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# AGENDA

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## **CORPORATE SERVICES AND FINANCE COMMITTEE MEETING**

**14 July 2015**

5.30pm

City of Albany Council Chambers

**CITY OF ALBANY  
COMMUNITY STRATEGIC PLAN (ALBANY 2023)**

**VISION**

Western Australia's most sought after and unique regional city to live, work and visit.

**VALUES**

All Councillors, Staff and Volunteers at the City of Albany will be...

**Focused: on community outcomes**

This means we will listen and pay attention to our community. We will consult widely and set clear direction for action. We will do what we say we will do to ensure that if it's good for Albany, we get it done.

**United: by working and learning together**

This means we will work as a team, sharing knowledge and skills. We will build strong relationships internally and externally through effective communication. We will support people to help them reach their full potential by encouraging loyalty, trust, innovation and high performance.

**Accountable: for our actions**

This means we will act professionally using resources responsibly; (people, skills and physical assets as well as money). We will be fair and consistent when allocating these resources and look for opportunities to work jointly with other directorates and with our partners. We will commit to a culture of continuous improvement.

**Proud: of our people and our community**

This means we will earn respect and build trust between ourselves, and the residents of Albany through the honesty of what we say and do and in what we achieve together. We will be transparent in our decision making and committed to serving the diverse needs of the community while recognising we can't be all things to all people.

**TERMS OF REFERENCE**

**(1) Function:**

The Corporate Services and Finance Committee will monitor and comment on the financial health and strategies of Council and will be responsible for the delivery of the following Civic Leadership Objectives contained in the City of Albany Strategic Plan:

- (a) To establish and maintain sound governance structures;
- (b) To provide strong, accountable leadership supported by a skilled and professional workforce;
- (c) To engage effectively with our community.

**(2) It will achieve this by:**

- (a) Monitoring and commenting on the financial health and strategies of Council;
- (b) Developing policies and strategies;
- (c) Establishing ways to measure progress;
- (d) Receiving progress reports;
- (e) Considering officer advice;
- (f) Debating topical issues;
- (g) Providing advice on effective ways to engage and report progress to the Community; and
- (h) Making recommendations to Council.

**(3) Chairperson:** Deputy Mayor, Councillor Stocks

**(4) Membership:** All elected members

**(5) Meeting Schedule:** As required

**(6) Meeting Location:** Council Chambers

**(7) Executive Officer:** Deputy Chief Executive Officer

**(8) Delegated Authority:** None

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**1. DECLARATION OF OPENING**

**2. PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS**

*“Heavenly Father, we thank you for the peace and beauty of this area. Direct and prosper the deliberations of this Council for the advancement of the City and the welfare of its people. Amen.”*

*“We would like to acknowledge the Noongar people who are the Traditional Custodians of the Land.*

*We would also like to pay respect to Elders both past and present”.*

**3. RECORD OF APOLOGIES AND LEAVE OF ABSENCE**

**Mayor** Mayor D Wellington

**Councillors:**

|        |                  |
|--------|------------------|
| Member | G Stocks (Chair) |
| Member | R Sutton         |
| Member | B Hollingworth   |
| Member | C Dowling        |
| Member | A Hortin JP      |
| Member | R Hammond        |
| Member | S Bowles         |
| Member | N Mulcahy        |

**Staff:**

|                         |          |
|-------------------------|----------|
| Chief Executive Officer | G Foster |
| Deputy CEO              | G Adams  |
| Manager Finance         | D Olde   |

|                   |        |
|-------------------|--------|
| Meeting Secretary | H Bell |
|-------------------|--------|

**Apologies:**

|        |              |
|--------|--------------|
| Member | V Calleja JP |
| Member | J Price      |
|        | A Goode JP   |
|        | G Gregson    |

**a. DISCLOSURES OF INTEREST**

| <b>Name</b> | <b>Committee/Report<br/>Item Number</b> | <b>Nature of Interest</b> |
|-------------|---|---------------------------|
|             |   |                           |

- 4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**
- 5. PUBLIC QUESTION TIME**
- 6. PETITIONS AND DEPUTATIONS**
- 7. CONFIRMATION OF MINUTES**

**DRAFT MOTION**

**THAT the minutes of the Corporate Services and Finance Meeting held on 9 June 2015, as previously distributed, be CONFIRMED as a true and accurate record of proceedings.**

