

TOWN OF BASSENDEAN

NOTICE OF A SPECIAL COUNCIL MEETING

Dear Council Member

A Special Meeting of the Council will be held on Monday 10 July 2017, in the Council Chamber, 48 Old Perth Road, Bassendean, commencing at 5.30pm. The purpose of the meeting is for Council to adopt the 2017-2021 Corporate Business Plan and the 2017/18 draft Budget

Mr Bob Jarvis
CHIEF EXECUTIVE OFFICER

6 July 2017

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

Leave of Absence

Cr Renee McLennan

4.0 REPORTS

4.1 2017-2021 Corporate Business Plan (Ref - COMDEV/COMCONS/2 - Learning Horizons and Corporate Management Team)

APPLICATION

Council is required to adopt a Corporate Business Plan which has been prepared following discussion with Councillors at a workshop held on 3 July 2017.

ATTACHMENTS

Attachment No. 1:

Draft 2017-2021 Corporate Business Plan

BACKGROUND

Following the workshops, the Plan includes the amendments requested by Councillors on:

- Success Measures;
- Targets; and
- Projects.

The projects within the Corporate Business Plan have been included in the Long Term Financial Plan.

STRATEGIC IMPLICATIONS

The Corporate Business Plan is a four-year plan that details the services, operations and projects the Town of Bassendean will deliver. It articulates the Town's commitments and the measurements that will be used to determine if the Town is progressing towards the aspirations of the Strategic Community Plan. Annual Business Plan Budgets are developed from the Corporate Business Plan.

COMMENT

The Corporate Business Plan 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:

- Social;
- Natural Environment;
- Built Environment;

- Economic; and
- Good Governance.

Social

This includes the following objectives:

- 1.1 Build a sense of place and belonging
- 1.2 Ensure all community members have the opportunity to be active, socialise and be connected
- 1.3 Plan for a healthy and safe community
- 1.4 Improve lifestyle choices for the aged, families and youth

Natural Environment

- 2.1 To display leadership in environmental sustainability
- 2.2 Protect our River, Bush land Reserves, and Biodiversity
- 2.3 Ensure the Town's open space is attractive and inviting

Built Environment

- 3.1 Plan for an increased population and changing demographics
- 3.2 Enhance connectivity between places and people
- 3.3 Enhance the Town's appearance

Economic

- 4.1 Build economic capacity
- 4.2 Facilitate local Business retention and growth

Good Governance

- 5.1 Enhance organisational accountability
- 5.2 Proactively partner with the community and our stakeholders
- 5.3 Strive for Improvement and improvement

STATUTORY REQUIREMENTS

Section 5.56 of the Local Government Act
Regulation 19DA of the Local Government (Administration)
Regulations.

*19DA. Corporate business plans, requirements for
(Act s. 5.56)*

- (1) A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
- (2) A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.*
- (3) A corporate business plan for a district is to —*
 - (a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
 - (c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*
- (4) A local government is to review the current corporate business plan for its district every year.*
- (5) A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.*
- (6) A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.*

**Absolute majority required.*

- (7) If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.*

FINANCIAL CONSIDERATIONS

The 2017/18 Budget provides funding for the development of the Strategic Community Plan and Corporate Business Plan.

OFFICER RECOMMENDATION – ITEM 4.1

That Council adopts the 2017-2021 Corporate Business Plan as attached to the Special Council Agenda of 10 July 2017.

Voting requirement: Absolute majority

4.2 Adoption of the 2017/18 Draft Budget (Ref: FINM/BUGTG/1 - Mike Costarella, Director Corporate Services)

APPLICATION

Council is requested to adopt the 2017/18 Budget.

ATTACHMENTS

Attachment No. 2:

2017/18 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 in April and July 2017.

