



UNCONFIRMED MINUTES
OF THE SPECIAL MEETING
OF COUNCIL
HELD ON
9 AUGUST 2012

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Unconfirmed Minutes of the Special Meeting of the Yalgoo Shire Council,
held in the Council Chambers, 37 Gibbons Street, Yalgoo,
on Thursday 9 August, commencing at 11.00am

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Shire President Terry Iturbide declared the Ordinary Meeting open at 11.00am.

ADJOURNMENT: The President adjourned the Special Meeting of Council at 11:00am

RESUMPTION: The meeting resumed at 11.10am with all who were in attendance before the adjournment being present at the resumption

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

MEMBERS	Terry Iturbide Shire President Cr Laurence Hodder Cr M Raul Valenzuela
STAFF	Sharon Daishe, Chief Executive Officer Christine Harvey, Finance Consultant
GUESTS	
OBSERVERS	
LEAVE OF ABSENCE	
APOLOGIES	Cr Len J Terry, Deputy Shire President Cr Neil A Grinham

3. DISCLOSURE OF INTERESTS

Disclosures of interest made before the Meeting

4. PUBLIC QUESTION TIME

4.0 RESPONSE TO QUESTIONS TAKEN ON NOTICE

4.1 QUESTIONS WITHOUT NOTICE

5. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil

6. CONFIRMATION OF MINUTES

6.1 SPECIAL COUNCIL MEETING

Background

Minutes of the Special Meeting of Council have previously been circulated to all Councillors.

Voting Requirements

Simple majority

OFFICER RECOMMENDATION/COUNCIL DECISION

C2012-0801 Minutes of the Special Meeting

That the Minutes of the Special Council Meeting held on Tuesday 07 August 2012 be confirmed.

Moved: Cr M R Valenzuela

Seconded: Cr L Hodder

Motion put and carried 3/0

7. BUSINESS AS NOTIFIED

7.0 Purpose of Meeting

The purpose of the Special Meeting is to consider the final budget for 2012-13 (including adopting material variance reporting criteria for 2012-13).

7.0.1 Local Government Act 1995 S5.7 (2) Application (Reduction of Number of Members Required for Absolute Majority)

The Shire of Yalgoo is comprised of six (6) elected members and requires a minimum of four (4) elected members for any decision that requires an absolute majority (LGA 1995, s1.4 and 1.9). There is currently one office vacant with an election due to be held on 01 September 2012.

Section 5.7 (2) of the Local Government Act 1995 empowers the Minister to reduce the number of offices of members required at a council meeting under certain circumstances.

At the special meeting held on Tuesday 07 August 2012 for the purpose of considering the draft budget, two councillors had tendered apologies at short notice due to immediate health reasons. It was evident that neither councillor would be likely to attend the meeting scheduled for Tuesday 09 August for the purpose of adopting the final budget. Five recommendations at this meeting required an absolute majority.

On Wednesday 08 August 2012 the CEO applied for s5.7 (2) approval to reduce the number of offices of members required at this Special meeting of Council to make the decisions specified at items 7.2 within which would otherwise be required to be made by an absolute majority.

Approval was granted on 08 August 2012.

7.1 Adoption of Budgeted Material Variances

File:	
Author:	Heather Boyd, Deputy CEO
Interest Declared:	No interest to disclose
Date:	13 June 2012
Attachments (yellow)	Nil

Matter for Consideration

For Council to adopt the material variances reported on in the 2012/13 Financial Year.

Background

As a part of the reporting to Council of monthly income and expenditure, the Council receives a report on variances of actual income and expenditure to the budgeted amounts. As part of the budgeting process each year, Council must adopt the value of the material variances that will be reported on in the monthly accounts.

Statutory Environment

Local Government Act 1995

- s.3.1 (1) The general function of the local government is to provide for the good government of persons in its district.

Local Government (Financial Management) Regulations 1996

s34. Financial activity statement report:

(1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail –

(5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.

Strategic Implications

For decision making by Council on the financial position of Council.

Policy Implications

Nil

Financial Implications

Control of financial progress in relation to the adopted budget.