- 8. PRESENTATIONS**
- 9. UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS Nil**

**CSF178: FINANCIAL ACTIVITY STATEMENT – MAY 2015**

**Proponent** : City of Albany  
**Attachments** : Financial Activity Statement  
**Report Prepared by** : Financial Accountant (S Beech)  
**Responsible Officer** : Deputy Chief Executive Officer (G Adams)

**Responsible Officer's Signature:**



**RECOMMENDATION**

**CSF178: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council RECEIVE the Financial Activity Statement for the period ending 30 May 2015.**

**BACKGROUND**

1. The Statement of Financial Activity for the period ending 30 May 2015 has been prepared and is attached.
2. In addition to the statutory requirement to provide Council with a Statement of Financial Activity, the City provides Council with a monthly investment summary to ensure the performance of the investment portfolio is in accordance with anticipated returns and complies with the Investment of Surplus Funds Policy.

**DISCUSSION**

3. In accordance with section 34(1) of the *Local Government (Financial Management) Regulations 1996*, the City of Albany is required to prepare each month a Statement of Financial Activity reporting on the revenue and expenditure of the local authority.
4. The requirement for local governments to produce a Statement of Financial Activity was gazetted in March 2005 to provide elected members with a greater insight in relation to the ongoing financial performance of the local government.
5. Additionally, each year a local government is to adopt a percentage or value to be used in Statements of Financial Activity for reporting material variances. Variations in excess of \$50,000 are reported to Council.
6. These financial statements are still subject to further yearend adjustments and have not been audited by the appointed auditor.

*“Please note that rounding errors may occur when whole numbers are used, as they are in the reports that follow. The ‘errors’ may be \$1 or \$2 when adding sets of numbers. This does not mean that the underlying figures are incorrect.”*

**STATUTORY IMPLICATIONS**

7. Section 34 of the *Local Government (Financial Management) Regulations 1996* provides:
  - (1) A local government is to prepare each month a statement of financial activity reporting on the source and application of funds, as set out in the annual budget under regulation 22 (1)(d), for that month in the following detail:
    - (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);
    - (b) budget estimates to the end of the month to which the statement relates;

- (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relate
  - (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
  - (e) the net current assets at the end of the month to which the statement relates.
- (2) Each statement of financial activity is to be accompanied by documents containing –
- (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
  - (b) an explanation of each of the material variances referred to in sub regulation (1)(d); and
  - (c) such other supporting information as is considered relevant by the local government.
- (3) The information in a statement of financial activity may be shown –
- (a) according to nature and type classification;
  - (b) by program; or
  - (c) by business unit
- (4) A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be –
- (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
  - (b) recorded in the minutes of the meeting at which it is presented.

**POLICY IMPLICATIONS**

- 8. The City's 2014/15 Annual Budget provides a set of parameters that guides the City's financial practices.
- 9. The Investment of Surplus Funds Policy stipulates that the status and performance of the investment portfolio is to be reported monthly to Council.

**FINANCIAL IMPLICATIONS**

- 10. Expenditure for the period ending 30 May 2015 has been incurred in accordance with the 2014/15 proposed budget parameters. Details of any budget variation in excess of \$50,000 (year to date) follow. There are no other known events which may result in a material non recoverable financial loss or financial loss arising from an uninsured event.

|                                   |   |                      |
|-----------------------------------|---|----------------------|
| <b>File Number (Name of Ward)</b> | : | FM.FIR.2 - All Wards |
|-----------------------------------|---|----------------------|



**CSF179: LIST OF ACCOUNTS FOR PAYMENT – JUNE 2015**

**Proponent** : City of Albany  
**Attachments** : List of Accounts for Payment  
**Report Prepared by** : Financial Accountant (S Beech)  
**Responsible Officer** : Deputy Chief Executive Officer (G Adams)

**Responsible Officer's Signature:**



**RECOMMENDATION**

**CSF179: RESPONSIBLE OFFICER RECOMMENDATION**

**That Council received the list of accounts authorised for payment under delegated authority to the Chief Executive Officer for the period ending 15 JUNE 2015 totalling \$6,326,679.00.**

**BACKGROUND**

1. Council has delegated to the Chief Executive Officer the exercise of its power to make payments from the City's municipal and trust funds. In accordance with Regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid by the Chief Executive Officer is to be provided to Council.

