

Bunbury City Council

Notice of Special Meeting and Agenda 30 July 2015

To adopt the City of Bunbury 2015/2016 Budget



CITY OF BUNBURY
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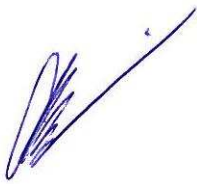
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Bunbury City Council Notice of Special Meeting

TO: Council Members

A Special Meeting of the Bunbury City Council will be held in the Council Chambers, City of Bunbury Administration Building, 4 Stephen Street, Bunbury on Thursday, **30 July 2015** at 5.30pm, to adopt the City of Bunbury 2015/16 Budget.



Andrew Brien
Chief Executive Officer
(Date of Issue: 24/7/2015)

Agenda 30 July 2015

Note: The recommendations contained in this document are not final and are subject to adoption, amendment (or otherwise) at the meeting.

Council Members:

Mayor Gary Brennan
Deputy Mayor Councillor Brendan Kelly
Councillor Murray Cook
Councillor Wendy Giles
Councillor James Hayward
Councillor Judy Jones
Councillor Betty McCleary
Councillor Neville McNeill
Councillor Jaysen Miguel
Councillor Sam Morris
Councillor David Prosser
Councillor Michelle Steck
Councillor Karen Steele

1. Declaration of Opening / Announcements of Visitors

2. Disclaimer

All persons present are advised that the proceedings of this meeting will be recorded for record keeping purposes and to ensure accuracy in the minute taking process, and will also be streamed live via the internet to the public.

3. Record of Attendance, Apologies and Leave of Absence

3.1 Apologies

3.2 Approved Leave of Absence

4. Declaration of Interest

Members should fill in *Disclosure of Interest* forms for items in which they have a financial, proximity or impartiality interest and forward these to the Mayor before the meeting commences.

5. Public Question Time

In accordance with Reg. 7(4)(a) of the Local Government (Administration) Regulations 1996, members of the public in attendance at the meeting may stand, state aloud their name and address, and ask a question in relation to any matter relating to the purpose of the Special Council Meeting.

6. Questions on Notice from Council Members

7. Purpose of the Meeting

The purpose of the Meeting is:

- To adopt the 'Rate in the Dollar' and Minimum Rate for General and Specified Area Rates that Council will levy on property Gross Rental Valuations.
- To adopt proposed charges for refuse collection and waste minimisation.
- To adopt the fees and charges
- To adopt Council's 2015/16 Budget.

7.1 Adoption of the 2015/16 Budget

Applicant/Proponent:	Internal Report
Author:	David Ransom, Manager Finance
Executive:	Andrew Brien, Chief Executive Officer
Attachments:	Attached under separate cover

1. Memorandum of Imposing General Rates, Minimum Rates and Specified Area Rate for 2015/16

Following Council's adoption of the Corporate Business Plan 2015/16 to 2018/19 on 14 April 2015, the forecasts contained in this plan have been used as the basis for producing a draft annual budget for 2015/16.

Councillors have subsequently held two budget workshops on the 12 and 26 May 2015 to consider the draft budget, and a proposed property rate increase of 3.5% is necessary to meet the operating and capital expenditure in the 2015/16 draft budget.

The proposed property rate increase of 3.5% was advertised for community and ratepayer information in June 2015 in the Bunbury Mail, City Focus column, City of Bunbury E-news Letter and media release.

Recommendation

1. Council adopt the following Municipal Rates in the dollar on gross rental valuations for the 2015/16 financial year:

- 1.1 General Rate

- The General Rate on current Gross Rental Values for the 2015/16 financial year on all rateable land be **8.3880** cents in the dollar.

- 1.2 Minimum Rate

- The Minimum Rate for rateable properties within the City of Bunbury be **\$1,035.00**.

- 1.3 Specified Area Rate - Grand Canals, Pelican Point

- A Specified Area Rate of **1.2844** cents in the dollar on the Gross Rental Valuation for all properties within the Grand Canals Pelican Point for the provision of maintaining the waterways of the development as identified on the map and additional information **attached** at Appendix "1".

