Councillor Training Budget

\$12,000 has been allocated for training purposes in the 2016/17 financial year. This equates to \$2,000 per Councillor.

Adoption of Fees and Charges

The Local Government Act 1995 requires that all fees and charges be included in the budget document.

The Schedule of Fees and Charges is included as an attachment and requires that Council adopts the Fees and Charges for the 2016/17 financial year.

Rate Administration Fee and Interest Charge for Instalment Option

Council has included a Rate Administration Fee of \$36 and an Interest Charge for Instalments of 5.5% in 2016/17. Interest charged may be up to a maximum of 5.5%. The interest charge is regulated by the Local Government (Financial Management) Regulations 1996.

The principal reason for the introduction of an administration fee and interest charge on the outstanding balance of rates, is to ensure Council either has use of the money for investment or an interest charge is paid by the ratepayer.

Ratepayers who do not elect to pay their rates by instalments can use the "special payment arrangement" and a fee of \$50 will apply.

The fee covers officer time and external costs for preparing and sending out instalment notices and the additional receipting and checking involved.

Transfer to/from Reserves and Restricted Cash

The 2016/17 Reserves transfers are:

Movement from Reserve

- HRV AB1602 – (\$70,000)
- TPP and Muni AB1604 - \$380,00
- TP and Muni AB1601 - \$170,000
- Unspent Grants - \$0.000
- HACC - \$14,518.99

Movement to Reserve

- Sale of Hamilton Street - \$675,000
- Unspent Grants - \$50,000
- Interest - \$78,208

Restricted Trust

- Sandy Beach Playground - \$290,000
- Mary Crescent Playground - \$250,000

Rates Payment Options

The rates can be paid either in full by 26 August 2016 or by 4 or 2 each instalments on the following dates (estimated only):

- First Instalment - 26 August 2016;
- Second Instalment - 26 October 2016;
- Third Instalment - 4 January 2017; and
- Fourth Instalment - 7 March 2017.

A maximum fee of \$36 will apply for the instalment option of paying the rates.

Setting of Interest Rate for Late Payment of Rates

The Local Government Act (1995) allows Councils to set a late payment interest penalty for rates. The Local Government (Financial Management) Regulations 1996 allows a maximum late payment interest rate of 11%.

The amount of interest charged on overdue rates is an incentive to ratepayers to pay their accounts promptly. Council is required to formally adopt the rate at the time of adopting the budget.

Interest on Overdue Accounts (Fees & Charges)

Interest can be levied on the total outstanding debt in the categories of 60 days and over. The rate applicable is that as determined by Council as contained in the Annual Budget. This is done in accordance with Section 6.13 of the Local Government Act. The applicable rate for 2016/17 financial year will be 11% applied on a daily basis on the outstanding balance.

Discounts, Incentives, Concessions & Write-offs

Council has offered a rate incentive scheme which offers prizes for payment of rates within the 35 days from the date of issue of the Rates Notice. Council will be offering ten cash prizes of \$500 in addition to prizes offered by sponsors, at no cost to Council.

All ratepayers who pay rates on or before the due date are automatically entered into the draw, unless Council is notified that any person does not wish to participate. The draw is conducted by random computer selection of eligible ratepayers as soon as possible after the due date. All winners are notified in writing by Council.

Council will also be providing a rates concession of 50% of the rates levied to Westcare Inc - 28 Hanwell Way, Bassendean.

OFFICER RECOMMENDATION – ITEM 4.2

That:

1. Council sets a General Minimum Rate of \$1,057 for the year ending 30 June 2017;
2. Council sets a General Rate of 6.5510 cents in the dollar upon the Gross Rental Valuation of each rateable property in the district for the period 1 July 2016 to 30 June 2017;
3. An ICT (Communication) Allowance of \$3,500 per annum) for 2016/17 be paid quarterly in arrears to Councillors with their meeting fees;
4. Councillors' meeting fees of \$16,000 for 2016/17 be paid quarterly in arrears;
5. The Mayor's meeting fee of \$25,000 for 2016/17 be paid quarterly in arrears;
6. A Local Government Allowance of:
 - a) \$36,000 for 2016/17 be paid to the Mayor;
 - b) \$9,000 for 2016/17 be paid to the Deputy Mayor;
7. Council adopts the Fees and Charges included in the attachment to the 2016/17 draft Budget for the 2016/17 financial year;
8. Council approves:
 - a) A maximum administration fee of \$36 for ratepayers who elect to use the instalment payment option for their rates in the 2016/17 financial year;
 - b) An administration fee of \$50 be applied for those ratepayers who elect to use the "special payment arrangement";
9. An interest charge of 5.5% on the balance of rate instalment monies for ratepayers who elect to use the instalment payment option for their rates in the 2016/17 financial year;

10. The transfers to and from Reserve Funds, and the change in the purposes of the Wind in the Willows Reserve, the Waste Management Reserve, Municipal Buildings and Town Planning Reserves, contained in the 2016/17 Budget, be adopted by Council;
11. Council sets the following dates as the due dates for payment of rates by instalments:

The rates can be paid either in full by 26 August 2016 or by 4 or 2 each instalments on the following dates:
 - First Instalment - 26 August 2016;
 - Second Instalment - 26 October 2016;
 - Third Instalment - 4 January 2017;
 - Fourth Instalment - 7 March 2017
12. A late payment interest rate be set in 2016/17 in accordance with the provision of Section 6.51(1) of the Local Government Act (1995) and the Local Government (Financial Management) Regulations No. 70, at 11%;
13. A late payment interest rate be set in 2016/17 in accordance with the provision of Section 6.13(1) of the Local Government Act (1995) at 11%;
14. Council adopts the Rates Concession and Prizes for the 2016/17 financial year Budget;
15. Council adopts the 2016/17 Budget for the year ending 30 June 2017, as attached to the Special Council Agenda of 7 July 2016; and
16. Council adopts a materiality threshold of \$5,000 or 10%, whichever is the greater, for the 2016/17 financial period, in accordance with Local Government (Financial Management) Regulation 34(5).

Voting requirements: Absolute Majority

5.0 CLOSURE