Consultation

None

Comment

Each year Council must adopt a material variance to assist in reviewing the monthly financial statements and the annual budget review. In accordance with Regulation 34 of the Local Government (Financial Management) Regulations, each Council must adopt a percentage over which a budget variance would be considered material when it reviews the monthly statements of financial activities and accepts the annual budget review.

It is suggested that council adopts a material variance of 10% or a minimum of \$10,000 (whichever is greater).

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

C2012-0802 Adoption of budgeted material variances

That Council adopt 10% and a minimum of \$10,000 (whichever is greater) for reporting material variances to be used in assessing statements of financial activity and the annual budget review for the 2012/2013 financial year.

Moved: Cr M R Valenzuela

Seconded: Cr L Hodder

Motion put and carried 3/0

7.2 Adoption of Annual Budget 2012-2013

File:		
Author:	Sharon Daishe, CEO	
Interest Declared:	No interest to disclose	
Date:	07 August 2012	
Attachments (yellow)	P1	Ministerial approval, differential rating
	P2	Schedule of Fees and Charges
	P11	Final Draft Detailed Budget as considered at the Special Meeting on 7 August 2012

Matter for Consideration

Council to consider adopting the 2012-2013 Budget and also approve:

- Differential and minimum rates
- Instalment interest rate and fee, penalty interest rate and early payment incentive prize.
- Cemetery Fees and Charges
- Schedule of Fees and Charges

Background

A draft detailed budget for 2012/13 was presented to councillors for information at a workshop held on 19 July 2012. This document was prepared taking into consideration previously approved matters including the policy and statutory matters listed below. As the opening balance had not been finalised, this document was not a balanced budget.

Council subsequently considered a balanced draft detailed budget at a Special Meeting held on 07 August 2012, which included a list of changes that had been made to achieve a balanced budget. Council did not recommend any changes.

Budget items previously considered by Council	Decision/s
11.3.3 Draft Budget 2012/2013 - Donations	C2012-0410
11.3.4 Draft Budget 2012/2013 - Consultation requests	C2012-0411 C2012-0412
11.3.5 Elected Members Fees and Allowances 2012/2013	C2012-0415
11.3.6 Differential Rating 2012/2013	C2012-0416 C2012-0417
11.3.2 Grant Funding – Provisional Additions to Budget 2011-12/2012-13	C2012-0505
11.3.3 Fees and Charges	C2012-0506
11.3.4 Draft Budget 2012/13 - Plant Replacement Schedule	C2012-0507
11.3.5 Draft Budget 2012/2013 - Rubbish Collection Charge	C2012-0508
11.3.8 Draft Budget 2012/13 – Workforce / Workforce Plan	C2012-0512
11.3.9 Draft Budget 2012/13 - Annual Works (Roads) Program	C2012-0513
11.3.2 Budget Variance - part 2012/13 Financial Assistance Grant received 2011/12	C2012-0605
11.3.3 Budget Variance Roads to Recovery	C2012-0606
11.3.4 Draft Budget 2012/13 Capital Works and Forward Capital Works Plan	C2012-0607
13.1 Budget Request Capital Purchase Boomlift ('Cherry Picker')	C2012-0613
14.1 Consideration of a matter affecting an employee 5.23 (2) (a)	C2012-0616
6.1 Consideration of the draft detailed budget	S2012-0802

Reserve Accounts

The following transfers to reserves are included in the draft detailed budget. Note that the amounts below do not include interest earned on reserves. The amounts budgeted for reserves includes a calculation to reflect interest earned.