Note: Absolute Majority Vote Required

2. Refuse Collection and Waste Minimisation Charges 2015/16 Budget

The Refuse Collection and Waste Minimisation charges include:

- Kerbside collection of domestic refuse.
- Kerbside collection of recyclables.
- Kerbside collection of organic waste.
- Provision of two (2) annual kerbside collections each of green waste and hard waste to residential properties.

Recommendation

1. The following Refuse Collection and Waste Minimisation charges for the City of Bunbury (including two (2) hard waste and two (2) green waste collections for residential properties) be adopted for the 2015/16 financial year:

1.1 Residential General Refuse Services

1.1.1 Residential properties where fortnightly collections of general refuse and hard waste includes provision of a **240 litre mobile garbage bin**:
\$107.00 per annum.

1.1.2 Residential properties where fortnightly collection of general refuse and hard waste includes provision of a **140 litre mobile garbage bin**:
\$93.00 per annum.

1.1.3 Residential properties where weekly collection of general refuse and hard waste includes provision of a **240 litre mobile garbage bin**:
\$241.00 per annum.

1.2 Residential Recycling Services

1.2.1 Residential properties where fortnightly collection of recycling refuse and green waste includes provision of a **240 litre mobile garbage bin**:
\$93.50 per annum.

1.2.2 Residential properties where fortnightly collection of recycling refuse and green waste includes provision of a **360 litre mobile garbage bin**:
\$100.00 per annum.

1.2.3 Residential properties where fortnightly collection of recycling refuse and green waste includes provision of a **140 litre mobile garbage bin**:
\$81.00 per annum.

1.3 Residential Organic Waste Services

1.3.1 Residential properties where weekly collection of organic waste includes provision of a **240 litre mobile garbage bin**:
First Service **\$100.50** per annum
Second and subsequent services **\$94.00** per annum.

1.3.2 Residential properties where weekly collection of organic waste includes provision of a **140 litre mobile garbage bin**:
\$85.00 per annum.

1.4 Non-Residential General Refuse Services

1.4.1 All non-residential properties (excluding commercial and industrial properties) where refuse collection includes provision of a **240 litre mobile garbage bin**:
\$230.00 per annum for each service per week.

1.4.2 All non-residential properties (excluding commercial and industrial properties) where refuse collection includes provision of a **140 litre mobile garbage bin**:
\$195.00 per annum for each service per week.

1.5 Non-Residential Recycling Services

All non-residential properties (excluding commercial and industrial properties) where recycling collection includes provision of a **240 litre mobile garbage bin**:
\$101.50 per annum for each service per fortnight.

1.6 Non-Residential Organic Waste Service

All non-residential properties (excluding commercial and industrial properties) where weekly organic waste collection includes provision of a **240 litre mobile garbage bin**:
\$203.00 per annum for each service per week.

1.7 Commercial and Industrial Properties Refuse Collection

All commercial and industrial properties where collection of refuse includes provision of a **240 litre mobile garbage bin service** will have the following refuse collection charges:

First service per week	\$230.00 per annum
Second and subsequent services per week	\$230.00 per annum

1.8 Commercial and Industrial Properties Recycling Services

All commercial and industrial properties where collection of recycling includes provision of a **240 litre mobile garbage bin service** will have the following recycling collection charges:

Fortnightly service	\$101.50 per annum
Weekly service	\$203.00 per annum
Twice weekly service	\$406.00 per annum

1.9 Commercial and Industrial Properties Organic Services

All commercial and industrial properties where collection of organic includes provision of a **240 litre mobile garbage bin service** will have the following organic collection charges:

Weekly service	\$203.00 per annum
Twice weekly service	\$406.00 per annum

Three times per week **\$609.00** per annum

1.10 Commercial and Industrial Properties Bulk Service

1.10.1 All commercial and industrial properties where refuse collection includes provision of a **1,100 litre mobile garbage bin** will have the following refuse collection charges:

One (1) service per week **\$942.00** per annum

1.10.2 All commercial and industrial properties where collection of recycling includes provision of a **1,100 litre mobile garbage bin** will have the following recycling collection charges:

Fortnightly service **\$461.50** per annum

Weekly service **\$923.00** per annum

Note: Absolute Majority Vote Required

3. Proposed Loan Borrowings and Financing Arrangements 2015/16

Details of the purpose and financial arrangements are included in the Draft Budget circulated **under separate cover**:

a) Loan Borrowings

Loan No.	Purpose	Amount(\$)
372	Hay Park Sports Pavilions	\$580,000
373	Museum and Heritage Centre	\$320,000
374	Water Playground	\$1,000,000
375	Roadworks	\$100,000
376	Airport Upgrades	\$360,000
Total Loan Borrowings:		\$2,360,000

b) Municipal Fund Overdraft Limit - \$2,500,000

An overdraft provision of \$2,500,000 financed by the Commonwealth Bank to provide working capital if required.

Recommendation

1. Council borrow Loan Funds of \$2,360,000 during the 2015/16 financial year as detailed in the Draft Budget 2015/16 for loan numbers 372 to 376.
2. Council endorse the Municipal Fund having an Overdraft Limit of \$2,500,000.

Note: Absolute Majority Vote Required

4. Adoption of the 2015/16 Budget

A copy of the Draft Budget 2015/16 has been circulated under separate cover.

Following Council's adoption of the Corporate Business Plan 2015/16 to 2018/19 on 14 April 2015, the forecasts contained in this plan have been used as the basis for producing a draft annual budget for 2015/16.

Councillors have subsequently held two budget workshops on the 12 and 26 May 2015 to consider the draft budget.

Recommendation

Budgets for the following funds for the year ending 30 June 2016, be adopted:

1. Municipal Fund and the following Reserve Funds:
 - 1.1 ACDI Equipment Replacement Program
 - 1.2 Airport Reserve
 - 1.3 Asset Management and Renewal
 - 1.3 Building Restoration and Maintenance
 - 1.4 Bunbury Museum and Heritage Centre
 - 1.5 Canal Management
 - 1.6 CBD Contribution Parking
 - 1.7 Central Traffic Area (2)
 - 1.8 Central Traffic Area (3)
 - 1.9 City Arts Collection
 - 1.10 City of Bunbury General Parking
 - 1.11 College Grove Subdivision Amended Joint Venture
 - 1.12 Depot Construction
 - 1.13 Disaster Relief Fund (City of Bunbury)
 - 1.14 Dual-Use Path Upgrade Contributions
 - 1.15 Employee Entitlements and Insurance
 - 1.16 Environmental
 - 1.17 Hay Park Regional Athletics Track
 - 1.18 Infrastructure Development Reserve
 - 1.19 Land Subdivision and Development
 - 1.20 Local Planning Policy Framework
 - 1.21 Marlston Hill TV Aerial Network
 - 1.22 Meat Inspection
 - 1.23 Plant and Equipment
 - 1.24 Public Art

- 1.25 Recreation Centre Development
 - 1.26 Refuse Collection and Waste Minimisation
 - 1.27 Regional Museum
 - 1.28 Road Upgrade Contributions
 - 1.29 Town Planning Act Section 20A
 - 1.30 Town Planning Scheme Land Acquisition and Compensation
 - 1.31 Withers
-
- 2. Trust Fund

Note: Absolute Majority Vote Required

5. Due Dates for Payment of Rates and Rubbish Collection Charges 2015/16

The adoption of the Budget must record the due dates for payment of Rates and Rubbish Collection charges for the four-payment instalment plan. These dates are now referred to Council for endorsement.

Rate Notices will be issued on 14 August 2015. Under the Local Government Act 1995, the City is required to provide at least 35 days' notice to ratepayers of the 1st instalment date for payment of rates and not less than two (2) months between subsequent instalment dates.

A Budget and Rates Information brochure will be included with every rate notice.

Recommendation

The due dates for payment of Rates and Rubbish Collection Charges for 2015/16 be as follows:

1. First Instalment Payment (and 'Payment in Full'): 25 September 2015
2. Second Instalment: 25 November 2015
3. Third Instalment: 29 January 2016
4. Fourth Instalment: 29 March 2016

6. Administration and Interest Fees on Rates, Rubbish, Waste Minimisation and General Debtor Collection Charges 2015/16

The Rates and Charges proposed are as outlined in the recommendation below.

