



City of Nedlands

Agenda

Special Council Meeting

30 June 2016

Dear Council member

A Special Meeting of the City of Nedlands is to be held on Thursday 30 June 2016 at 71 Stirling Highway Nedlands commencing at 7 pm for the purpose of adopting the draft Annual Budget for 2016/17.

Greg Trevaskis
Chief Executive Officer
24 June 2016

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City of Nedlands

Notice of a Special Meeting of Council to be held at 71 Stirling Highway Nedlands on Thursday 28 June 2016 at 7 pm for the purpose of considering the Annual Budget.

Special Council Agenda

Declaration of Opening

The Presiding Member will declare the meeting open at 7 pm and will draw 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)

Leave of Absence	Councillor N W Shaw	Melvista Ward
(Previously Approved)	Councillor S J Porter	Dalkeith Ward

Apologies None as at distribution of this agenda.

Disclaimer

Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. For example by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

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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.

The order in which the CEO receives registrations of interest shall determine the order of questions unless the Mayor determines otherwise. Questions must relate to a matter affecting the City of Nedlands.

2. Addresses by Members of the Public

Addresses by members of the public who have completed Public Address Session Forms to be made at this point.

3. Disclosures of Financial Interest

The Presiding Member to remind 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.

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision making procedure relating to the matter the subject of the declaration.

However, other members may allow participation of the declarant if the member further discloses the extent of the interest. Any such declarant who wishes to participate in the meeting on the matter, shall leave the meeting, after making their declaration and request to participate, while other members consider and decide upon whether the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

4. Disclosures of Interests Affecting Impartiality

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

Councillors and staff are required, in addition to declaring any financial interests to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making procedure.

The following pro forma declaration is provided to assist in making the disclosure.

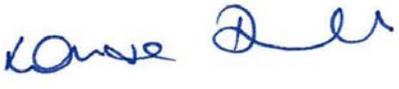
"With regard to the matter in item x..... I disclose that I have an association with the applicant (or person seeking a decision). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly."

The member or employee is encouraged to disclose the nature of the association.

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

Members who have not read the business papers to make declarations at this point.

6. Adoption of the Annual Budget 2016/7

Council	30 June 2016
Applicant	City of Nedlands
Officer	Kim Chua – Manager Finance
Director	Lorraine Driscoll – Director Corporate and Strategy
Director Signature	
File Reference	FIN-BUD-00008
Previous Item	Not applicable

Executive Summary

The draft 2016/17 Annual Budget, as specified in this Report, is presented to Council for adoption.

Recommendation to Council**Council:**

- 1. adopts the 2016/17 Annual Budget as detailed in the Attachment for the year ending 30 June 2017, representing an increase in the rate in the dollar for all ratepayers of 4.0%**
- 2. adopts the following rates and charges:**
 - a. a rate of 4.7434 cents in the dollar on all residential Gross Rental Value rateable property within the City of Nedlands;**
 - b. a rate of 6.7163 cents in the dollar on all residential vacant Gross Rental Value rateable property within the City of Nedlands**
 - c. a rate of 5.9166 cents in the dollar on all non-residential Gross Rental Value rateable property within the City of Nedlands**
 - d. a minimum rate of \$1,373 be applied to all applicable residential property; a minimum rate of \$1,810 be applied to all residential vacant property; and a minimum rate of \$1,875 be applied to all applicable non-residential property;**
 - e. interest on instalments to be charged at 5.5% per annum calculated daily;**

6. **approves the following transfer from reserves of \$2,175,000 to fund the capital expenditure projects: -**
 - a. **building replacement reserve \$250,000**
 - b. **welfare reserve \$40,000**
 - c. **north street reserve \$1,685,000**
 - d. **plant replacement reserve \$100,000**
 - e. **city development reserve \$100,000**
7. **authorises new borrowings of \$1,000,000 for the infrastructure works over a term of 10 years; and**
8. **adopts a percentage or value to be used in the reporting of material variances for 2016/17 financial year of \$10,000 or 10%, whichever is the greater; and**
9. **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 2016/17 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 (a) above.**

Strategic Plan

KFA: Natural and Built Environment
KFA: Transport
KFA: Community Development
KFA: Governance and Civic Leadership

The adoption of the annual budget addresses the operations and programs of the City of Nedlands as identified in the Strategic Community Plan “Nedlands 2023” and Corporate Business Plan 2013 to 2017.

Background

The draft 2016/17 Annual Budget has been considered in stages over the past 3 months with a number of service reviews identified. Councillors have reviewed and endorsed proposals presented by Administration at a series of budget workshops.

As mentioned above, in developing the draft annual budget, Administration undertook and presented to Councillors in April, May and June 2016 workshops. Councillors also contributed to the budget process at a series of

Councillor Briefing sessions, held on the evenings of 10, 17, 24 and 31 May and 7,14, 21 and 27 June 2016.

Key Relevant Previous Council Decisions:

- Adoption of the City’s Strategic Community Plan “Nedlands 2023” at its meeting of 11 December 2012.
- Adoption of the City’s Corporate Business Plan 2013 to 2017 at its meeting of 20 June 2013.