**DISCUSSION**

2. The table below summarises the payments drawn from the municipal fund for the period ending 15 June 2015. Further details of the Members Report/Information Bulletin.

**Municipal Fund**

|                           |                |
|---------------------------|----------------|
| Trust                     | \$143,795.56   |
| Credit Cards              | \$12,477.49    |
| Payroll                   | \$1,110,198.53 |
| Cheques                   | \$104,444.15   |
| Electronic Funds Transfer | \$4,955,763.27 |

**TOTAL**

**\$6,326,679.00**

3. As at 15 June 2015, the total outstanding creditors, stands at \$681,045.27 and made up as follows:-

|         |              |
|---------|--------------|
| Current | \$404,597.81 |
| 30 Days | \$276,427.34 |
| 60 Days | \$1,033.50   |
| 90 Days | -\$1,013.38  |

**TOTAL \$681,045.27**

Cancelled cheques: 30243 No longer required, 28953, 28983, 28984, 29139, 29156, 29349, 29415 and 29574 all older than 15 months and never presented, 30494 incorrect name on cheque.

**STATUTORY IMPLICATIONS**

4. Regulation 12(1)(a) of the *Local Government (Financial Management) Regulations 1996*, provides that payment may only be made from the municipal fund or a trust fund if the Local Government has delegated this function to the Chief Executive Officer or alternatively authorises payment in advance.
5. The Chief Executive Officer has delegated authority to make payments from the municipal and trust fund.
6. Regulation 13 of the *Local Government (Financial Management) Regulations 1996* provides that if the function of authorising payments is delegated to the Chief Executive Officer, then a list of payments must be presented to Council and recorded in the minutes.

**POLICY IMPLICATIONS**

7. Expenditure for the period to 15 June 2015 has been incurred in accordance with the 2014/2015 budget parameters.

**FINANCIAL IMPLICATIONS**

8. Expenditure for the period to 15 June 2015 has been incurred in accordance with the 2014/2015 budget parameters.

**SUMMARY CONCLUSION**

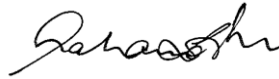
9. That list of accounts have been authorised for payment under delegated authority.

|                                   |   |                      |
|-----------------------------------|---|----------------------|
| <b>File Number (Name of Ward)</b> | : | FM.FIR.2 - All Wards |
|-----------------------------------|---|----------------------|

**CSF180: DELEGATED AUTHORITY REPORTS**

**Proponent** : City of Albany  
**Attachments** : Executed Document and Common Seal Report  
**Report Prepared by** : Personal Assistant to the DCEO (H Bell)  
**Responsible Officer** : Chief Executive Officer (G Foster)

**Responsible Officer's Signature:**



**RECOMMENDATION**

**CSF180: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council RECEIVE the Delegated Authority Reports up until 15 June 2015.**



## CSF181: REVIEW OF PROPERTY MANAGEMENT – LEASES AND LICENCES POLICY

**Attachments** : Council Policy – revised Property Management – Leases and Licences  
**Report Prepared by** : Team Leader Property and Leasing (T Catherall)  
**Responsible Officer** : Deputy Chief Executive Officer (G Adams)

**Responsible Officer's Signature:**



### STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014-2018:
  - a. **Key Theme:** 5 Civic Leadership
  - b. **Strategic Objective:** 5.1 To establish and maintain sound business and governance structures.
  - c. **Strategic Initiative:** 5.1.2 Develop informed and transparent decision making processes that meet our legal obligations.

### IN BRIEF

- Staff have recently undertaken a review of Council's Property Management – Leases and Licences Policy to comply with revision date of May 2015.
- Council is requested to consider approving changes to the Policy to comply with legislative requirements, Council Plans objectives and assist administrative practices in relation to renewal or preparation of new leases or licences.

### RECOMMENDATION

#### CSF181: RESPONSIBLE OFFICER RECOMMENDATION

**THAT Council ADOPTS the revised Property Management – Leases and Licences Policy.**

### BACKGROUND

1. In April 2008 Council adopted the Property Management – Leases Policy which provides the framework for managing the City's Leasing and Licensing Portfolio.
2. The current portfolio consists of 235 leases and licences over property owned or managed by the City. Some 119 properties are categorised commercial leases and generate market rents for Council. The remaining 116 are community leases that are leased at subsidised rates for community groups.
3. The policy was reviewed and revised in May 2012 to align with current leasing terms and conditions and to remove inconsistencies.

