



City of Nedlands

# ***Minutes***

## ***Special Council Meeting***

***14 June 2012***

### ***ATTENTION***

***These minutes are subject to confirmation.***

Prior to acting on any resolution of the Council contained in these minutes, a check should be made of the Ordinary Council Meeting next following this meeting to ensure that there has not been a correction made to any resolution.

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## City of Nedlands

**Minutes of a special meeting of Council held in the Council chambers, Nedlands on Thursday 14 June 2012 at 7.00 pm for the purpose of adopting the 2012/13 budget.**

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### **Declaration of Opening**

The Presiding Member declared the meeting open at 7.00 pm and drew attention to the disclaimer below.

(NOTE: Council at its meeting on 24 August 2004 resolved that should the meeting time reach 11.00 p.m. the meeting is to consider an adjournment motion to reconvene the next day).

### **Present and Apologies and Leave Of Absence (Previously Approved)**

<b>Councillors</b>	His Worship the Mayor, R M Hipkins	(Presiding Member)
	Councillor K E Collins	Coastal Districts Ward
	Councillor N B J Horley	Coastal Districts Ward
	Councillor L J McManus	Coastal Districts Ward
	Councillor I S Argyle	Dalkeith Ward
	Councillor W R Hassell	Dalkeith Ward
	Councillor S J Porter	Dalkeith Ward
	Councillor R M Binks	Hollywood Ward
	Councillor B G Hodsdon	Hollywood Ward
	Councillor K Walker	Hollywood Ward
	Councillor T James	Melvista Ward
	Councillor N Shaw	Melvista Ward
	Councillor M L Somerville-Brown	Melvista Ward

<b>Staff</b>	Mr M Cole	Acting Chief Executive Officer
	Mr R Senathirajah	Acting Director Corporate & Strategy
	Mr P Mickleson	Director Planning & Development Services
	Mr A Melville	Acting Director Technical Services
	Ms D Blake	Director Community & Organisational Development
	Ms N Borowicz	Executive Assistant

**Public** There were 3 members of the public present.

**Press** The Post Newspaper and Western Suburbs Weekly representatives.

**Leave of Absence (Previously Approved)** Nil.

**Apologies** Nil.

**Absent** Nil.

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### **1. Public Question Time**

A member of the public wishing to ask a question should register that interest by notification in writing to the CEO in advance, setting out the text or substance of the question.

There were no public questions.

### **2. Addresses by Members of the Public**

Ms R Adam, 153 B Rochdale Road, Mt Claremont  
(spoke in relation to Acacia Lane)

### **3. Disclosures of Financial Interest**

The Presiding Member reminded Councillors and Staff of the requirements of Section 5.65 of the *Local Government Act* to disclose any interest during the meeting when the matter is discussed.

There were no disclosures of financial interest.

**4. Disclosures of Interests Affecting Impartiality**

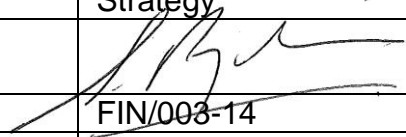
The Presiding Member reminded Councillors and Staff of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the *Local Government Act*.

There were no disclosures affecting impartiality.

**5. Declarations by Members That They Have Not Given Due Consideration to Papers**

Nil.

**6. Adoption of the 2012/13 Annual Budget**

<b>Applicant:</b>	City of Nedlands
<b>Owner:</b>	City of Nedlands
<b>Officer:</b>	Vanaja Jayaraman – A/Manager Finance
<b>Director:</b>	Rajah Senathirajah – A/Director Corporate & Strategy
<b>Director Signature:</b>	
<b>File ref:</b>	FIN/003-14
<b>Previous Item No's:</b>	Nil.
<b>Disclosure of Interest:</b>	No officer involved in the preparation of this report had any interest which required it to be declared in accordance with the provisions of the Local Government Act (1995).

