



Agenda

Special Council Meeting

Thursday 1 August 2019

Question Time

Rules

Please note that the following rules apply to Question Time:

1. The person asking the question is requested to complete a Public Question Time Form prior to asking a question at the Council meeting. This will assist in a more informed and detailed response being given at this meeting. This form is available on the Shire's website and on the desk in the gallery area of Council Chambers.
2. Questions are to be directed through the Chair, with the Chairperson having the discretion of accepting or rejecting a question or taking it on notice.
3. To enable all members of the public a fair and equal opportunity to participate in Question Time, each person shall, in the first instance, ask a maximum of Two Questions.
4. If a question is taken on notice at the meeting, it will be answered in writing and included in the following meeting's Minutes.

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Notice of Meeting

Notice is hereby given that a Special Meeting of Council will be held at the Murray Shire Council, 1915 Pinjarra Road, Pinjarra on Thursday 1 August 2019 commencing at 9am.

Dean Unsworth
Chief Executive Officer

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

2. ATTENDANCES/APOLOGIES/LEAVE OF ABSENCE

3. PURPOSE OF MEETING

The purpose of the meeting is to consider:

- a) 2019/20 Budget Adoption; and
- b) Detailed Proposal for Former Exchange Hotel, Pinjarra

Note that Item b) is a confidential item and will be discussed behind closed doors. No members of the public are permitted to remain for this item as per Section 5.23 (2) of the Local Government Act due to its commercial in confidence nature.

4. PUBLIC QUESTION TIME

In accordance with Section 7(4)(b) of the Local Government (Administration) Regulations 1996, a Council at a Special Meeting is not required to answer a question that does not relate to the purpose of the meeting. It is therefore requested that only questions that relate to items on the agenda be asked.

5. ACKNOWLEDGEMENT OF RECEIPT OF DISCLOSURE OF INTERESTS (BY PRESIDING MEMBER)

6. PETITIONS AND APPROVED DEPUTATIONS

7. REPORTS OF CHIEF EXECUTIVE OFFICER AND OFFICERS

7.1 2019/20 Budget Adoption

File Ref: 8100
 Previous Items: Nil
 Author and Title: Tracie Unsworth, Director Corporate Services
 Voting Requirements: Absolute Majority

Appendices 1, 2 and 3

Recommendation

That Council adopt the 2019/20 Budget, consisting of:

1. 2019/20 Statutory Budget and Financial Statements

Having considered the Shire of Murray Strategic Community Plan and Corporate Business Plan, adopt the 2019/20 Budget as presented (refer Appendix Under Separate Cover) in accordance with the Local Government (Financial Management) Regulations 1996, and the Local Government Act 1995 comprising:

- Statement of Comprehensive Income
- Statement of Cash Flows
- Rate Setting Statement

2. Rates

In accordance with Section 6.32(1)(a)(i) of the Local Government Act 1995, imposes the following differential general rates applicable on all rateable properties within the district:

<u>Valuation Type</u>	<u>Minimum Rate</u>	<u>Rate in \$</u>
GRV General	\$1143	\$0.096760
GRV General Storage Units	\$ 843	\$0.096760
GRV Commercial	\$1143	\$0.077408
UV General	\$1143	\$0.006654

3. Specified Area Rates

Imposes the following Specified Area Rates for the 2019/20 Financial Year:

<u>Specified Area Rate</u>	<u>Rate in \$</u>
Yunderup Canal Entrance Dredging	0.007084
Yunderup Canal Maintenance	0.006599
Murray Lakes Canal Maintenance	0.006645
Willow Gardens Canal Maintenance	0.006653
Austin Lakes Phase 2 Maintenance	0.007334

4. Rating Concessions

In accordance with Section 6.47 of the Local Government Act 1995, and Appendix 1 (under confidential cover) grants the following rate concessions:

- a. **Bona-fide Primary Producers** - a concession be applied to those properties where an application has been received and approved that met the set criteria of the Policy. Where the applicant resides in the Shire of Murray, the amount of the concession will be up to 30% of the rates levied. Where the applicant resides in an adjoining Shire, the amount of the concession will be up to 15% of the rates levied.

b. Strata title lots - a concession of \$6.00 per strata title assessment be applied on all strata title lots within the Riverglades Complex.