The 2017/18 Budget has been developed using:

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

Council held a budget workshop on Monday 3 July 2017, where a number of changes were made to the draft budget document. These included:

1. Reduce 1 Surrey Street project from \$114,245 to \$80,000 (Account 151359)
2. Reduce Economic Initiatives from \$58,000 to \$43,000 (Account 271502)
3. Reduce Governance consultants from \$53,000 to \$38,000 (Account 401333)

4. Exclude AP1707 Artworks \$26,000.
5. Reduce Rates Increase for the 2017/18 financial year from 3.12% to 2.5%.

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:
 - 2017/18 Draft Budget;
 - 2016/17 Forecast; and
 - 2016/17 Adopted Budget.
- 2017/18 Capital Works Program;
- Profit and Loss on the Sale of Assets;
- Projects included in the Operating Budget; and
- Fees & Charges for 2017/18 (including 2016/17).

2016/17 Estimated Closing Surplus

The 2016/17 Budget (adopted in July 2016) was built around having a surplus of \$24,860. This was amended to \$51,146 at a Special Council meeting in February 2017.

The revised estimated closing surplus at 30 June 2017 is now anticipated to be \$2,531,579. Contributing to the carried forward surplus is the significant value of capital works that are anticipated and will not be completed by 30 June 2017. The estimated closing surplus is \$38,324.

In summary, the additional surplus from the adopted for the 2016/17 financial year relates to:

- Uncompleted Capital Works \$1.7m
- Additional grants \$300k.
- Reduction in Operating Expenses \$500k

The uncompleted capital works have been included in the 2017/18 draft Budget.

OPERATING BUDGETS

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

2017/18 REVENUE

Rates \$12,935,762

The 2017/18 draft Budget has been prepared utilising a 2.5% increase in the rateable income. The information on the rateable properties, valuations and rates income is included - Note 8 of the Draft Budget document.

The Valuer General's Office undertook a revaluation of the Town's rateable area and this decreased the GRV from \$187,756,427 to \$176,980,644. This is a decrease of \$10,775,783 or 6.08% over the previous revaluation which occurred in 2014.

In order to achieve a 2.5% increase in rateable income, the rate in the dollar has been adjusted from 6.551 cents to 7.1650 cents. The minimum rate for each property will require an increase from \$1,057 to \$1,085.

Fees and Charges

There has been an average of 2% 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.

A new fee has been included for the RYDE program and shown under the Youth Services section of the Fees and Charges document.

Rubbish Charges

The waste management expenditure of the draft budget equates to \$2.4m and in order to recoup the cost of the service, it is proposed to increase the rubbish charge from \$345 to \$360 per service.

Tip Passes - Attached to Rates Notice for 2017/18

The Town will again provide 4 tip passes that will be printed onto the rates assessment/notice.

Additional tip passes can be purchased at the Customer Service Centre at a cost of \$60 each.

EXPENDITURE - 2017/18

Employee Costs

Expenditure for employee costs has increased by 3%. This is due to an EBA increase of 1.5% on the previous year, as well as an increase of 1.5% on the voluntary superannuation contribution .

The draft budget also provides for additional staff within the adopted Workforce Plan in a number of service areas. These include a part-time Workplace Health and Safety Officer as well as minor restructure of Operational Services and Corporate Services. The table included in the Corporate Business Plan provides further details on the changes.

List of Projects & Consultancies

The list of projects and consultancies proposed in the 2017/18 budget is \$2,242,500 and individual projects are listed in the Draft Budget document.

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 (\$3,266,812) for depreciation is included as required by Accounting Standards.

2017/18 Capital Works Program - \$5,099,304

The capital works program was developed using the Asset Management Plans for the 2017/18 financial year and which was presented to a Councillor's Information Workshop on the 19 April 2017. The total of all projects anticipated to be undertaken in the 2017/18 financial year equates to a total of \$5,099,304.

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: \$4,774,963 (included in draft Budget)
- Priority 2: \$324,341 (included in draft Budget)
- Priority 3: \$8,000 (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.

Funding is from the following sources:

- Grants \$1,478,462
- Transfer from Reserves \$1,077,343
- Trade In (Vehicle) \$ 55,150
- Insurance Claim(Jetties) \$ 102,000

NOTE: Should Council require inclusion of any of the excluded projects, it would need to exclude a project of a similar value or increase the rates and charges. For Council's information, 1% of rates increase equates to \$130,000.

