

- I N D E X -

- 1. Principal Activities Plan**
- 2. Municipal Fund Budget 1999/00**

- R E P O R T S -

1. PRINCIPAL ACTIVITIES PLAN

File	:	
Proposal / Issue	:	Council requested to adopt the Principal Activities Plan.
Subject land	:	N/A
Proponent	:	N/A
Owner	:	N/A
Reporting Officer	:	Manager Finance (S.R.Goodman)
Previous Reference	:	CNCL01/06/99 Item 13.1.3
Summary Recommendation	:	That Council adopt the Principal Activities Plan

BACKGROUND

1. The City of Albany Principal Activities Plan is an annual overview of the significant programmes and activities proposed by the Council over the next four years. The objectives are:
 - to provide the community with information related to the proposed principal activities.
 - to offer the community the opportunity to lodge submissions in relation to those proposals for consideration by the Council.
2. This is the first Principal Activities Plan for the City of Albany as the requirement to produce a plan for the 1998/99 Budget was waived by the Minister as part of the amalgamation process.

STATUTORY REQUIREMENTS

3. Section 5.56 of the Local Government Act (1995) requires that Council prepare a plan of principal activities each year, and make that plan available for public discussion over a period of at least six weeks. Submissions relating to the Plan must be considered before the City's annual budget is approved. Council must report any significant variances from the 1999-2003 Plan in its 1999/2000 Annual Report.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC PLAN IMPLICATIONS

Nil

COMMENT/DISCUSSION

4. A Draft Principal Activities Plan was prepared in May 1999. At its 1st June meeting, Council noted the draft plan and authorized its publication seeking public comment. The availability of the plan was advertised locally, and the statutory period of 6 weeks allowed for public comment. There were no submissions from the public.
5. At the time of preparing the Draft Principal Activities Plan, the operating budget had not been finalized. The proposed Principal Activities Plan has been amended in accordance with budget changes since that time. There are no major changes in the activities.
6. Council is requested to adopt the City of Albany Principal Activities Plan.

RECOMMENDATION

THAT Council adopt the City of Albany Principal Activities Plan.

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Voting Requirement Absolute Majority

2. Municipal Fund Budget 1999/00

File	:	FIN021
Proposal/Issue	:	Municipal Fund Budget 1999/2000
Reporting Officer	:	Executive Director Corporate & Community Services (P Madigan)
Previous Reference	:	Nil
Summary Recommendation	:	Budget be adopted and rates levied for 1999/2000 financial year.

BACKGROUND

1. The draft annual budget has been prepared by Council Officers and reviewed by Executive Management , the Mayor, and Councillors..

STATUTORY REQUIREMENTS

Adoption of Budget

2. Section 6.2(1) of the Local Government Act 1995 requires Council by 31st August 1999 to adopt a budget for its municipal fund for the year ending 30th June 2000.
3. The annual budget is to incorporate:-
 - a) particulars of the estimated expenditure proposed to be incurred by the local government;
 - b) detailed information relating to the rates and service charges which will apply to land within the district including:
 - i) the amount it is estimated will be yielded by the general rate; and
 - ii) the rate of interest (if any) to be charged by the local government on unpaid rates and service charges;
 - c) the fees and charges proposed to be imposed by the local government;
 - d) the particulars of borrowings and other financial accommodation proposed to be entered into by the local government;
 - e) details of the amounts to be set aside in, or used from reserve accounts and of the purpose for which they are to be set aside or used;
 - f) particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and
 - g) such other matters as are prescribed.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

4. The adopted budget will form the financial basis for operations of the City of Albany in 1999/2000. Once adopted, the budget will be reviewed quarterly throughout the financial year

COMMENT/DISCUSSION

Rating

5. A significant rate difference (26.5%) currently exists between former Shire and former Town rateable properties.
6. In adopting a rate for 1999/2000, the Council is mindful of:-
 - 1) The requirement of the Local Government Act for the Council to determine a standard rate for the whole area.
 - 2) The undertaking under the “10 Point Plan” to restrict rate increases in the initial years of the City.
7. Acknowledging that there is no specific method for rate-pegging of a particular area within a municipality, it has therefore been necessary to:
 - Levy an overall rate; and
 - In the spirit of the “10 Point Plan” grant a Concessional Rate allowance for former Shire properties. The proposed movement in the concession during the phase-in period is

1998/99 concession	\$ 541,935
1999/00	\$ 361,254
2000/01	\$ 180,617
2001/02	\$ 0

This has the effect of delivering a rate in accordance with the plan.