Reserve	Amount to transfer IN to reserve	Amount to Transfer OUT of Reserves	Comment (NB all reserve accounts will have transfers in reflecting interest earned)
Long Service Leave	Refer accruals budgeted	0	
Yalgoo Ninghan Road	0	15,454	Funding for Yalgoo Ninghan Road RRG reseal and repair project
Plant Reserves	8,708	0	Refer updated plant schedule
Building Reserve	0	\$150,000	Funding for staff houses project Weekes Street
Community Amenities Maintenance Reserve	0	\$15,000	\$5,000 - Replace failed door at railway station (heritage building requires custom build off site) \$10,000 – Museum replace window frames
HCP Reserve	\$61,600	0	MMG \$21,600 community benefit Extension Hill \$40,000 community benefit (\$20K each of 1/Nov & 1/May)
Yalgoo Morawa Road	0	0	Interest only
Housing Maintenance	0	\$10,000	16 Shamrock Street upgrade to compliant plumbing
General Road Maintenance	0	0	Interest only
Super	0	0	Interest only
Office Equip	0	\$20,000	Fund replacement of computers (due May 2013)
NEW Digital Television	\$30,000		New reserve for the purpose of transitioning from analogue to digital services

Statutory Environment

Local Government Act 1995

- Section 6.2–Requires a local government to prepare an annual budget by 31 August.
- Section 6.32–States that a local government in order to make up the budget deficiency is to impose a general rate on rateable land that may be imposed uniformly or differentially.
- Section 6.33(1)–Provides that a local government cannot, without the approval of the Minister, impose a differential general rate that is more than twice the lowest differential general rate imposed.
- Section 6.33(3)–States that a local government cannot without the approval of the Minister raise an amount of general rates that exceeds 110% of the budget deficiency or is less than 90% of the budget deficiency
- Section 6.35–States a local government before imposing any differential general rate provide at least 21 days public notice of its intention to do so.
- Section 6.45 to 6.47–Allows a local government to levy fees and interest, grant a discount for early payment and to waive or grant concessions in relation to a rate or service charge.

- Section 6.51—Allows a local government to charge interest on a rate or service charge that remains unpaid after it is due and payable.
- Section 6.16—Allows a local government to impose and recover a fee or charge for any goods or services it provides or proposes to provide.

Strategic Implications

Strategic allocation of funds to achieve efficiencies and service the aspirations of the Shire community.

Policy Implications

Policy 7.6 – Budget Timetable, outlines the steps and timetable leading to the adoption of the Budget.

Financial Implications

The budget outlines planned expenditure and revenue and determines the financial parameters for the Shire to operate within for the 2010-11 financial year. The budget, when adopted, will show a net surplus of \$0.

Consultation

Councillors, staff and community.

The proposed differential rates were advertised for public comment in advertisements placed in The West Australian. Ratepayers and electors were invited to provide submissions, to be received by 12.00pm Monday 29 May 2012. No submissions were received.

Comment

Matter	Comments
Differential Rating	<ul style="list-style-type: none"> ▪ Approval has been granted to implement a differential rate that is more than twice the lowest differential rate and impose a minimum payment of \$575 on vacant land. This approval is required in accordance with Section 6.33(3) and Section 6.35 (2), (3) and (4) of the Local Government Act 1995.
Interest and instalment options	<p>Penalty interest rate for rates not paid by due date and rate payment instalment options are the same as last year being:</p> <ul style="list-style-type: none"> ▪ 11% penalty interest to be charged on rates outstanding after the due date and for which the instalment option has not been taken up. ▪ Rates can be paid in four instalments, provided there are no outstanding rates from the previous year. An instalment charge of \$ 5 plus daily interest of 5.5% will be charged on the balance outstanding after the instalment dates, this is applicable on the second, third and fourth instalments. ▪ Rates incentive prize for rates paid in full and received by council by 4.00pm on the due date is offered to ratepayers. This is in the form of a lucky draw; the prize to the value of \$1000 is to be determined by Council.
Fees & Charges	The Schedule of Fees and charges is attached and reflects the fees and charges adopted at the ordinary meeting held on 28 May 2012.
Changes to the Draft Budget	The draft detailed budget presented to the Special Meeting on 07 August 2012 showed a surplus of \$0. No changes were recommended.

