

**Shire of Moora
Special Council Meeting
23rd July 2008**

NOTICE OF MEETING

Dear Elected Member

The next Special Council Meeting of the Shire of Moora
will be held on **Wednesday 23rd July 2008**
in the Council Chambers, 34 Padbury Street, Moora
commencing at **1.00 pm**

**The purpose of the meeting is to consider the draft budget
for the Shire of Moora for the year ended 30 June 2009.**

LM O'Reilly
Chief Executive Officer
18th July 2008

The Shire of Moora Vision and Mission Statement

Vision

Our vision is that:

The Moora region will be a place of brilliant opportunity over the next twenty years. Sustainable growth will result in a vibrant, healthy, wealthy and diverse community.

Mission

Our mission is:

To identify and stimulate growth through creative leadership and a willingness to get things done.

SHIRE OF MOORA

WRITTEN DECLARATION OF INTEREST IN MATTER BEFORE COUNCIL

Chief Executive Officer
Shire of Moora
PO Box 211
MOORA WA 6510

Dear Sir,

Re: **Written Declaration of Interest in Matter Before Council**

I, ⁽¹⁾ _____ wish to
declare an interest in the following item to be considered by Council at its
meeting to be held on ⁽²⁾
_____ .

Agenda Item ⁽³⁾

The type of interest I wish to declare is: ⁽⁴⁾

- Financial pursuant to Section 5.60A of the Local Government Act 1995
- Proximity pursuant to Section 5.60B of the Local Government Act 1995
- Indirect Financial pursuant to Section 5.61 of the Local Government Act 1995
- Impartiality pursuant to Regulation 11 of the Local Government (Rules of Conduct) Regulations 2007.

The nature of my interest is ⁽⁵⁾

The extent of my interest is ⁽⁶⁾

I understand that the above information will be recorded in the Minutes of the meeting and recorded by the Chief Executive Officer in an appropriate Register.

Yours faithfully,

Signed

Date

1. Insert your name.
2. Insert the date of the Council Meeting at which the item is to be considered.
3. Insert the Agenda Item Number and Title.
4. Tick box to indicate type of interest.
5. Describe the nature of your interest.
6. Describe the extent of your interest (if seeking to participate in the matter under S. 5.68 of the Act).

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SHIRE OF MOORA
SPECIAL COUNCIL MEETING AGENDA
23 JULY 2008
COMMENCING AT 1.00 PM

Purpose of Meeting

The purpose of the meeting is to consider the draft budget for the Shire of Moora for the year ended 30 June 2009.

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* Separate Attachments

Item 6.1 Loan servicing costs, New loans models and Updated list of significant items

1. **DECLARATION OF OPENING & WELCOME OF VISITORS**

“Acknowledging of Country”

I would like to show my respect and acknowledge the traditional owners of this land and acknowledge their contribution to the Shire of Moora as I do for all its people.

2. **DISCLAIMER READING**

To be read by the Shire President should members of the public be present at the meeting.

No responsibility whatsoever is implied or accepted by the Shire of Moora for any act, omission or statement or intimation occurring during this meeting.

It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Council’s decision, which will be provided within fourteen (14) days of this meeting.

3. **ATTENDANCE**

APOLOGIES

PUBLIC

LEAVE OF ABSENCE

The following Councillor was granted leave of absence for this meeting by Council resolution made at the Ordinary Meeting held on 16 July 2008:

AR Tonkin – Councillor

4. **DECLARATIONS OF INTEREST**

The Manager Finance and Corporate Services declares an interest affecting impartiality in item 6.1 '2008/2009 Draft Budget', as one of the submissions received is from the Moora Playgroup and one of the fees within the schedule relates to the Moora Playgroup. His daughter attends the playgroup and wife is the Group's Treasurer.

5. *QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH SECTION 5.24 OF THE ACT*

6. REPORTS OF OFFICERS

6.1 2008/2009 DRAFT BUDGET

FILE REFERENCE: F/BUA1
REPORT DATE: 18 July 2008
OFFICER DISCLOSURE OF INTEREST: Nil
PREVIOUS MEETING REFERENCES: 4 June 2008
AUTHOR: Darren Friend, Manager Finance and Corporate Services
ATTACHMENTS: Loan servicing costs
New loans models
Updated list of significant items

PURPOSE OF REPORT:

That Council considers items of income and expenditure with the purpose of setting rates in the dollar and an overall increase/decrease/adjustment in net rates levied for the 2008/2009 Budget.

BACKGROUND:

Council met previously on 4 June 2008, and a workshop is scheduled for this coming Monday, 21 July 2008 to discuss the contents of the draft 2008/2009 Budget. Council has instructed staff to formulate the Budget with an increase of 5% to 7% in total rating income.