5. Private Swimming Pool Inspection Fees

Imposes a pro rata annual private pool inspection fee of \$21.00 per year in accordance with Section 53 of the Building Regulations 2012.

6. Due Dates for Payment of Rates and Instalments

Adopt the due dates for rate instalment payments for the Shire of Murray in the 2019/20 Budget as follows:

Date of Issue	30 August 2019
First Instalment	4 October 2019
Second Instalment	6 December 2019
Third Instalment	14 February 2020
Fourth Instalment	17 April 2020

7. Interest Rates and Administration Charges for Rate Instalment Payments

Applies an Administration charge of \$30.00 and a maximum interest component of 5.5% in the 2019/20 Budget for rate instalment payments.

8. Rate of Interest on Overdue Rates and Service Charges

Imposes a maximum interest rate of eleven percent (11%) on overdue rates for the 2019/20 Budget.

9. Fees and Charges

Adopts the Schedule of Fees and Charges for the 2019/20 financial year as attached within Appendix 2.

10. Rate of Interest on Overdue Accounts

Adopts a maximum interest charge of eleven percent (11%) to be applied to any monies (other than rates or service charges) owing to the Local Government for a period of sixty (60) days or longer.

11. Reserve Fund

In accordance with Section 6.11 of the Local Government Act 1995 create Reserve Funds and allocate funds to and from the Reserve Funds for the financial year ending 30 June 2019 as specified in the 2019/20 Budget document (refer Appendix 3).

12. Trust Fund

Adopts the Trust Fund Budget for the financial year ending 30 June 2019 as specified in the 2019/20 Budget document (refer Appendix 3).

13. Reporting of Variances in Monthly Financial Statements

The following material variance for reporting purposes:

Any year to date budget to actual variance at program level, as reported in the monthly statement of financial activity, exceeding \$75,000 (excluding GST).

14. Councillor Allowances and Expenses

The allowances and expenses to be paid to Members of the Council in the 2019/20 Budget are:

a) Presidents Allowance	\$35,525
b) Deputy President's Allowance	\$ 8,881
c) Members' Annual Meeting Allowance (President)	\$15,733
d) Members' Annual Meeting Allowance (per Councillor)	\$15,733
e) Information Communication Technology Allowance	\$ 3,500
f) Members Travel Allowance	\$ 50

In Brief

- The Shire is required to adopt an annual budget, between 1 June and 31 August each year.
- The draft 2019/20 Budget has been compiled based on the principles contained in the Long Term Financial Plan (LTFP), and contains provisions to achieve the outcomes detailed in the Strategic Community Plan and the Corporate Business Plan.

Background

In accordance with the Local Government Act and Regulations, Council is required to adopt a budget on an annual basis.

Council's long-term planning strategy is aimed at creating a sustainable financial environment to enable Council to continue to provide the community with high quality services and infrastructure into the medium and long term. The budget is a continuation of Council's responsible financial program. It is a financial plan aimed at:

- Balancing the community's needs and ensuring that the Shire continues to be financially sustainable in the long term.
- Maintaining Council's commitment to sustainable asset renewal and maintenance of the community's assets.
- The maintenance of a strong cash position for financial sustainability.
- Achieving efficiencies through targeted savings and an ongoing commitment to contain costs.
- Implementing rate and fee increases that are both manageable and sustainable.
- Providing a framework to deliver balanced budgets including sustainable underlying surpluses.

The draft 2019/20 Budget has been prepared in accordance with the presentations made to Councillors at a number of workshops. In addition, Council approved the proposed Schedule of Fees and Charges and the Rating Methodology in May and June 2019 respectively.

Report Detail

The draft Budget has been prepared with an emphasis in the coming year on a continuation of service delivery for the community, as well as providing consistency and clear outcomes for residents. The Budget funds a range of community services including community safety, youth, recreation, maintenance of community facilities, parks, gardens, playgrounds, infrastructure, waste and recycling collection, and building and planning services. In addition, the capital works program provides for a sustainable level of funding for the renewal of the community's infrastructure and an investment in major community facilities.