Suspension of Standing Order

Moved – Councillor Hodsdon  
 Seconded – Councillor Walker

**That Standing Orders be suspended for the purpose of allowing Councillors to speak more than once.**

**CARRIED 12/1  
 (Against: Cr. James)**

**Regulation 11(da) – Council agreed the Acting CEO should provide staff with the reasons and need for the budget adjustments and that authority to call and award tenders over \$500,000 shall be referred to Council.**

Moved – Councillor Hassell  
 Seconded – Councillor Argyle

**That the Recommendation to Committee is adopted subject to the addition of 2 clauses after clause 9 as follows:**

- 10. That in the implementation of the budget the Acting CEO is requested to ensure that staff of the City understand their continuing obligation to provide timely service to the public and to recognise and understand the budget adjustments which have been made, the reasons and need for them and to deal with their Managers and the CEO as appropriate to raise any perceived problems.**
- 11. That notwithstanding approval of the budget and the delegation of authority to call and award tenders under clause 8, the CEO is requested to refer to Council and**

**provide specific information in relation to all major works' tenders, being defined as those over \$500,000.**

Amendment

Moved - Councillor Hodsdon  
Seconded - Councillor Walker

That allowance to the Mayor, Deputy Mayor and Councillors is as follows. It includes all sitting fees and allowances (Communications and IT).

Mayor	\$25,000
Deputy Mayor	\$12,000
Councilors	\$8,000

Councillor Shaw left the room at 7.41 pm and returned at 7.42 pm.

Put Motion

Moved – Councillor Binks  
Seconded – Councillor James

**That the motion be put.**

**PUT MOTION CARRIED 8/5  
(Against: Crs. Collins Horley Hodsdon  
Walker & Somerville-Brown)**

Adoption – The Amendment was put and

**AMENDMENT Lost 5/8  
(Against: Mayor Hipkins Crs. Collins McManus  
Argyle Hassell Porter James & Shaw)**

Amendment

Moved - Councillor Walker  
Seconded - Councillor Hodsdon

That clause 10 be removed.

Resumption of Standing Orders

Moved – Councillor Binks  
Seconded – Councillor James

**That Standing Orders be resumed.**

**CARRIED 7/6  
(Against: Mayor Hipkins Crs. McManus  
Argyle Hassell Porter & Walker)**

Standing Orders were resumed.

Put Motion

Moved – Councillor James

Seconded – Councillor Walker

**That the Amendment be put.**

**PUT MOTION CARRIED 11/2  
(Against: Crs. Hodsdon & Walker)**

The Amendment was withdrawn.

The Presiding Member granted an adjournment for 5 minutes for the purposes of checking Standing Orders.

The meeting resumed at 8.27 pm.

Suspension of Standing Order

Moved – Councillor Porter

Seconded – Councillor Walker

**That Standing Orders be resuspended for the purpose of allowing Councillors to speak more than once.**

**CARRIED 7/6  
(Against: Crs. Horley Binks Hodsdon  
James Shaw & Somerville-Brown)**

**The substantive motion was put and**

**CARRIED 12/1  
(Against: Cr. Horley)**



**Council Resolution**

**Council:**

- 1. Adopts the 2012/13 Annual Budget as detailed in the Attachment for the year ending 30 June 2013 requiring a 6.0% increase in the rates and a standard residential refuse charge of \$335;**
- 2. Adopts the following rates and charges:**
  - a) a rate of 5.332 cents in the dollar on all residential Gross Rental Value rateable property within the City of Nedlands;**
  - b) a rate of 6.922 cents in the dollar on all residential vacant Gross Rental Value rateable property within the City of Nedlands**
  - c) a rate of 5.875 cents in the dollar on all non-residential Gross Rental Value rateable property within the City of Nedlands**
  - d) a minimum rate of \$1,124 be applied to all applicable residential property; a minimum rate of \$1,484 be applied to all residential vacant property; and a minimum rate of \$1,537 be applied to all applicable non-residential property;**
  - e) interest on instalments to be charged at 5.5% per annum calculated daily;**
  - f) an Administration Charge applicable to all approved instalment arrangements be charged at \$8 per instalment other than for the first payment;**
  - g) interest on overdue rates be charged at 11% per annum calculated daily;**
  - h) the due dates for payment be :**
    - 1. if paying in full or, if paying in four instalments the first instalment, 35 days after the date of the service of the rates notice and;**
    - 2. if paying by instalments the second, third and fourth instalments are each due on the first working day following two calendar months from the previous instalment;**