Voting Requirements

Simple Majority (#1 and #2)

OFFICER RECOMMENDATION/COUNCIL DECISION #1

C2012-0803 Budget 2012-13 Plant Replacement Schedule

That Council

1. Include the following major and minor plant listed for replacement in the annual budget for 2012-13:

Current Plant	Trade in on What	Budget Purchase	Budget Trade in	Budget C/Over
Kubota Ride on Mower	Ride on Mower	15,000	2,000	13,000
Bitumen Sprayer	Bitumen Sprayer	50,000	-	50,000
Water Tanker	Water Tanker	110,000	20,000	90,000
Loadrite weighing system for Batching plant		18,000		18,000
Boom Lift (Cherry Picker)		15,000		15,000
Dolly	Dolly	27,870	11,363	16,507
Work Ute	Work Utes	45,000	28,000	17,000
Foreman’s Ute		43,219	-	43,219
Foreman’s Ute	Foreman’s Ute	45,000	28,000	17,000
Gardener’s Ute	Gardener’s Ute	31,172	10,000	21,172
PE Vehicle	PE Vehicle	45,000	28,000	17,000
CEO 4WD	CEO 4WD	75,000	50,000	25,000
Sundry Small Plant		20,000	-	20,000
				362,898

2. Include a transfer to Plant Reserve of \$8,708 to plan for the future replacement of plant.

Moved: Cr M R Valenzuela Seconded: Cr L Hodder Motion put and carried 3/0

OFFICER RECOMMENDATION #2

Draft Annual Budget 2012-13

That Council, having considered the draft annual budget 2012-13 in detail as presented, recommend that the following further changes (if any) be made with the view of adopting a balanced budget.

Action	Details	Inc + (-)	Exp + (-)

Moved: Cr M R Valenzuela Seconded: Cr L Hodder DEFERRED

The CEO advised Council that:

1. Advice was received yesterday morning that the TQual grant application for \$100,000 towards the caravan park was unsuccessful;
2. During preparation of the statutory budget document the Shire’s accountants discovered that the updated rate modelling figures had not been transferred into the draft detailed budget. This omission

appears to have occurred as the accountant working on the budget became ill resulting in four different people working on the document. Under this exceptional circumstance the result and timeliness has been acceptable;

3. Due to the above matters the Shire’s accountants were carrying out a final review of the statutory budget and Council could expect to receive the document later this morning.

Council therefore decided to lay Recommendation #2 on the table to be considered after the statutory budget was received, and to include the matters above as per the provisions of the recommendation to make further relevant changes.

NEW MOTION/COUNCIL DECISION

C2012-0804 Deferral of recommendation #2, Draft Annual Budget 2012-13

That Council defers recommendation # 2, Draft Annual Budget 2012-13 to await receipt of the final statutory budget from the Shire’s accountants.

Moved: Cr M R Valenzuela Seconded: Cr L Hodder Motion put and carried 3/0

Voting Requirements

Absolute Majority (#3 to #7 inclusive)

OFFICER RECOMMENDATION/COUNCIL DECISION #3

C2012-0805 Differential Rating 2012-13

That Council adopt the following differential and minimum rates for the year ending 30 June 2013:

Rate Category	Basis	2012/2013 Rate cents in the dollar	2012/2013 Minimum
Town Improved	GRV	6.90	250
Town Vacant	GRV	6.90	575
Pastoral/Rural	UV	6.09	250
Mining/Mining Tenement	UV	31.09	250
Exploration/ Prospecting	UV	18.40	250

Moved: Cr M R Valenzuela Seconded: Cr L Hodder Motion put and carried by absolute majority 3/0¹

ATTENDANCE: 11.19am Finance Consultant Christine Harvey left the meeting.

ATTENDANCE: 11.20am Finance Consultant Christine Harvey rejoined the meeting.

¹ Refer notes at 7.0.1 – Ministerial s5.7 (2) approval granted to reduce the number of offices required for absolute majority

OFFICER RECOMMENDATION/COUNCIL DECISION #4**C2012-0806 Payment of Rates 2012-13**

That Council:

1. In accordance with Section 6.45 (1)(b) of the Local Government Act 1995, offer the following options for the payment of rates:
 Option 1: Payment in full by a single instalment
 Option 2: Payment in four equal instalments
2. In accordance with Section 6.45 (3) of the Local Government Act 1995, impose an administration fee of \$5 to the second, third and fourth instalments.
3. In accordance with Section 6.51 of the Local Government Act 1995, impose a late payment penalty interest rate of 11% on the rates that have not been paid by the due date and where instalment option 2 has not been taken up.
4. Early rate payer prize to the value of \$1000 be offered by lucky draw to those ratepayers who have paid their rates in full by 4.00pm on the due date shown on the rates notice.