The main features of the 2019/20 Budget include:

- A rating increase of 2%, and 0% increase in residential waste charges.
- Significant investment in capital infrastructure, including:
 - Roads - \$ 3,019,934
 - Buildings - \$ 8,426,031
 - Pathways - \$ 206,739
 - Drainage and Kerbing - \$ 102,388
 - Parks - \$ 852,734

Key projects that are included within the draft Budget include:

- | | |
|--|-------------|
| • Agri-Innovation Project (Year 1 of 3) | \$6,525,000 |
| • Dwellingup National Trails Centre | \$3,103,444 |
| • Murray River Foreshore redevelopment | \$1,255,367 |
| • Bushfire Risk Planning | \$ 171,213 |
| • Gowman Reserve Ravenswood upgrade | \$ 75,000 |
| • Edenvale Landscape Masterplan Stage 1 | \$ 62,000 |
| • War Memorial - relocation and landscaping | \$ 70,000 |
| • Murray Aquatic & Leisure Centre changeroom upgrade | \$ 64,500 |
| • Design - Corio Road Waste Transfer Station Tip Face | \$ 53,845 |
| • York Street Park Furnissdale – upgrade | \$ 45,000 |
| • Pinjarra Festival | \$ 83,128 |
| • Murray Christmas Celebration | \$ 18,879 |
| • Youth activities | \$ 10,000 |
| • Heritage Building conservation works | \$ 99,603 |
| • Murray Aquatic & Leisure Centre - 24 hour gym access | \$ 42,500 |
| • Tourism Strategy and promotional activities | \$ 53,000 |
| • Placemaking – community led initiatives | \$ 25,000 |
| • Tourism Marketing and Communication Strategy | \$ 25,000 |

Loans

The following new loans are proposed in the 2019/20 year.

Purpose	Amount (\$)	Term (Years)
Dwellingup National Adventure & Trails Centre	955,000	15
Pinjarra Revitalisation Works	200,000	10

Rates

The focus for 2019/20 has been on balancing the need for revenue to fund the requirements of local government services, activities, maintenance of assets, financing costs and capital infrastructure requirements, with the desire to limit the increase to affordable levels for all ratepayers. An overall rating increase of 2.0% has been applied. This level of increase for a Shire that is preparing for a considerable growth phase is conservative, and will require careful operational management to achieve the same service levels as in previous years.

Due to the valuation fluctuation in 2017/18, whereby the value of commercial properties increased by an average of 8.05%, and residential property values decreased by 9.16%, the continuation of the 2018/19 differential rate, whereby a lower rate in the dollar is applied to commercial properties, has been included within the draft Budget to restore equity across categories of land use.

Rating Concessions and Lesser Minimums

Two rating concessions are provided for in the 2019/20 year as follows:

1. Primary Producer Concessions have been included in accordance with Council Policy. The total concession granted in the 2019/20 Budget is \$148,370.
2. Strata title lots – a concession of \$6.00 per strata title assessment is proposed to be applied to all strata title lots within the Riverglades Complex. This concession is applied in recognition that property owners are required to pay the mandated fee under the Caravan Parks & Camping Grounds Regulations.

A lesser minimum of \$843 per is proposed for private storage units, in recognition of the significant variation in valuations in comparison to other properties within the Shire.

Community Facility Fund

One project under the Community Facility Fund is included to the value of \$4853. The funding has been awarded to the North Pinjarra Progress Association to upgrade the North Pinjarra Hall kitchen, and install an additional air conditioning unit.

Fees and Charges

Fees and charges have been reviewed with consideration of several influencing factors including the cost of providing the service, market comparison and an emphasis on equity. A number of fees and charges are set by other levels of government regulation (statutory) and are not subject to discretionary change by Council. The Schedule of Fees and Charges was adopted by Council in May 2019, and is included with minor amendments.

Councillor Allowances

In recognition of the financial constraints of the Shire, Councillor allowances are proposed to remain at 2018/19 levels, despite an increase of 1% being recommended by the Salaries and Allowances Tribunal.