1998/99 Property Revaluation

8. During 1998/99 the Valuer General’s Office revalued all properties in the City of Albany. This activity is conducted annually for properties rated on Unimproved Value (UV), but only every four years for Gross Rental Value (GRV) properties.
9. The 1999/2000 rates calculations are based on the revaluation figures received from the Valuer General. The average increase for UV properties was 9.8% and for GRV properties was 13%. There was a wide variation in the changes to valuations. This will impact the ultimate individual property rate increase.

1999/2000 Rate Increase

10. The increases required to provide the necessary level of service to the ratepayers of Albany were 2% on the GRV rates base (after adjusting the previous rate down as per the revaluation) and 15% on the UV rates base (post revaluation adjustment).

11. In addition to the normal services and capital improvements, the rate increases will fund a programme to improve kerbing in the urban fringe areas, drainage in the rural areas, and bring forward certain works from the 2000/2001 rural roadworks plan.

Differential Rating

12. Differential rating provisions as permitted in the Local Government Act 1995 have been included in the budget in accordance with the decision taken at the 4 August 1999 Council meeting.

Capital Works Programme

13. Total Programme 11,275,603

Funding Sources

Municipal Fund	2,606,853
External Sources (mainly grants & asset trade-ins)	2,081,410
City Reserve Funds	2,162,715
Loan funds – Business Unit (Saleyards Joint Venture)	1,990,125
Loan Funds - other	<u>2,434,500</u>
Total	<u>11,275,603</u>

Major Projects

Library lift – Disabled Access (carried over from 98/99)

- | | | |
|-------------------|---|--|
| Heritage Projects | - | Lower Stirling Terrace Conservation Plan |
| | - | Purchase of Mouchemore Cottage * |

Depot upgrade

Strategic bushfire equipment

Ellen Cove Toilet Block

Lockyer Road Precinct works

Extensive Road works / resurfacing programme

Drainage works

Various parks –including possible skateboard works

Liquid Waste Disposal

Airport Works

Saleyards Construction - Joint Venture

Regional Waste Site

Civic Centre feasibility / design

Additional Works Programme – drainage /kerbing

Rehabilitation of North Road Depot site and Albany Saleyards site

* Subject to external funding

Loans

14. Capital works to be funded from loans during 1999/00 amount to \$4.4 million, with the major project being the construction of the Regional Saleyards with a loan allocation of \$2.0 million. The Saleyards project is a Joint Venture with the Shire of Plantagenet and is designed to be self funding.

Other projects to be funded through loans, include:-

- Liquid Waste Disposal
- Depot Upgrade
- Plant Replacement
- New refuse site (if necessary)

Reserve Funds

15. City Reserve Funds show an estimated balance as at 30th June 1999 of \$6.0 million. This amount will be increased in accordance with any surplus in excess of \$ 200,000 achieved from operations for 1998/99. It is proposed that three new reserves be created.

- **Specific Additional Works – GRV Fringe Areas** - Additional works will be funded in 1999/2000 from a portion of the rate increase in urban fringe areas. Any unspent portion of this allocation will be transferred to this reserve for allocation in a future year.
- **Specific Additional Works – UV Areas** - Additional works will be funded in 1999/2000 from a portion of the rate increase in rural areas. Any unspent portion of this allocation will be transferred to this reserve for allocation in a future year.
- **Regional Saleyards Maintenance** - A condition of the WA Government funding of the Regional Saleyards is that any surplus from the joint venture is to be retained in a reserve account for the first five years of the operation of the Saleyards.

16. The budget provides for works amounting to \$2 million (together with any surplus funds) to be funded from this source, with anticipated investment income of \$222,000.

17. The anticipated Reserves balance as at 30th June 2000 is estimated to be \$3.8 million.

Some of the major projects to be funded by this source include:-

- Roadworks
- Saleyards
- Library Lift
- Cleanup of Tyre fire site
- Projects carried over from 1998/99

Financial Assistance

18. Council received many requests from community organisations. These requests were evaluated using criteria, such as

- Value to the community
- Whether the request was essential to the operation of the group
- Whether funds could be sourced elsewhere

Council was able to meet or partially meet 70 of the requests, and has allocated \$117,436 for this purpose.