COMMENT:

The 2008/2009 draft Budget has been provided to Councillors in account format along with the following information:-

- A5 page summary report relating to the account information provided.
- Summary Rates Model Figures.
- Significant items included within the draft Budget.
- Community Submissions included within the draft Budget.
- Road Construction projects planned for 2008/2009.
- Projects shown within the Plan for the Future for 2008/2009 with the corresponding figure included within the draft Budget.
- Items “excluded” during MANEX budget deliberations.

Contained within the information provided are preliminary figures for the 2007/2008 year-to-date balances. As work continues on the Annual Statements, these balances will change with the various journals and adjustments associated with Balance Day.

The 2008/2009 draft Budget has been prepared and presented recognising the following issues and parameters:-

WA Local Government Grants Commission

Council's general funding via the Grants Commission's FAG and Road Grants included in the draft Budget totals \$995,000, made up of \$457,000 general purpose funding and \$538,000 local road funding. These figures are considered indicative at this stage and it is hoped that a confirmed figure will be available prior to the Special Council meeting.

Total funding from the grant pool has increased by 5.91%, and given the review of all areas being conducted by the WALGGC, relativities from 2007/2008 are to be maintained for the 2008/2009 year. As Council's total allocation has increased by 5.9%, this appears to be the case.

Once the Grants Commission has completed its review, the annual "fluctuations" will return. Council may need to consider a submission to the Commission in the 2009/2010 Budget, subject to movements in its grant over the next twelve months.

General Fees & Charges

Council amended its draft Fees and Charges at its meeting held on 4 June 2008. Estimates of revenue based on these changes have been included within the draft Budget presented.

Unfortunately, the report previously promised for Fees and Charges relating to disposal of waste has not been provided to Council. This will be provided in a verbal format at the workshop scheduled for next Monday, 21 July 2008.

Rates Models

Council previously resolved for staff to prepare the draft Budget with a rate increase of 5.0% to 7.0%. The information forwarded contains a Budget figure with a 5.0% increase.

Council will need to note that a complete revaluation of all rateable land will apply from 1 July 2008; this means Gross Rental Valued (GRV) and Unimproved Valued (UV) properties within the Shire of Moora boundaries. As changes in valuations are not uniform, any overall increase in rates revenue for Council will vary on a property to property basis.

Provision has been made for interim rates and back rates for 2008/2009 given the backlog of building licence completions which may not have been taken into account by the Valuer General.

Estimated Closing Balance Figure for 2007/2008

Work is ongoing in an effort to provide an “accurate estimate” of Council’s carried forward balance at the close of the recently completed 2007/2008 financial year. At the time of writing this report the carried forward figure is unknown however; an indicative figure will be available at the Special Council meeting.

Council is holding “restricted” cash as at 30 June 2008 as part of its Municipal bank account. This money is generally grant funds received in a previous accounting period which must be expended on a specific project or job. Any funds meeting this requirement are excluded from any carried forward figure however, they do show as “income” within the draft Budget document.

Community Budget Requests

Council has previously considered requests from community and sporting organisations within the district at the special meeting held on 4 June 2008. Expenditure relating to these projects is included within the draft Budget document and Council has the opportunity to further review these requests.

Review of Insurance Policies

All of Council’s insurance policies have been renewed for 2008/2009 and only a minor increase has occurred. One additional policy has been considered and information relating to this will be provided to the meeting by the Manager Community Services.

Workers Compensation premiums have not increased as a percentage of employment costs however, as a result of increased salaries and

wages for a number of Council staff, the total premium payable has increased.

Plant Replacement Program

Council's plant replacement program for 2008/2009 provides for the changeover of the rubbish truck and one tip truck which are both funded by way of loan. Each of the six administration vehicles are to be changed over once at a cost of \$7,000 per vehicle. A similar provision has been made for the recently supplied Doctor's vehicle. Additionally, the draft Budget contains provision for the changeover of two supervisor's utilities at a net cost of \$10,000.

Road Construction Program

A program of works relating to Road Construction for the 2008/2009 has been formulated and has previously been provided to Council. The total net cost to Council for these roadworks is \$988,000. This figure takes into account grant funds to be received together with grants received previously (restricted cash).

As total labour costs within the draft Budget absorb costs relating to the current workforce, Council will need to be mindful of reducing/amending/deleting/adding any jobs within the road construction program. Any changes to Council's overall works program, including roadworks will impact on the labour component of the Budget.

In addition to the road construction program, a provision of \$397,500 exists in the draft Budget in Private Works expenditure. This will generate an additional \$102,500 in income in 2008/2009. Two major jobs will be undertaken west of Moora at the directive of Council, given earlier this year. Other work may be sought throughout the course of the year, dependent on progress with the road construction program.