Mayoral and Councillors' Fees and Allowances

As Councillors are aware, the Minister for Local Government has approved the election of an additional member commencing from the October 2017 Election. For the purposes of the draft Budget, Staff has included the following:

- Councillor Meeting Fees \$113,000
- Mayoral Allowance \$36,000
- Mayoral Meeting Fee \$25,000
- Deputy Mayoral Allowance \$9,000
(25% of Mayoral Allowance);
- Communication Allowance \$22,750
- Councillor Training Budget \$14,000

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 2017/18 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 2017/18. 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 2017/18 Reserves and Restricted Cash transfers are:

Movement from Reserve

- | | |
|---------------------------------------|-----------|
| • Wind in the Willows | \$40,000 |
| • Land and Buildings Infrastructure | \$800,000 |
| • HACC Replacement Reserve | \$65,000 |
| • Unspent Grants | \$129,982 |
| • Plant and Equipment | \$29,000 |
| • Cultural and Self Insurance Reserve | \$13,361 |

Movement to Reserve

- Proceeds on Sale of Lord and Chapman Sts \$550,000
- Unspent Grants \$50,000
- Interest \$108,000
- Waste Management Reserve \$100,000
- Transfer to Community Facility Reserve \$13,361

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 10%.

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.

Rates Payment Options

The rates can be paid either in full by 25 August 2017 or by 4 or 2 each instalments on the following dates:

- First Instalment - 25 August 2017;
- Second Instalment - 27 October 2017;
- Third Instalment - 5 January 2018;
- Fourth Instalment – 9 March 2018;

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

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 2017/18 financial year will be 10% 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 \$1,085 for the year ending 30 June 2018;
2. Council sets a General Rate of 7.1650 cents in the dollar upon the Gross Rental Valuation of each rateable property in the district for the period 1 July 2017 to 30 June 2018;
3. An ICT (Communication) Allowance of \$3,500 per annum for 2017/18 be paid quarterly in arrears to Councillors with their meeting fees;
4. Councillors' meeting fees of \$16,000 for 2017/18 be paid quarterly in arrears;
5. The Mayor's meeting fee of \$25,000 for 2017/18 be paid quarterly in arrears;
6. A Local Government Allowance of:
 - a) \$36,000 for 2017/18 be paid to the Mayor;
 - b) \$9,000 for 2017/18 be paid to the Deputy Mayor;
7. Council adopts the Fees and Charges included in the attachment to the 2017/18 draft Budget for the 2017/18 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 2017/18 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 2017/18 financial year;
10. Council approves the amendments to the Reserve Funds in the 2017/18 Budget, as follows:
 - Renaming of the Leave Entitlements to Employee Entitlement Reserve;
 - Closing the Self Insurance Reserve and Cultural Events Reserve and funds transferred to the Community Facilities Reserve (previously named Recreation Development Reserve);
 - Renaming of the Municipal Buildings and Town Planning Reserve to Land and Buildings Infrastructure Reserve;
 - Drainage Infrastructure and Reserve to Roads and Drainage Infrastructure;
11. Council approves the transfers to and from Reserve in the 2017/18 Budget;
12. Council sets the following dates as the due dates for payment of rates by instalments:

The rates can be paid either in full by 25 August 2017 or by 4 or 2 each instalments on the following dates:

 - First Instalment - 25 August 2017;
 - Second Instalment - 27 October 2017;
 - Third Instalment - 5 January 2018;
 - Fourth Instalment – 9 March 2018;
13. A late payment interest rate be set in 2017/18 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 10%;
14. A late payment interest rate be set in 2017/18 in accordance with the provision of Section 6.13(1) of the Local Government Act (1995) at 10%;
15. Council adopts the Rates Concession and Prizes for the 2017/18 financial year Budget;
16. Council adopts the 2017/18 Budget for the year ending 30 June 2018, as attached to the Special Council Agenda of 10 July 2017; and

17. Council adopts a materiality threshold of \$5,000 or 10%, whichever is the greater, for the 2017/18 financial period, in accordance with Local Government (Financial Management) Regulation 34(5).

Voting requirements: Absolute Majority

5.0 CLOSURE