4. In September 2012 Council adopted the revised Property Management – Leasing and Licences Policy. The policy was scheduled to be reviewed in May 2015.
5. Staff have recently completed a review of the policy to ensure it reflects updated leasing terms and conditions, current work practices, complies with current legislation and meets Council Plan objectives.
6. The policy document sets out the “in principle” terms on which the City enters into new leases and licences. The policy provides Lessees and prospective Lessees with a good understanding of the obligations for both parties to ensure a clear relationship is established between the City and its Lessees.
7. The policy is supported by Council procedures for leases and licences which provide detailed processes and practices for City staff in the development and implementation of all categories of agreements.

## DISCUSSION

8. In reviewing the policy, staff were concerned to ensure the principles of objectivity, fairness and equity, consistency, transparency and administrative efficiency were applied.
9. The revised policy has been reviewed by the Executive Management Team with comments incorporated into the policy.
10. The policy has also been reviewed by the City’s lawyers with advice the overall documents do comply with legislative requirements.
11. It is recommended that the revised policy terms and conditions apply to all new leases and licences, commencing after the policy has been endorsed by Council. Therefore the policy would not affect existing leases and licences until they were renewed.
12. The policy recognises the variety and diversity of leases and licences. The three main categories are:
  - a. Commercial (including Retail Shop Leases)
    - o Caravan and holiday parks
    - o Cafes, kiosks, restaurants and function centres
    - o Car hire
    - o Airline
    - o Airport hangars
    - o Fuel supplier (Airport)
    - o Energy providers
    - o Marine services, retail and storage
    - o Seafood farming and sales
    - o Cheyne Beach holiday accommodation
    - o Cheyne Beach commercial fisherman’s accommodation
    - o Telecommunications
    - o Coin operated binoculars
    - o Government bodies
    - o Wreckers

b. Community benefit

- Community halls
- Service clubs
- Community groups
- Rural resource centre
- Youth camp facilities
- Emergency services and marine rescue
- Sporting and recreation
- Senior Citizen services
- Lotteries House
- Educational – kindergartens, pre schools, university
- Business incubator
- Museums
- Landgate satellite station (Airport)

c. Residential

- Airport house

13. Below is a summary of the proposed key amendments that will form part of any new lease or licence agreement. It is considered that the proposed amendments are largely operational and relatively minor.

- Policy Principle 1 – Type of Agreement (NEW)  
The new provision details the type of agreement that will be granted. A lease for exclusive possession and licence for non-exclusive possession.
- Policy Principle 7 – Approvals (NEW)  
The new provision details the Lessee is responsible for obtaining all approvals necessary to conduct activities on any property.
- Policy Principle 10 – Ratchet Clause (DELETE)  
The removal of the ratchet clause allows for any market rent valuation review to reflect the current market rental applicable and not be distorted by a ratchet clause. It is noted that market rent reviews for commercial leases are undertaken every three years and by CPI for intervening years.
- Policy Principle 19 – Assignment (REVISED)  
Consent for assignment will be the absolute discretion of the City.  
The inclusion that the Assignor will continue to be liable for the remainder of the term of the lease will ensure any matter not previously addressed will remain the responsibility of the Assignor.
- Policy Principle 21 – Insurance (REVISED)  
Minimum public liability insurance level increased from \$10 to \$20 million to reflect the City's insurer's requirements.
- Policy Principle 32 – Access & Inclusion (NEW)  
The new provision references consideration of the City's Access & Inclusion Plan 2012-2017 in applicable agreements.

- Policy Principle 38 & 39 – Vacant Property (NEW)  
The new provision details that where property becomes vacant as the existing tenant does not wish to enter into a new agreement, then the City will undertake a public expression of interest process to identify a new Lessee. However this will not apply in extenuating circumstances such as the City needing to relocate existing Lessees to undertake works on buildings.
- Policy Principle 45 – Guarantor (NEW)  
If the lease is through a company or trust a personal guarantee will be required.
- Policy Principle 52 – Cheyne Beach Holiday Accommodation (REVISED)  
The inclusion that the buildings are the sole responsibility of the Lessees ensures the City is not liable for the buildings constructed by the Lessees in any way.
- Policy Principle 55 – Community lease & licence term (NEW)  
The new provision allows leases with Community groups occupying City owned or managed property to be for a standard 10 year term. A longer term may be offered subject to the community groups addressing criteria such as capital investment, long term planning and multi-purpose activities and co-location. This provides the City with the opportunity to respond more effectively based on the future needs of the community. It also allows for the City to be more responsive to industry trends and funding opportunities.
- Policy Principle 58– Community lease casual hire (NEW)  
Community Lessees may make the leased property available for casual hire for sole community purpose. This will assist the group raise funds to fulfil lease obligations such as rent, insurance and maintenance.