Recommendation

The following Rates and Charges are proposed as allowed under the Local Government Act 1995, to provide for Administration and Interest Charges on Rating, Rubbish, Waste Minimisation and General Debtor Collection charges during the 2015/16 financial year:

1. Instalment Plan Administration Fee

An Instalment Plan Administration fee of **\$7.00** for the second and each subsequent instalment notice issued will apply for rates and rubbish collection charges.

2. "Ad hoc" Payment Plan Fee

The recommended **\$31.50** Administration Charge per assessment applies on approved payment plans for rates and rubbish accounts which fall outside the standard four instalments program.

3. Late Payment Interest Charge

A charge on outstanding rates and rubbish collection accounts (including amounts owed on ad hoc Payment Plans) of **11%** will be calculated daily at **0.0301%** on a simple interest basis for the number of days from the account due date until the day prior to the day on which the payment is received.

4. Instalment Plan Interest Charge

An interest rate of **5.5%** will be calculated on a daily basis at **0.0151%** by simple interest basis from the due date of the first instalment as shown on the rate notice to the due date of each respective instalment.

5. Late Payment Interest Charge (Excluding Rates and Charges)

A charge of **11%** interest, calculated on a simple interest basis for the number of days outstanding, may apply on unpaid debts (other than rates and rubbish collection charges) outstanding 35 days from the date of invoices raised after 1 July 2015.

Note: Absolute Majority Vote Required

7. **Waivers and Concessions**

The waivers and concessions proposed are as outlined in the recommendation.

Recommendation

The following waivers and concessions are proposed as allowed under the Local Government Act 1995 during the 2015/16 financial year:

1. Waivers

In respect to the Late Payment Interest Charge on rates and charges, the method of calculating the interest charge is on the daily balance outstanding.

There are instances where a small balance remains on the property assessment. This may have occurred due to a delay in the receipt of mail payments or monies from property settlements etc., and additional daily interest has accumulated.

Amounts outstanding of **\$5.00** and under will be waived, as it is not considered cost effective or equitable to recover from the new property owner. Estimated loss of revenue from this waiver is **\$2,850**.

2. Concessions

a) *Storage Units*

A concession of **\$455.40** per strata titled storage unit, totalling **\$47,361.60**, will be granted to strata titled storage units. This concession is to be applied to 104 storage units.

The Town Planning Scheme No 7 defines "Storage Unit" in the following terms "premises used for the storage of goods, equipment, plant or materials". Further to this definition, the following criteria must be met:

- Strata titled;
- Zoned "Industrial" under Town Planning Scheme No. 7;
- Have no ablutions (waste water system) connected;
- Maximum area of 75m²

b) *TPS Heritage Rates*

Following application a concession of 30% (up to a maximum of \$1,000) on the general rates payable will be provided to eligible properties for a period of five years where works relating to the conservation of the cultural heritage significance of the property has been undertaken in accordance with the City's Local Planning Policy – Rate Concession for Heritage Places. Estimated concession in 2015/16 is **\$8,905**.

Note: Absolute Majority Vote Required

8. Schedule of Fees and Charges 2015/16 Budget

The Schedule of proposed Fees and Charges for the 2015/16 financial year forms part of the 2015/16 Budget which has been circulated to Council under separate cover.

Council previously adopted the 2015/16 Fees and Charges on 9 June 2015. Since this time a number of amendments are required on both Council and Regulatory fees and charges. These changes have been identified in the Fees and Charges document.

Recommendation

The Schedule of Fees and Charges (which forms part of the 2015/16 Budget) be adopted effective from 31 July 2015.

Note: Absolute Majority Vote Required

9. Elected Members Meeting Attendance Fees and Allowances

The Mayor, Deputy Mayor and Councillors will receive the prescribed allowances, meeting attendance fees and communication allowance in accordance with the Local Government Act 1995 as follows:

NOTE: In relation to recommendation 3 “Councillor and Mayoral Communications and Information Technology Allowance”, this payment will be paid at the end of each financial year net of the ongoing monthly iPad costs including plan fees and any personal usage, purchases, calls or downloads.