**i) residential sanitation charges of:**

<u>Residential Sanitation Charges</u>	<u>2012/13</u>
Standard Residential Refuse Collection Charge (120 general waste)	\$335.00
Upgrade Residential Refuse Collection Charge (240L general waste)	\$770.00
Super Residential Refuse Collection Charge (2x240L general waste)	\$1,510.00
Inside Service Charge	\$800.00
Establishment Fee for Refuse Service	\$85.00

**j) Swimming Pool Inspection Fee \$55 (Incl. GST) per inspection, spread over 3 years; and**

**k) All remaining fees and charges as listed in the Schedule of Fees and Charges attached to this Report.**

- 3. Approves the annual fee for Elected Members in accordance with Section 5.99 of the Local Government Act 1995, for the 2012/13 financial year, of \$7,000 per Elected Member and the annual fee for the Mayor in accordance with Section 5.98 of the Local Government Act 1995, for the 2012/13 financial year, of \$14,000 both effective from 1 July 2012;**
- 4. Approves the Local Government Allowances for the Mayor and Deputy Mayor in accordance with Section 5.98 and 5.98A of the Local Government Act 1995, for the 2012/13 financial year, of \$42,150 and \$10,540 respectively both effective from 1 July 2012;**
- 5. Approves the Communication Allowance in accordance with Section 5.99A of the Local Government Act 1995 for the Mayor and for Elected Members for the 2012/13 financial year of \$1,000 each per annum effective from 1 July 2012;**
- 6. Approves an IT Allowance in accordance with Section 5.99A of the Local Government Act 1995 for the Mayor and for Councillors for the 2012/13 financial year of \$850 per annum effective from 1 July 2012**
- 7. Adopts a percentage or value to be used in the reporting of material variances for 2012/13 financial year of \$10,000 or 10%, whichever is the greater; and**

- 8. Approves the calling of tenders as follows:**
  - a) the Chief Executive Officer be delegated authority to invite tenders for works and services in the statutory 2012/13 budget, where required in accordance with the provisions of the Local Government Act 1995; and**
  - b) the Chief Executive Officer be delegated authority to specify the selection criteria for all tenders called in accordance with (i) above.**
- 9. Acknowledges that the rates in the dollar and minimum payments in the Budget are different from the values advertised for public comment, and are based on an increase of 3% above the increase in CPI. This change is deemed necessary to continue the work to bring all infrastructure assets to acceptable levels.**
- 10. That in the implementation of the budget the Acting CEO is requested to ensure that staff of the City understand their continuing obligation to provide timely service to the public and to recognise and understand the budget adjustments which have been made, the reasons and need for them and to deal with their Managers and the CEO as appropriate to raise any perceived problems.**
- 11. That notwithstanding approval of the budget and the delegation of authority to call and award tenders under clause 8, the CEO is requested to refer to Council and provide specific information in relation to all major works' tenders, being defined as those over \$500,000.**

Budget Committee Recommendation to Council:

Council:

1. Adopts the 2012/13 Annual Budget as detailed in the Attachment for the year ending 30 June 2013 requiring a 6.0% increase in the rates and a standard residential refuse charge of \$335;
2. Adopts the following rates and charges:
  - a) a rate of 5.332 cents in the dollar on all residential Gross Rental Value rateable property within the City of Nedlands;
  - b) a rate of 6.922 cents in the dollar on all residential vacant Gross Rental Value rateable property within the City of Nedlands
  - c) a rate of 5.875 cents in the dollar on all non-residential Gross Rental Value rateable property within the City of Nedlands
  - d) a minimum rate of \$1,124 be applied to all applicable residential property; a minimum rate of \$1,484 be applied to all residential vacant property; and a minimum rate of \$1,537 be applied to all applicable non-residential property;
  - e) interest on instalments to be charged at 5.5% per annum calculated daily;
  - f) an Administration Charge applicable to all approved instalment arrangements be charged at \$8 per instalment other than for the first payment;
  - g) interest on overdue rates be charged at 11% per annum calculated daily;
  - h) the due dates for payment be :
    1. if paying in full or, if paying in four instalments the first instalment, 35 days after the date of the service of the rates notice and;
    2. if paying by instalments the second, third and fourth instalments are each due on the first working day following two calendar months from the previous instalment;

- i) residential sanitation charges of:

<u>Residential Sanitation Charges</u>	<u>2012/13</u>
Standard Residential Refuse Collection Charge (120 general waste)	\$335.00
Upgrade Residential Refuse Collection Charge (240L general waste)	\$770.00
Super Residential Refuse Collection Charge (2x240L general waste)	\$1,510.00
Inside Service Charge	\$800.00
Establishment Fee for Refuse Service	\$85.00

- j) Swimming Pool Inspection Fee \$55 (Incl. GST) per inspection, spread over 3 years; and

- k) All remaining fees and charges as listed in the Schedule of Fees and Charges attached to this Report.

3. Approves the annual fee for Elected Members in accordance with Section 5.99 of the Local Government Act 1995, for the 2012/13 financial year, of \$7,000 per Elected Member and the annual fee for the Mayor in accordance with Section 5.98 of the Local Government Act 1995, for the 2012/13 financial year, of \$14,000 both effective from 1 July 2012;
4. Approves the Local Government Allowances for the Mayor and Deputy Mayor in accordance with Section 5.98 and 5.98A of the Local Government Act 1995, for the 2012/13 financial year, of \$42,150 and \$10,540 respectively both effective from 1 July 2012;
5. Approves the Communication Allowance in accordance with Section 5.99A of the Local Government Act 1995 for the Mayor and for Elected Members for the 2012/13 financial year of \$1,000 each per annum effective from 1 July 2012;
6. Approves an IT Allowance in accordance with Section 5.99A of the Local Government Act 1995 for the Mayor and for Councillors for the 2012/13 financial year of \$850 per annum effective from 1 July 2012
7. Adopts a percentage or value to be used in the reporting of material variances for 2012/13 financial year of \$10,000 or 10%, whichever is the greater; and

8. Approves the calling of tenders as follows:
  - c) the Chief Executive Officer be delegated authority to invite tenders for works and services in the statutory 2012/13 budget, where required in accordance with the provisions of the Local Government Act 1995; and
  - d) the Chief Executive Officer be delegated authority to specify the selection criteria for all tenders called in accordance with (i) above.
9. Acknowledges that the rates in the dollar and minimum payments in the Budget are different from the values advertised for public comment, and are based on an increase of 3% above the increase in CPI. This change is deemed necessary to continue the work to bring all infrastructure assets to acceptable levels.

**Purpose:**

For the Council to endorse the recommendation of the Budget Committee to adopt the draft 2012/13 Annual Budget and Fees & Charges, as specified in this Report.

**Strategic Plan:**

KFA 5 : Governance

To ensure that the processes of Local Government are delivered responsibly and in a transparent and consistent manner

5.1 Manage the City's resources in a sustainable and responsible manner.

5.6 Ensure compliance with statutory requirements and guidelines.

The draft 2012/13 Annual Budget has been prepared to ensure the City manages its resources in a sustainable and responsible manner in the current economic climate, with an increase in the rate in the dollar and minimum payments of 6.0 per cent. This will enable the City to carry out additional road works and to add to the Building Reserve for future refurbishment works on the City's buildings.