Moved: Cr L Hodder Seconded: Cr M R Valenzuela Motion put and carried by absolute majority 3/0

OFFICER RECOMMENDATION/COUNCIL DECISION #5**C2012-0807 Fees and Charges 2012-13**

That Council, in accordance with Section 6.16 of the Local Government Act 1995, adopt the attached schedule of fees and charges as presented in the budget for the year ended 30 June 2013.

Moved: Cr L Hodder Seconded: Cr M R Valenzuela Motion put and carried by absolute majority 3/0

OFFICER RECOMMENDATION/COUNCIL DECISION #6**C2012-0808 Rubbish Collection Charge Draft Budget 2012-2013**

That in accordance with previous decision 2012-0508, Council adopt a flat charge per bin of \$220 (domestic and commercial) for the 2012-2013 budget.

Moved: Cr M R Valenzuela Seconded: Cr L Hodder Motion put and carried by absolute majority 3/0

ADJOURNMENT: 11.28am the meeting was adjourned.

RESUMPTION: 1.03pm the meeting resumed with all who were in attendance before the adjournment being present at the resumption

Voting Requirements

Simple Majority (new motion and #2)

NEW MOTION/COUNCIL DECISION**C2012-0809 Reopen Recommendation #2, Draft Annual Budget 2012-13**

That Council reopen officer recommendation #2, Draft Annual Budget 2012-13 for consideration.

Moved: Cr L Hodder Seconded: Cr M R Valenzuela Motion put and carried 3/0

OFFICER RECOMMENDATION #2/COUNCIL DECISION**C2012-0810 Draft Annual Budget 2012-13**

That Council, having considered the draft annual budget 2012-13 in detail as presented, recommend that the following further changes be made with the view of adopting a balanced budget.

Action	Details	Inc + (-)	Exp + (-)
Dec Inc	I132 New Caravan Park Redevelopment Project (T-Qual tourism grant application unsuccessful)	(100,000)	
Dec Exp	CA002 Caravan Park Redevelopment capital expenditure (T-Qual tourism grant application unsuccessful)		(100,000)
	Rates income (adjusted to reflect updated rates modelling)		
Inc Inc	I031005 GRV – Townsites Improved	15	
Inc Inc	I031020 UV – Pastoral Rates	386	
Dec Inc	I031025 UV – Mining Leases	(32,874)	
Dec Inc	I031030 UV – Prospecting	(1,833)	
Dec Inc	I031045 GRV – Vacant (Minimum)	(100)	
Dec Inc	I031055 GRV – Pastoral (Minimum)	(250)	
Dec Inc	I031060 GRV – Mining (Minimum)	(1,750)	
Inc Inc	I031065 GRV – Prospecting (Minimum)	4,000	
Dec Exp	E122055 Rural Road Maintenance		(32,406)

Moved: Cr M R Valenzuela**Seconded: Cr L Hodder****Motion put and carried 3/0****Voting Requirements**

Absolute Majority (#7)

OFFICER RECOMMENDATION/COUNCIL DECISION #7**C2012-0811 Adoption of Annual Budget 2012-13**

That Council, in accordance with Section 6.2 of the Local Government Act 1995, adopts the attached Annual Budget (including any changes resolved within) to achieve a net surplus of \$0 for the year ending 30 June 2013.

Moved: Cr M R Valenzuela**Seconded: Cr L Hodder****Motion put and carried by absolute majority 3/0**

8. URGENT BUSINESS

9. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil

10. MEETING CLOSURE

There being no further business, the President declared the meeting closed at 1.12pm.

DECLARATION

These minutes were confirmed by Council at the Ordinary Meeting held on _____.

Signed: _____
Person presiding at the meeting at which these minutes were confirmed