#### **GOVERNMENT & PUBLIC CONSULTATION**

14. No Government consultation is required and no public advertising is required by the Local Government Act 1995.
15. No public consultation has occurred on the policy review.

#### **STATUTORY IMPLICATIONS**

16. Section 3.58 of the *Local Government Act 1995* defines the requirements for the disposal of property, including leased or licensed land and buildings. It requires Council give local public notice of its intention to dispose of the property and consider any submissions which are received within the specified period.
17. Regulations 30 of the *Local Government (Functions and General) Regulations 1996* identifies dispositions of property to which section 3.58 of the *Local Government Act 1995* does not apply.

#### **POLICY IMPLICATIONS**

18. This item seeks to amend Council's Property Management – Leases and Licences Policy adopted in 2008 and revised in September 2012.



## RISK IDENTIFICATION & MITIGATION

19. The risk identification and categorisation relies on the City's Enterprise Risk Management Framework.

| Risk   | Likelihood      | Consequence     | Risk Rating   | Mitigation  |
|--|-----------------|-----------------|---------------|---|
| <b>Legal &amp; Compliance:</b><br><i>Revised policy not supported</i>  | <i>Unlikely</i> | <i>Moderate</i> | <i>Medium</i> | <i>Seek to negotiate terms to Council satisfaction.</i> |
| <b>Organisation's Operations:</b><br><i>Revised policy not supported – not aligned to current work practices</i> | <i>Unlikely</i> | <i>Moderate</i> | <i>Medium</i> | <i>Seek to negotiate terms to Council satisfaction.</i> |
| <b>Financial:</b><br><i>Failure to apply increased insurance requirements may expose City to potential claim</i> | <i>Unlikely</i> | <i>Moderate</i> | <i>Medium</i> | <i>Seek to negotiate terms to Council satisfaction.</i> |
| <b>Financial:</b><br><i>Costs associated with lease default if no guarantor secured</i>                          | <i>Likely</i>   | <i>Minor</i>    | <i>Medium</i> | <i>Include provision in relevant leases</i>             |

## FINANCIAL IMPLICATIONS

20. There are no financial implications associated with this item.

## LEGAL IMPLICATIONS

21. The revised policy has been prepared taking into consideration relevant legislation, Council Plan objectives and reviewed by the City's lawyer.

## ENVIRONMENTAL CONSIDERATIONS

22. There are no environmental considerations associated with this item.

## ALTERNATE OPTIONS

23. Council may support the revised policy or not. It is considered the proposed amendments are largely operational and relatively minor. As such it is recommended that the revised policy is adopted.

## SUMMARY CONCLUSION

24. Staff have recently undertaken a review of Council's Property Management – Leases and Licences Policy to comply with the three yearly revision date of May 2015.
25. The proposed amendments have been made to ensure the policy reflects updated lease and licence terms, legislative requirements, Council Plan objectives and current work practices.
26. The revised policy has been reviewed by the Executive Management Team and City's lawyers with comments incorporated into the policy.

27. It is recommended the revised Council Policy – Property Management – Leases and Licences be adopted.

|                                   |   |  |
|-----------------------------------|---|--|
| <b>Consulted References</b>       | : | <ul style="list-style-type: none"> <li>• Council Policy – Property Management – Leases and Licences</li> <li>• <i>Local Government Act 1995</i></li> <li>• <i>Local Government (Functions and General) Regulations 1996</i></li> </ul> |
| <b>File Number (Name of Ward)</b> | : | CM.RVW.5 (All Wards)   |
| <b>Previous Reference</b>         | : | OCM 15/07/2008 Item 13.8.1<br>OCM 18/09/2012 Item 1.1  |