Recommendation

Council adopts the Elected Member Sitting Fees and allowances as prescribed by the Local Government (Administration) Regulations 1996 being:

1. Councillor Meeting Attendance Fee: **\$22,000** per annum
2. Mayoral Meeting Attendance Fee: **\$29,500** per annum
3. Councillor and Mayoral Communications and Information Technology Allowance: **\$3,500** per annum
4. Mayoral Allowance: **\$60,000** per annum.
5. Deputy Mayoral Allowance: **\$15,000** per annum being 25% of the Mayoral Allowance.
6.
 - 6.1 The position of Mayor shall for the purpose of carrying out the functions of the Mayor’s office be entitled to receive the provision of a fully maintained Local Government owned vehicle.
 - 6.2 In accordance with the provisions of the Local Government (Administration) Regulations 1996, Regulation 34AD all private use of the Council vehicle is to be recorded and reimbursed to Council.

Note: Absolute Majority Vote Required

10. Reporting of Material Variances in the Monthly Statement of Financial Activity for 2015/16

The Local Government (Financial Management) Regulations require the Council to adopt (each year) a percentage or value to be used for reporting material variances in the Statement of Financial Activity. Any variance meeting these criteria will be required to have a supporting explanation in the monthly report to Council.

Council last adopted the reporting variances criteria at the Special Council Meeting for the adoption of the 2014/15 Budget on 30 July 2014.

Information is considered "material" if its omission, mis-statement or non-disclosure has the potential to adversely affect decisions by users of the financial report or affect the discharge of accountability by management or Council.

Recommendation

A variance between actual and budget-to-date of greater than or equal to **10%** and **\$25,000** is considered to be a material variance for reporting purposes in the Statement of Financial Activity for 2015/16.

11. For Councillor Information

Council will raise a total of \$33.78M in General Rates, Minimum Rates and Specified Area Rates in 2015/16. However under Section 6.26(2) of the Local Government Act not all properties are rateable; for example: land used for charitable purposes, a place of public worship or schools. Rates foregone on 238 properties within the City of Bunbury due to the rate exemption under the Local Government Act total \$1,013,956. These properties are audited bi-annually to ensure their ongoing exemption status.

7.2 Appendices

7.2.1 Appendix 1: Specified Area Rate – Pelican Point - Grand Canals

Section 6.37(1) of the Local Government Act states the following:

Specified area rates

- (1) A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —
- (a) have benefited or will benefit from;
 - (b) have access to or will have access to; or
 - (c) have contributed or will contribute to the need for, that work, service or facility.

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Pelican Point - Grand Canals; that they will have access to these works; and contribute to the need for these works.

Council outlines the following reasons for imposing a specified area rate on the Pelican Point precinct within the City of Bunbury:

A rate in the dollar of 1.2844 cents on the current Gross Rental Values for the 2015/16 financial year for all properties within the Grand Canals Pelican Point Development for the purpose of maintaining the waterways development will apply and generate \$41,459 in income.

What is the purpose of the rate?

The purpose of the rate is to raise funds over a given period of time to allow for the periodic dredging, clearing and maintenance of the canal waterways.

How much is the rate yield?

These rates will raise approximately \$41,459 for the 2015/16 financial year.

How is the rate calculated?

A rate of 1.2844 cents in the dollar will apply on the Gross Rental Values for all properties located in the Grand Canals Specified Area (refer to the map over the page.)

Will the rate change?

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Pelican Point Grand Canals Area; that they will have access to these works; and will need to contribute to these works.

The rate at present is only indicative and is heavily dependent on the amount of sand build-up that is in a direct relationship to river flows. Direct costs are anticipated to be in the order of \$300,000 per dredging which could be required every 5-7 years. The estimated Canal Management Reserves at the 30 June 2016 will be \$456,955.