Fees and Charges

19. Council has endeavoured to keep increases in Council's fees and charges to the minimum. The proposed schedule of fees and charges is included in the Draft Budget document.

Waste Charges

20. In determining a refuse collection / recycling fee for 1998/99, the following components of the proposed Waste Budget were considered:-

Expenditure

Management Customer Services	\$ 62,523
Operation of Tips	\$ 442,147
Regional Refuse Site – Investigations	\$ 30,000
Tyre Disposal	\$ 210,000
Rubbish Collection Contract	\$ 375,780
Recycling Collection Contract	<u>\$ 205,888</u>
	\$ 1 326,338

Income

Tip Fees	(242,000)
Reserves Fund Transfers – Tyre disposal	(200,000)

Income Required **\$ 884,338**

Number of Services	10283
Recommended Refuse Collection/Recycling Fee	\$86.00

RECOMMENDATION

Budget Adoption

- i) That the 1999/00 Budget which has been prepared in accordance with the Local Government Financial Regulations (1997) and has incorporated AAS27 principles, be adopted.

General Rates

- i) That in accordance with Section 6.33 of the Local Government Act 1995, a Differential General Rate of 9.212 cents in the dollar be imposed on gross rental valuations for properties categorized in accordance with Town Planning Scheme 1A and zoned Residential, Rural, Future Urban, Industry, Special Industry, Port Industry, Clubs and Institutions, Yakamia Creek, Parks and Recreation, Multiple, Local Road, Major Road, Public Use and Drainage Zones, including all land uses.
- ii) That in accordance with Section 6.33 of the Local Government Act 1995, a Differential General Rate of 9.212 cents in the dollar be imposed on all gross rental valuations for properties categorized under Town Planning Schemes 2,3,3.2b and/or 7.

- iii) That in accordance with Section 6.33 of the Local Government Act 1995, a Differential General Rate of .5643 cents in the dollar be imposed on all unimproved valuations for properties categorized under Town Planning Schemes 2,3,3.2b and/or 7.

Concessional Rebate – Former Shire of Albany GRV area

- i) That in accordance with Section 6.47 of the Local Government Act 1995,
- (i) A concession equivalent to 1.6039 cents in the dollar be allowed on properties categorized under Town Planning Schemes 2,3,3.2b and/or 7 and as rate category of GRV-General or GRV-Urban Farmland. This concession will effectively offset against the general differential rate in the dollar of 9.212 cents netting a rate in the dollar to such properties of 7.6081 cents.
- (ii) A concession equivalent to 20% of current rates levied be allowed for on properties deemed to be “Urban Farmland”.

Discount for Early Payment

- i) That in accordance with Section 6.46 of the Local Government Act 1995, an early payment discount equal to 5% of current rates levied be allowed where payment of the account is made in full on or before the 29th of September 1999.

Tourism Differential Rate

- i) That in accordance with Section 6.33 of the Local Government Act 1995, a Differential Rate of 9.4841 cents in the dollar be imposed on gross rental valuations for properties categorized in accordance with Town Planning Scheme 1A and zoned Tourist Residential, Licensed Premises, Local Shopping, Other Commercial, Service Station and Special Rating Zones, excluding those properties having a land use of single dwelling or grouped dwelling.

Albany City Heart Differential Rates

- i) That in accordance with Section 6.33 of the Local Government Act 1995, a Differential Rate of 10.2795 cents in the dollar be imposed on gross rental valuations for properties categorized in accordance with Town Planning Scheme 1A and zoned Central Area Zone, excluding those properties having a land use of single dwelling or grouped dwelling.

Residential Properties Excluded from Tourism & Albany City Heart Differential Rates

- i) That in accordance with Section 6.33 of the Local Government Act 1995, a Differential General Rate of 9.212 cents in the dollar be imposed on gross rental valuations for properties categorized in accordance with Town Planning Scheme 1A and zoned Tourist Residential, Licensed Premises, Local Shopping, Other Commercial, Service Station, Special Rating and Central Area

zones only for those properties having a land use of single dwelling or grouped dwelling.