**Background:**

The draft 2012/13 Annual Budget has been considered in stages over the past 4 months with Councillors given the opportunity to review and endorse proposals presented by Administration at a series of budget workshops.

These budget workshops are summarised as follows:

- 1) 31 January 2012 – Overview of the Budget Process, Financial Performance of the City as at 31 December 2011, and preliminary Trend and 10-year Financial Projections.
- 2) 6 March 2012 – Mid Year Budget Review and 2011/12 New Operating Initiatives.
- 3) 12 May 2011 – Proposed new operating initiatives, changes to FTEs and proposed differential rates.
- 4) 17 April 2012 – Proposed Capital Works and Rate increases for inclusion in the Notices for Public Comment.
- 5) 3 May 2012 – Overall review of the draft Operating Budget and Fees and Charges, and Rate increases.

At the request of Councillors, two options were presented to the Budget Committee for its consideration at its meeting on 24 May 2012. Option 1 was based on a 3% increase in the rates on the dollar and minimum payments; Option 2 was based on a 6% increase that will generate additional funds for capital works.

The Budget Committee adopted the following resolution:

*That the 2012/13 Budget of the City of Nedlands be finalised on the basis of Option 2, subject to the following:*

- a) *The expenditure amount budgeted for “Planning” be reduced by \$320,000.*
- b) *Additional rate income and savings from (a) be allocated as follows:*
  - i. *\$400,000 to road rehabilitation excluding Black Spots*
  - ii. *\$100,000 to building maintenance (capital)*
  - iii. *\$ 60,000 loan reduction in addition to that currently budgeted*
  - iv. *\$ 80,000 to capital reserves*
- c) *Annual surplus to be transferred to a capital reserve / building fund*
- d) *Point Resolution Occasional Care Centre fees to be set to ensure break even operations and that in notifying PROCC of this, they also be advised of the willingness of CoN to hand over control and management to a users group.*

The attached Budget for adoption by Council has incorporated the changes spelt out in the Budget Committee resolution above.

**Proposal Details:**

The draft 2012/13 Annual Budget is attached and discussed in more detail below.

In summary, the draft 2012/13 Annual Budget is funded by a 6.0% increase in the rates in the dollar and minimum payments. The revenue raised from the additional 3% above CPI increase is applied to addressing the City's infrastructure backlog.

**Consultation:**

Required by legislation: Yes  No   
Required by City of Nedlands policy: Yes  No

As required by the Local Government Act 1995, the City advertised proposed differential rates on 1 May 2012, inviting comments over a period of 21 days. At the close of submissions, no responses had been received from the public. The Budget Committee has, however, recommended that the rates and minimum payments advertised be modified to reflect a 6% increase, as per the resolution stated earlier.

**Legislation:**

The Local Government Act 1995 Part 6, Division 2 applies to the preparation and adoption of the annual budget. Council is required to adopt its budget for the 2012/13 financial year between 1 June 2012 and 31 August 2012. The Act provides for Council to modify the advertised rates and minimum payments before adopting the Budget.

**Budget/financial implications:**

Budget and Financial:  
Budget and financial impacts are outlined below.

**Risk Management:**

A risk management approach has been applied throughout the preparation of the 2012/13 Annual Budget to ensure the ongoing maintenance, upgrade or replacement of the City's buildings and infrastructure and other assets. Over recent years there has been some minor damage to buildings, partly as a result of storm damage, that highlight the need to ensure regular and routine maintenance of all buildings and infrastructure is carried out.

**Discussion:**

The budget incorporates the following key elements:

1. A differential rate in the dollar for residential properties has been imposed and set at 5.332 cents, residential vacant set at 6.922



cents and a differential rate in the dollar for non-residential properties set at 5.875 cents. These represent increases of 6 % in the rates in the dollar of GRVs compared with respective values for the 2011/12 financial year.