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 20 May 2016, inviting comments over a period of 21 days. The advertised rates proposed a 4.0% increase in rates compared to 2015/16. At the close of submissions, Administration received one response from the public. The increase proposed in the final draft remained unchanged 4.0%.

Legislation / Policy

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 2016/17 financial year between 1 June 2016 and 31 August 2016. The Act provides for Council to modify the advertised rates and minimum payments before adopting the Budget.

Budget/Financial Implications

Within current approved budget: Yes No
Requires further budget consideration: Yes No

The Corporate Business Plan 2013 to 2017 will be revised to assume a 2.5% each year above a balanced budget (CPI assumed to be 1.5% per year but to be reviewed each year) which will fund the implementation of “Nedlands 2023”. The Plan also commits administration to ongoing efficiency-seeking to reduce administrative costs where at all possible.

Risk Management

A risk management approach has been applied throughout the preparation of the 2016/17 Annual Budget to ensure the ongoing maintenance, upgrade or replacement of the City’s buildings and infrastructure and other assets. A stronger focus on Asset Management is also improving the City’s ability to assess and deliver its future capital and maintenance needs.

Discussion

The budget incorporates the following key elements:

- On average, the overall increase for residential rates is 4.0%.
- The increase cost of operations has been kept to a minimum despite Perth CPI currently at 1.5% while maintaining the City's commitment to inject an additional 2.5% into the Capital Works program. The total cost for operations has been possible due to the following positive mechanisms:
 - a small growth in the rates base – additional 120+ rateable properties;
 - efficiencies across operations;
 - no additional staff positions or significant operational/support expenditure;
 - Transfer from Reserves of \$2,175,000.
- A differential rate in the dollar for residential properties has been imposed and set at 4.7434 cents, residential vacant set at 6.7163 cents and a differential rate in the dollar for non-residential properties set at 5.9166 cents.
- The minimum rate will be \$1,373 for residential property, \$1,810 for residential vacant and \$1,875 for non-residential property.
- The proposed 2016/17 sanitation fees and charges have been kept at the same levels as the previous year with standard 120L and 240L bin at \$293 and \$742 respectively. The reduction in 2015/16 and ability to maintain the same charge for 2016/17 is the result of a review of services and efficiency gains to provide an improved program.

Infrastructure Funding

The Strategic Community Plan identified that the community was concerned about the City's deteriorating assets, and that urgent corrective action must take place to ensure the community's vision of a thriving, liveable Nedlands can be realised.

Accordingly, the Corporate Business Plan assumes a 2.5% rates increase each year above a balanced budget which will fund the implementation of "Nedlands 2023". For 2016/17 the balanced budget has been achieved with a modest 1.5% increase for operations, with the additional 2.5% for infrastructure.

The results of this are reflected in overall increases in the level of funding for infrastructure over the previous year. More details of capital works program are included in the attachment to this report. In summary, capital projects planned for 2016/17 include:

- \$401,150 Waroonga Road – Road Renewals
- \$1,145,070 All other Parks capital works
- \$1,200,000 Stage 1 - All Abilities Play Space at Beaton Park
- \$1,224,000 Riverwall replacement program
- \$360,540 David Cruikshank Reserve – hydrozoning irrigation
- \$715,000 Allen Park Pavillion
- \$1,563,660 Road Improvements
- \$671,220 Other building renewals and improvements
- \$136,600 Parking and bus shelters
- \$657,000 Drainage improvements
- \$522,000 Footpaths – Stirling Highway and Loch Street
- \$416,030 Rockton Road – Road Renewals

The above includes a transfer from Reserves of \$2,175,000 to fund these capital expenditure.

Refuse Charges

The proposed standard refuse charge for 2016/17 is \$293, the same as 2014/15 and 2015/16.

As mentioned above, these fees and charges were reduced from the \$330 charge per standard residential service in 2013/14. The reduction in 2014/15 and ability to maintain the same charge for 2016/17 is the result of a review of services and efficiency gains to provide an improved program.

This is despite an increase in the State Government land fill levy from \$27 per tonne, increasing to \$55 per tonne from 1 January 2016. The City will also be setting aside \$100,000 in the Waste Management Reserve to provide for future 7 year mass bin replacement programmes.

Fees and Charges

The fees and charges have been increased in line with inflation, industry averages and bench marking and subject to rounding up. In previous years elected members have expressed a view that fees and charges should at least keep pace with CPI to ease the reliance on rate revenue.

Elected Member Allowances

In line with Council Policy, the allowances payable to Elected Members are subject to determination by the Salaries and Allowances Tribunal. In its determination of June 2016, the Salaries and Allowances Tribunal has determined the increases to be at CPI 1.5%.

Conclusion

The Annual Budget 2016/17 has been prepared in conjunction with the Corporate Business Plan that was developed to meet the expectations and commitments identified in the City's Strategic Community Plan. The Annual Budget 2016/17 is presented for adoption by Council.

Attachments

1. Annual Budget 2016/17 (circulated separately).

Declaration of Closure

There being no further business, the Presiding Member will declare the meeting closed.

A handwritten signature in black ink, appearing to read 'Greg Trevaskis', with a large, sweeping flourish at the end.

Greg Trevaskis
Chief Executive Officer