Minimum Rates – All Properties

- i) That the minimum differential rate be set at \$330.00 for all categories.

Specified Area Rate

- i) That in accordance with Section 6.37 of the Local Government Act 1995, a Specified Area Rate of 0.01 cents in the dollar be imposed on gross rental valuations, in addition to the differential rates imposed, on the following specified properties in Location 103, Little Grove and a minimum specified area rate be set at \$264.28 in addition to the minimum rate set an item 10 above.

A73514	Lot 125 The Esplanade
A14893	Lot 124 Henry Street
A63080	Lot 114 Henry Street
A42511	Lot 1 Albert Street
A5803	Lot 130 Albert Street
A33962	Lot 28 William Street
A5693	Lot 110 Albert Street
A5976	Lot 109 Henry Street
A36760	Lot 27 William Street
A5878	Lot 107 George Street
A5982	Lot 108 Henry Street
A66545	Lot 124 George Street
A63062	Lot 121 Henry Street
A42309	Lot 9 The Esplanade
A5921	Lot 131 Albert Street
A5691	Lot 118 George Street
A20513	Lot 104 Henry Street
A6134	Lot 109 Albert Street
A6137	Lot 108 William Street
A45771	Lot 100 Albert Street
A73528	Lot 126 The Esplanade
A45959	Lot 102 Henry Street

Refuse Service Charges

- i) That the Refuse Services Charge for 1999/00 be:
Residential Properties - \$86.00 per annum (for weekly removal of one MGB)

Instalment Options

- i) That in accordance with Section 6.45 of the Local Government Act 1995 the following payment options are available:

Option 1 Payment in full on or before the 29th of September 1999

Option 2 Payment of two equal or nearly equal instalments:

- 1st Instalment Due on or before the 29th September 1999**
2nd Instalment Due on or before the 31st January 2000.

(Instalment interest payable on rate amount only, all arrears to be paid in 1st instalment)

Option 3 Payment of four equal or nearly equal instalments:

- 1st Instalment Due on or before the 29th September 1999.**
2nd Instalment Due on or before the 29th November 1999.
3rd Instalment Due on or before the 31st January 2000.
4th Instalment Due on or before the 31st March 2000.

(Instalment interest payable on rate amount only, all arrears to be paid in 1st instalment)

Instalments – Interest Rates & Administrative Charges

- ii) That in accordance with Section 6.45 of the Local Government Act 1995:**
- (i) an additional charge by way of interest where payment of a rate is made by instalments with the rate of interest being set at 5.5%;**
 - (ii) an additional charge by way of an instalment fee, where payment of a rate is made by instalment be set at \$3.00 for each instalment excluding the first of any payment option. Therefore option (2) will attract a total administration charge of \$3.00 and option (3) will attract a total administration charge of \$9.00.**

Late Payment Interest Rates

- i) That in accordance with Section 6.51 of the Local Government Act 1995, late payment interest be set at a rate of 11% per annum and be charged on overdue rates and service charges and current rates that remain unpaid after 35 days from the date of issue..**

Early Payment Prize

- i) That**
- i) Three prizes be awarded as follow**
 - 1st: A \$2000 Commonwealth Bank Streamline account**
 - 2nd An accommodation package with the Travel Inn - Albany**
 - 3rd An accommodation package with Flag Inns – Australia**
 - ii) in order to be eligible to enter the draw for the prizes, all rates and charges on the individual assessment must be paid in full on or before the 15th of September 1999.**

Fees and Charges

- i) That the schedule of fees and charges for the City of Albany be adopted.

Budget Surplus

- i) That any budget surplus arising from 1999/00 operations be transferred to reserve accounts for purposes as designated by Council.

Creation of Reserves

- i) That the following reserves be created:-
- a) Specified additional works – GRV fringe
Purpose: To hold any unspent component of the funds allocated for additional works which were funded by a portion of the rate increase in urban fringe areas.
 - b) Specified additional works – UV
Purpose: To hold any unspent component of the funds allocated for additional works which were funded by a portion of the rate increase in rural areas.
 - c) Regional Saleyards - Maintenance
Purpose: To hold surplus funds generated by Regional Saleyards operations to fund necessary maintenance.

Voting Requirement - Absolute Majority