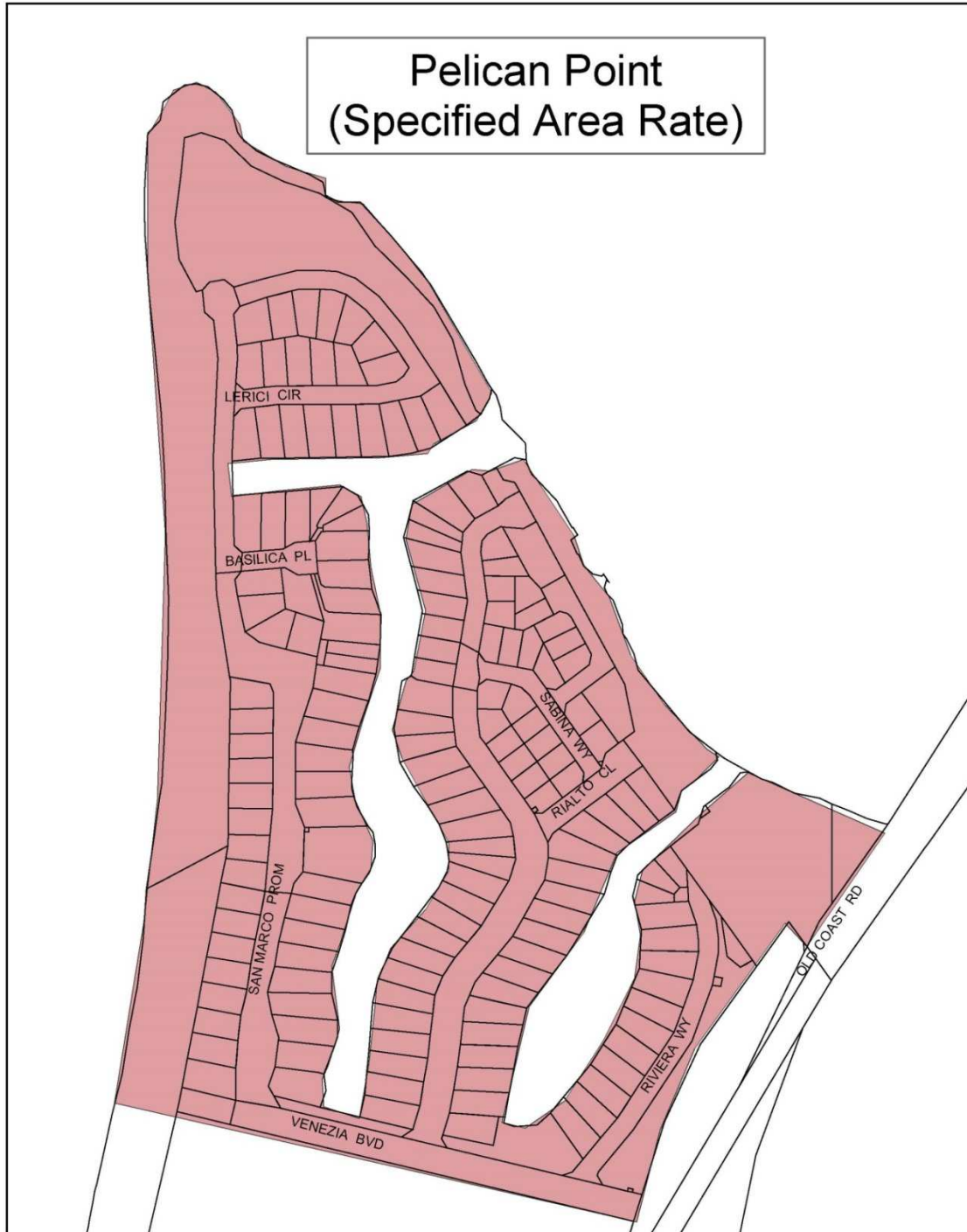
How was the cost calculated?

Costs for maintenance and repair work are based on estimates obtained from companies who will be contracted to perform the necessary work on the canals.

Has this approach been used elsewhere?

Canal developments have now occurred in a number of Council's around Australia. Many Councils use such standard options as specified area rates to ensure that the ongoing costs of repairs and maintenance are met.

Pelican Point – Grand Canals – Specified Area Map



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8. Closure