2. The minimum rate will be \$1,124 for residential property, \$1,484 for residential vacant and \$1,537 for non-residential property.
3. The proposed 2012/13 sanitation fees and charges have been increased to meet the full cost of providing these services, with the standard residential service charge being \$335.

Other key elements are outlined as follows:

In accordance with the City's Five Year Forward Works Program, approx \$3.5 million per annum is required in order to maintain the roads, paths and drains at current levels.

In 2011/12 the City commenced the first major refurbishment of our buildings with the refurbishment of John Leckie Pavilion. The project has received grant funding and the balance of \$2.2 million is funded from a new loan. No major refurbishments are proposed for 2012/13, pending the development of a Master Plan for David Cruickshank Reserve.

As noted in previous budgets, the City of Nedlands has kept debt to a minimum but over recent years has borrowed for infrastructure and building projects. The debt ratio as at 30 June 2011 was 6.7%. No loan funding is proposed for 2012/13, and the debt at the end of the financial year will be \$6.0 million.

#### Integrated Strategic Planning

The City commenced comprehensive Strategic Financial Planning in 2012/13, and has completed extensive community consultation which will form the basis of the Strategic Community Plan. Following that the 10-year Asset Management Plan will be developed, and this will influence the 2013/14 and subsequent years' Budgets.

#### Refuse Charges

The proposed increase in the standard refuse charge from \$325 to \$335, a 3.1% increase, reflects the cost of providing this service. The City's contracts with the service providers provide for the annual increase in costs.

The refuse service is also impacted by the increasing cost of fuel. While the 3 bin system is proving successful, of concern is the substantial increase in tonnes of bulk waste collected from residents as part of the bulk waste collection service.

### Fees and Charges

The fees and charges reviewed in May 2012 are reflected in the proposed 2012/13 annual budget. At the last workshop Elected Members expressed a view that fees and charges should at least keep pace with CPI to ease the reliance on rate revenue. Accordingly, most fees and charges over which the City has control have been increased by 3% to 4%. However, following a further review, it has been necessary to increase some fees and charges even higher to reflect the actual cost of providing these service, such as staff and fleet costs as well as meeting the increased cost of utility charges.

To allow users of Point Resolution Occasional Care Centre to adjust to increased fees, these will be introduced in two stages, viz. from 1 July 2012 and 1 January 2013, respectively.

Library fees and charges are consistent with other Libraries in the Western Suburbs.

### Elected Member Allowances

In line with Council Policy, the allowances payable to Elected Members have been increased by 3.0 %, being CPI as follows:

- Mayoral Allowance – \$42,150
- Deputy Mayoral Allowance – \$10,540
- Annual Attendance Fees:
  - Mayoral – \$14,000 (no increase, at maximum level)
  - Councillors – \$7,000 (no increase, at maximum level)
- Telecommunications Allowance – \$1,000
- Allowance for IT – \$850

### Key new initiatives

Some key new initiatives in the 2012/13 budget include:

\$3,664,600	Roads, Footpaths, Drainage and Traffic Management
\$1,020,800	Parks and Natural Areas – Upgrades and new equipment
\$573,500	Building Major Repairs
\$500,000	River wall repairs
\$500,000	Beecham Road Retaining Wall Remediation – Stages 3
\$383,000	IT upgrades, including Disaster Recovery hardware and systems
\$336,800	Fleet replacements

**Conclusion:**

That Council adopts the 2012/13 Annual Budget, representing an average 6.0% rate increase and a standard residential refuse charge increase of 3.1% to \$335, reflecting the full cost of providing this service.

**Attachments:**

1. Draft 2012/13 Annual Budget, incorporating proposed Fees & Charges.

**Declaration of Closure**

There being no further business, the Presiding Member declared the meeting closed at 8.38 pm.