**CSF182: QUARTERLY REPORT – TENDERS AWARDED – APRIL  
TO JUNE 2015**

**Proponent** : City of Albany  
**Attachments** : Quarterly Report – Tenders Awarded – January to March  
2015  
**Report Prepared by** : Procurement Officer (H Hutchinson)  
**Responsible Officer** : Deputy Chief Executive Officer (G Adams)

**Responsible Officer's Signature:**



**RECOMMENDATION**

**CSF182: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council RECEIVE the Quarterly Report – Tenders Awarded – April to June 2015.**



## CSF183: 2015/16 BUDGET ADOPTION

**Proponent** : City of Albany  
**Attachment** : 2015/2016 Budget documents  
**Report prepared by** : Business Analyst/Management Accountant (D Harrison)  
**Responsible Officer** : Chief Executive Officer (G Foster)

**Responsible Officer's Signature:**



### STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2013-2017:
  - a. **Key Themes:** 2.2 Clean, Green and Sustainable , 5. Civic Leadership
  - b. **Strategic Objectives:**
    - 2.2. To maintain and renew city assets in a sustainable manner
    - 5.1. To establish and maintain sound business and governance structures.
  - c. **Strategic Initiative:**
    - 2.2.1 Asset Management. Sustainable asset management plans integrated with financial forecasts.
    - 5.1.2 Systems Development and Improvement. Improved financial management.
2. This proposed budget aligns with the City's Corporate Business Plan, which aligns with the City's:
  - a. 10 Year Financial Plan;
  - b. Asset Management Plans; and
  - c. Work Force Development Plan.

#### In Brief:

- Approve the proposed 2015/16 budget, noting that working with staff, Council Members have participated in a series of budget preparation workshops.

### CSF83: RESPONSIBLE OFFICER RECOMMENDATION 1 VOTING REQUIREMENT: SIMPLE MAJORITY

#### THAT Council:

- **NOTE** the submissions received; and
- **ACKNOWLEDGE** that these submissions were considered by Councillors prior to adoption of the 2015/2016 Budget.

### CSF183: RESPONSIBLE OFFICER RECOMMENDATION 2 VOTING REQUIREMENT: ABSOLUTE MAJORITY

Council **ADOPT** the following municipal rates in the dollar on unimproved values and gross rental valuations for the 2015/2016 financial year:

#### (1) Rating Category 1 – GRV General

- The General Rate on Gross Rental Values for the 2015/2016 financial year on Rating Category (1) including all GRV rateable land be 10.2179 cents in the dollar.

#### (2) Rating Category 3 – UV

- The General Rate on current unimproved values for the 2015/2016 financial year

on Rating Category (3) including all UV rateable land be 0.4099 cents in the dollar.

(3) Minimum Rate

- The Minimum Rate for Rating Category 1 – GRV General rateable properties within the City of Albany will be \$935.00.
- The Minimum Rate for Rating Category 3 – UV rateable properties within the City of Albany will be \$1010.00.

**CSF183: RESPONSIBLE OFFICER RECOMMENDATION 3  
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council APPROVES the following Refuse Collection and Recycling charges for the City of Albany (including general refuse collection, hard waste collection, Bulk green waste collection, collection of recyclables and green waste) be adopted for the 2015/2016 financial year:

(1) Residential Services

- |                                     |             |
|-------------------------------------|-------------|
| • Full Domestic Refuse Service      | \$316.00    |
| • Refuse Collection 140 Ltr MGB     | Weekly      |
| • Recycling Collection 240 Ltr MGB  | Fortnightly |
| • Green Waste Collection 240Ltr MGB | Monthly     |

(2) Additional Services

Additional Services (Maximum of One) with a full domestic rubbish service.

- |   |                     |
|---|---------------------|
| • Refuse Collection 140 Ltr MGB (Inc GST)           | Weekly \$93.00      |
| • Recycling Collection 240 Ltr MGB (Inc GST)        | Fortnightly \$45.00 |
| • Green Waste Collection 240Ltr MGB (Inc GST)       | Monthly \$45.00     |
| • Additional Full Domestic Refuse Service (Inc GST) | \$346.00            |

(3) Waste Facilities Maintenance Rate (Section 66(1) Waste Avoidance and Resource Recovery Act 2007)

In addition to the full domestic refuse service the City will be raising an annual rate under section 66(1) of the Waste Avoidance and Resource Recovery Act 2007 (WARR Act) and, in accordance section 66(3) of the WARR Act, apply the minimum payment provisions of section 6.35 of the Local Government Act 1995. The rate is proposed to be called the 'Waste Facilities Maintenance Rate'. The minimum payment will be \$55.