Salaries and Wages

This area of the draft Budget has a significant impact on total expenditure. As mentioned earlier, adjustments to the CEO and Managers' salary packages together with the new enterprise agreement with the outside workforce has increased overall Salaries and Wages in comparison to 2007/2008. A change in several staffing positions within the finance area has also impacted on the budget.

The effective change to the Payroll/Personnel and Rates/Senior Finance Officers' positions change from 1.3 FTE to 1.85 FTE or approx \$22,000 per annum.

Information Technology Upgrade

Provision has been made in the draft Budget for the replacement of the windows server and the upgrade of five laptops. The total cost is \$22,000. Four of the five laptops will be replaced by desktop PCs rather than with laptops. The replacement of the server includes a cabinet with rack mounting which will tidy up the current situation as well as improving the operating environment of the server.

Provision has also been made for Councillors to be issued with laptops for agenda/meeting purposes. The budget provision of \$6,000 is an annual rental payment to lease the equipment on an operating basis which will allow for the upgrading/changeover of the laptops every four years.

Loan Borrowings

There are significant loan borrowings planned for 2008/2009. These are

- Purchase of land and construction of 4 unit housing development – \$525,000
- Changeover of heavy plant – 2 Trucks – \$471,000
- Construction of 2 Chalets (Incl. 1 disabled) – \$180,000
- Purchase of Industrial Land – \$100,000

Whilst the total of the loans raised (\$1,276,000) appears to be excessive in comparison to Council's existing loan portfolio (net principal outstanding as at 30 June 2008 is \$ 1,509,000), the projects funded by the loans provide the following:

- Rental income for the units will substantially service the loan raised each year.
- The plant replacement loan replaces an existing loan for the same function.
- The chalets at the Caravan Park are an income source for Council and it is anticipated that the additional revenue raised will assist substantially in servicing the loan.

- The loan for the industrial land is for three years only and sale of the lots when developed/serviced will provide an income source for Council.

A separate schedule showing Council's annual loan servicing costs is provided to Council together with indicative loan models for the four new loans.

Sewerage

Provision has been made to raise sewerage rates by 10% in the draft Budget. This will raise a total of \$385,000 in income. This income will be expended, more or less, solely on the Sewerage system. The infrastructure is some 35 years old and, as shown within Council's Plan for the Future, may require substantial upgrading and maintenance work over the coming years. This is dependant on a further audit of underground infrastructure of the system in 2008/2009 following the recently completed audit of above ground components of the system. Traditionally, sewerage rates have subsidised other Council works in the past. As shown within the Plan for the Future, sewerage income is to be "restricted" to be spent solely for the purpose for which it is levied.

General Comment

The 2008/2009 draft Budget is just that, a draft, and Council has the opportunity to review all the provisions listed within the document. Major items/projects have been highlighted within the Schedule of Significant Items.

As with previous years, once Council has reviewed and modified the draft Budget, the document does require significant changes to meet the statutory requirements imposed by the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 and the Australian Accounting Standards. This mainly involves the use of the correct format and the inclusion of a series of notes, statements and disclosures to meet the statutory requirements.

At this stage the 2008/2009 draft Budget as presented is **over expended by \$18,202**. This figure does not take into account Council's end-of-year position as at 30 June 2008.

Therefore, to restrict the rate increase to 5.0% Council will need to reduce expenditure by this figure or increase income to offset this expenditure or a combination of both. Therefore, this document is submitted for further review, consideration and recommendation to Council for adoption.

POLICY REQUIREMENTS:

Various adopted policies, currently the subject of review, impact on the budget including the 5% bitumen policy, staff rates incentive schemes and policies in relation to staff remuneration.

LEGISLATIVE REQUIREMENTS:

Section 6.2 of the Local Government Act 1995 requires all local governments to prepare and adopt a budget for the year ended 30 June by 31 August of that financial year.

STRATEGIC IMPLICATIONS:

A balanced budget enables Council to progress its strategic plan in a sustainable manner.

SUSTAINABILITY IMPLICATIONS:

➤ **Environment**

The proposed budget contains a number of initiatives that will enhance and support the environment within the Shire.

➤ **Economic**

The proposed budget contains a number of initiatives that will enhance and support economic development within the Shire.

➤ **Social**

The proposed budget contains a number of initiatives that will enhance and support social development within the Shire.

FINANCIAL IMPLICATIONS:

All decisions made by Council relating to the draft 2008/2009 Budget will impact upon residents within the Shire of Moora, subject to adoption of the final document at a future meeting.

VOTING REQUIREMENTS

Absolute Majority Required

MANEX RECOMMENDATION

That Council, following its review and amendments, submits the draft 2008/2009 Budget to Council in the statutory format required for adoption at the Special Meeting of Council scheduled for 6 August 2008.

7. CLOSURE OF MEETING