Murray 2030 Strategic Community Plan

Focus Area	Capable and Accountable
Aspiration	To develop strong leadership through good governance, effective communication and ensuring value for money.
Strategy	Maintain long term financial sustainability.

Other Strategic Links

- Strategic Community Plan – Murray 2030
- Corporate Business Plan 2019 - 2023
- 2019 Long Term Financial Plan

Statutory Environment

Section 6.2 of the Local Government Act 1995 requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt (by Absolute Majority) in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of the Local Government Act 1995 refer to the setting of budgets and raising of rates and charges. The Local Government (Financial Management) Regulations 1996, details the form and the content of the budget.

Sustainability & Risk Considerations

Economic - (Impact on the Economy of the Shire and Region)

This draft Budget has been developed based on sound financial management and accountability principles and is considered to support activities that drive a sustainable economic outcome for the community.

Social - (Quality of life to community and/or affected landowners)

The draft Budget contains financial resourcing for a wide range of programs that deliver important community services to the Murray residents. It is based on the principle of maintaining all services that are presently available to the community with an increased focus on efficiency.

Environment – (Impact on environment’s sustainability)

The proposed budget recognises the leadership role Council has within the community to actively address the impacts of environmental sustainability and to facilitate other levels of government and the community to act in in a similar manner.

Policy Implications

Adoption of an annual budget assists in the sound planning for the prudent allocation of Council resources and is required to meet legislative requirements.

Risk Management Implications

<i>Risk Level</i>	<i>Comment</i>
Moderate	The key risk around budget adoption is community acceptance of the projects within the budget and the overall level of income and expenditure. This risk is reduced through the consultation for the development of the Strategic Community Plan. The annual rates publication will also outline the areas of local government expenditure, to ensure the community is aware of the expenditure allocation, including that assigned to major projects.

Consultation

The key strategic priorities of the Shire of Murray have been developed in consultation with the community. Furthermore, proposed differential rates were advertised for public comment in May 2019, with no submissions received.

Resource Implications

Financial

The draft 2019/20 Budget aligns with the financial framework established by Council in its Long Term Financial Plan. It lists all matters of an operational and capital nature, and includes various sources of income to support the delivery of services.

Workforce

The budget proposes no increases to the workforce.

Options

Council has the option of:

1. Adopting the budget as presented.
2. Amending the budget, noting that if there are amendments, the formal adoption of the budget will be delayed, affecting cash flows and the implementation of proposed services and initiatives.

Conclusion

The proposed Budget forms an integral part of Councils overall strategic planning framework and endeavours to resource the direction that has been established in the Strategic Community Plan and the Corporate Business Plan.

The 2019/20 Budget presented for adoption is seen as a responsible balance of an equitable rating structure and the requirement to ensure the long-term sustainability of the Shire.

8. CONFIDENTIAL ITEMS

8.1 Detailed Proposal for Former Exchange Hotel, Pinjarra

File Ref: GE02/85
Author and Title: Rod Peake, Director Planning and Sustainability
Voting Requirements: Simple Majority

Confidential Appendix 4 under separate cover

Recommendation

That Council proceeds behind closed doors as per Section 5.23(2) (c) of the Local Government Act for the purpose of considering confidential item 8.1 Detailed Proposal for Former Exchange Hotel, Pinjarra.

Recommendation

That Council Resolution OCM19/xxx remains confidential due to its commercial in confidence nature.

In Brief

- Enable discussion regarding the Detailed Proposal for Former Exchange Hotel, Pinjarra.
- A confidential report will be distributed separate to the main agenda.

Background

All details are contained within the confidential report.

Report Detail

All details are contained within the confidential report.

Other Strategic Links

All details are contained within the confidential report.

Statutory Environment

All details are contained within the confidential report.

Consultation

All details are contained within the confidential report.

Resource Implications

Financial

All details are contained within the confidential report.

Workforce

All details are contained within the confidential report.

Options

All details are contained within the confidential report.

Conclusion

All details are contained within the confidential report.

9. CLOSURE OF MEETING