The proposed rates are:

- GRV General Properties – Rate in the dollar: 0.01 Cents, minimum \$55
- UV General Properties – Rate in the dollar: 0.0022 Cents, minimum \$55

**CSF183: RESPONSIBLE OFFICER RECOMMENDATION 4  
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

- (1) Pursuant to the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, the Council ADOPTS the Municipal and Trust Funds Budget as contained in the Attachment to this agenda and the minutes, for the City of Albany for the 2015/2016 financial year

which includes the following:

- **Statement of Comprehensive Income by Nature and Type on page (v) showing a net result for that year of \$12,425,850**
- **Statement of Comprehensive Income by Program on page (iv) showing a net result for that year of \$12,425,850**
- **Statement of Cash Flows on page (vii)**
- **Rate Setting Statement on page (viii) showing an amount required to be raised from rates of \$32,446,624**
- **Notes to and Forming Part of the Budget on pages (1 to 57)**
- **Fees and Charges and Capital Works Schedule as detailed in blue pages (1 to 36)**
- **Transfers to / from Reserve Accounts as detailed in pages (47 to 51)**

**(2) Pursuant to section 6.11 of the Local Government Act 1995, Council:**

**a. Maintains the following reserves - Purpose detailed in pages (47 to 51)**

- **Airport Reserve**
- **Albany Entertainment Centre**
- **Albany Leisure And Aquatic Centre – Synthetic Surface “Carpet”**
- **Albany Classic Barriers**
- **Anzac Centenary**
- **Bayonet Head Infrastructure Reserve**
- **City of Albany General Parking Reserve**
- **Emu Point Boat Pens Development Reserve**
- **Master Plan Funding Reserve**
- **Parks Development Reserve**
- **Plant & Equipment Reserve**
- **Refuse Collection & Waste Minimisation Reserve**
- **Waste Management Reserve**
- **Building Restoration Reserve**
- **Roadworks Reserve**
- **Planning Reserve**
- **Coastal Management Reserve**
- **Debt Management Reserve**
- **Information Technology Reserve**
- **Unspent Grants Reserve**
- **Capital Seed Funding for Sporting Clubs**
- **Parks and Recreation Grounds**
- **National Anzac Centre Reserve**
- **Land Acquisition Reserve**

**b. Establish New Reserves**

- **Prepaid Rates Reserve**
- **Destination Marketing & Economic Development Reserve**
- **Albany Heritage Park Infrastructure Reserve**

**CSF183: RESPONSIBLE OFFICER RECOMMENDATION 5  
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council APPROVES the due dates for payment of Rates and Rubbish Collection Charges for 2015/2016 be as follows:

- (1) Pay rates in full 17th September 2015.
- (2) Pay by two instalments:
  - (a) First Instalment Payment 17th September 2015; and
  - (b) Second Instalment: 18th January 2016.
- (3) Pay by four instalments:
  - (a) First Instalment Payment (and 'Payment in Full'): 17th September 2015;
  - (b) Second Instalment: 17th November 2015;
  - (c) Third Instalment: 18th January 2016; and
  - (d) Fourth Instalment: 18th March 2016.

**CSF183: RESPONSIBLE OFFICER RECOMMENDATION 6  
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT pursuant to the *Local Government Act 1995*, Council APPROVES the following Rates and Charges to provide for Administration and Interest Charges on Rating, Rubbish, Waste Recycling and General Debtor Collection charges during the 2015/2016 financial year:

- (1) Instalment Plan Administration Fee

An Instalment Plan Administration fee of \$6.00 for the second and each subsequent instalment notice issued will apply for rates and rubbish collection charges.
- (2) 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.
- (3) 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.
- (4) Late Payment Interest Charge (Excluding Rates & 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 2014.

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.

**(5) Waivers**

Where a small balance remains on a property assessment due to circumstances such as a delay in the receipt of mail payments or monies from property settlements 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 \$1,100.

**CSF183: RESPONSIBLE OFFICER RECOMMENDATION 7  
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council APPROVES the Schedule of Fees and Charges (which forms part of the 2015/2016 Budget) be adopted effective from 29th July 2015.

**CSF183: RESPONSIBLE OFFICER RECOMMENDATION 8  
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council SETS the Elected Member Sitting Fees and allowances as prescribed by the *Local Government (Administration) Regulations 1996* per annum, being:

- (1) Councillor Meeting Attendance Fee: \$22,660
- (2) Mayoral Meeting Attendance Fee: \$30,385
- (3) Councillor and Mayoral ICT Allowance: \$3,500
- (4) Annual Travel and Accommodation Allowance (allowable claims in excess of this allowance will be reimbursed):\$50
- (5) Total Mayoral Allowance is \$61,800
- (6) Deputy Mayoral Allowance: \$15,450 - being 25% of the Mayoral Allowance.

**CSF183: RESPONSIBLE OFFICER RECOMMENDATION 9  
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council APPROVES a variance between actual and budget-to-date of greater than \$50,000 is considered to be a material variance for reporting purposes in the Statement of Financial Activity for 2015/2016.

**BACKGROUND**

3. Council has considered strategic and operational issues which will impact on the 2015/16 budget.

4. Under section 6.36 of the *Local Government Act 1995*, the City is not required to advertise the proposed rates amounts for the 2015/16 financial year. However those proposed amounts were advertised, from 26 June 2015, for a period of 21 days in addition with legislation requirements.

#### DISCUSSION

5. Through Council workshops, Council members have considered various factors in developing a financially responsible budget while ensuring compliance with Local Government legislation, occupational safety and health requirements, continuation of the various services provided by the City, cost-saving initiatives and new capital projects that are “project ready” or will be required to be undertaken this financial year, given commitments previously made by Council.
6. An important consideration in preparing any budget is to ensure that Council works towards achieving financial sustainability for the future. The draft budget reflects a number of factors to maintain financial sustainability, which will impact not only on this year’s budget but will have a compounding effect in future budgets.

#### GOVERNMENT CONSULTATION

7. The Department of Local Government is not consulted prior to budget adoption. Once the Budget is adopted, a copy is sent to the Department for review.

#### PUBLIC CONSULTATION / ENGAGEMENT

8. At the Ordinary Council meeting on 23 June 2015, the Council endorsed advertising proposed rate in the Dollar for GRV and UV.
9. Budget information will published in the local newspapers and on the City of Albany website.

#### STRATEGIC IMPLICATIONS

10. This item directly relates to, and contributes to achievement of, the Strategies within the *Community Strategic Plan – Albany 2023*, and *Corporate Business Plan- 2013-2017*.

#### POLICY IMPLICATIONS

11. Nil.

#### RISK IDENTIFICATION & MITIGATION

12. The risk identification and categorisation relies on the City’s Risk Management Framework.

| Risk  | Likelihood      | Consequence    | Risk Rating    | Mitigation   |
|---|-----------------|----------------|----------------|--|
| <i>Council does not endorse the 2015/16 Budget, with the consequence risk of deferred cashflow, and thus inability to meet financial commitments.</i> | <i>Unlikely</i> | <i>Extreme</i> | <i>Extreme</i> | <ul style="list-style-type: none"> <li><i>Delegated authority to the CEO to incur expenditure under the Local Government Act 1995 until Budget endorsement.</i></li> <li><i>Reconsideration of the budget paper at a Council meeting prior to 31 August 2015.</i></li> </ul> |

**FINANCIAL IMPLICATIONS**

13. The 2015/16 Budget sets the parameters for expenditure of City resources.
14. The City must meet its legislative and debt obligations through endorsement of a budget. Failure to do so incurs considerable financial and other risks to the City.

**LEGAL IMPLICATIONS**

15. Nil.

**ALTERNATE OPTIONS**

16. Council adopt the 2015/16 Annual Financial Budget with changes.

**SUMMARY CONCLUSION**

17. Endorsement of the budget provides delegated authority to the CEO to incur expenditure from 1 July 2015 until 30 June 2016.

|                                   |  |
|-----------------------------------|--|
| <b>Consulted References</b>       | <i>Local Government Act 1995<br/>Local Government (Financial Management) Regulations 1996.</i> |
| <b>File Number (Name of Ward)</b> | FM.BUG.2   |
| <b>Previous Reference</b>         | OCM Item CFS176 23 June 2015   |



- 12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF COUNCIL**
- 13. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 14. REPORTS OF CITY OFFICERS**
- 15. MEETING CLOSED TO THE PUBLIC**
- 16. CLOSURE**