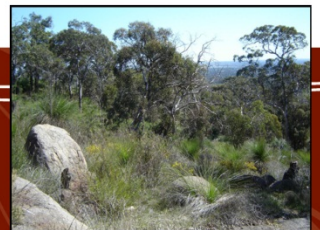


Special Council Meeting

Agenda for Monday 29 June 2015



**shire of
kalamunda**

NOTICE OF MEETING SPECIAL COUNCIL MEETING

Dear Councillors

Notice is hereby given that a Special Meeting of Council will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on **Monday 29 June 2015 at 6.30pm.**

Dinner will be served prior to the meeting at 5.30pm.



Rhonda Hardy
Chief Executive Officer
25 June 2015

Our Vision and Our Values

Our Vision

The Shire will have a diversity of lifestyle and people. It will take pride in caring for the natural, social, cultural and built environments and provide opportunities for people of all ages.

Our Core Values

Service – We deliver excellent service by actively engaging and listening to each other.

Respect – We trust and respect each other by valuing our difference, communicating openly and showing integrity in all we do.

Diversity – We challenge ourselves by keeping our minds open and looking for all possibilities and opportunities.

Ethics – We provide honest, open, equitable and responsive leadership by demonstrating high standards of ethical behavior.

Our Aspirational Values

Prosperity – We will ensure our Shire has a robust economy through a mixture of industrial and commercial development.

Harmony – We will retain our natural assets in balance with our built environment.

Courage – We take risks that are calculated to lead us to a bold new future.

Creativity – We create and innovate to improve all we do.

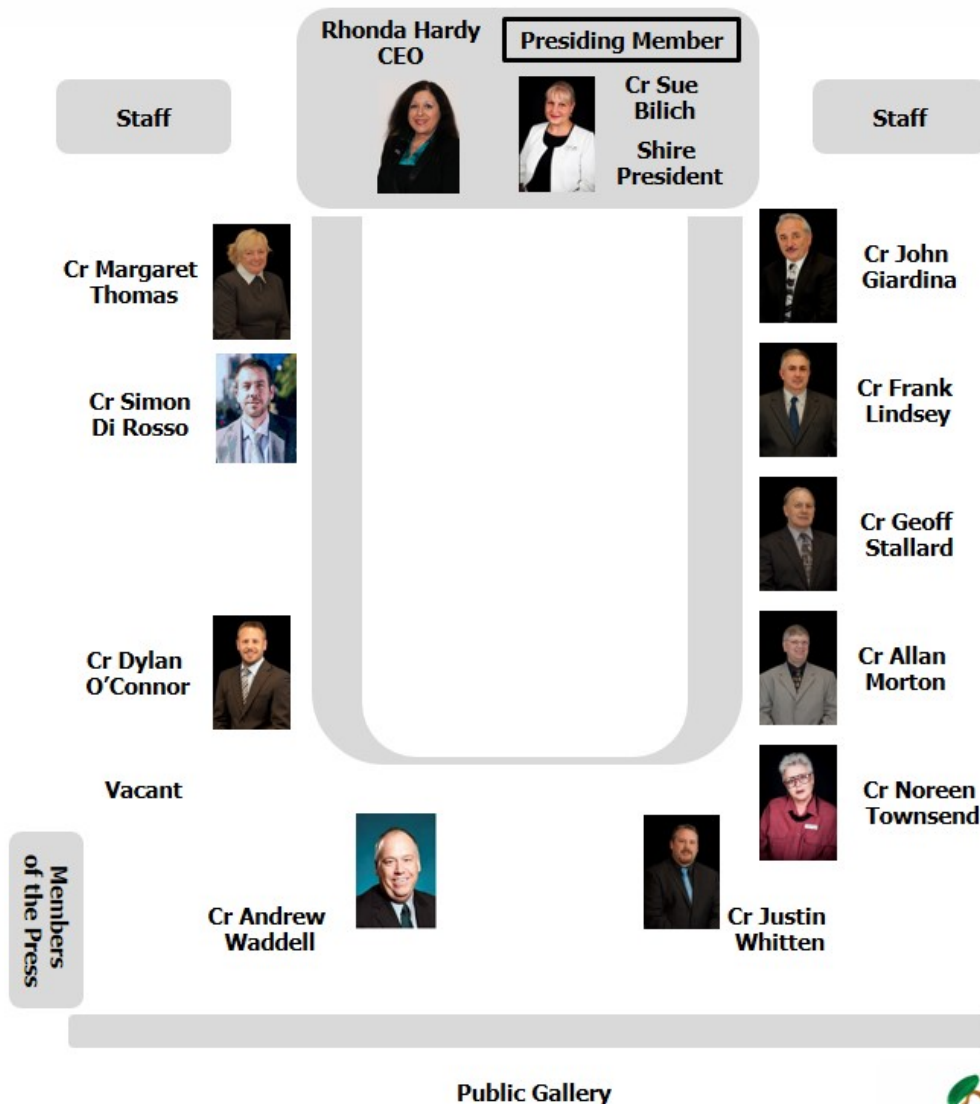


INFORMATION FOR THE PUBLIC ATTENDING COUNCIL MEETINGS

Welcome to this evening's meeting. The following information is provided on the meeting and matters which may affect members of the public.

If you have any queries related to procedural matters, please contact a member of staff.

Council Chambers – Seating Layout



Special Council Meetings – Procedures

1. All Council Meetings are open to the public, except for Confidential Items listed on the Agenda.
2. Members of the public who are unfamiliar with meeting proceedings are invited to seek advice prior to the meeting from a Shire Staff Member.
3. Members of the public are able to ask questions at a Special Council Meeting during Public Question Time on matters relating to the functions of this meeting.
4. To facilitate the smooth running of the meeting, silence is to be observed in the public gallery at all times except for Public Question Time.
5. All other arrangements are in general accordance with Council's Standing Orders, the Policies and decision of the Shire or Council.

Emergency Procedures

Please view the position of the Exits, Fire Extinguishers and Outdoor Assembly Area as displayed on the wall of Council Chambers.

In case of an emergency follow the instructions given by Council Personnel.

We ask that you do not move your vehicle as this could potentially block access for emergency services vehicles.

Please remain at the assembly point until advised it is safe to leave.

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AGENDA

1.0 OFFICIAL OPENING

2.0 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

3.0 PUBLIC QUESTION TIME

A period of not less than 15 minutes is provided to allow questions from the gallery on matters relating to the functions of this meeting. For the purposes of Minuting, these questions and answers will be summarised.

4.0 PETITIONS/DEPUTATIONS

5.0 ANNOUNCEMENTS BY THE MEMBER PRESIDING WITHOUT DISCUSSION

6.0 MATTERS FOR WHICH MEETING MAY BE CLOSED

6.1 Nil.

7.0 DISCLOSURE OF INTERESTS

7.1 Disclosure of Financial and Proximity Interests

- a. Members must disclose the nature of their interest in matters to be discussed at the meeting. (Sections 5.65 of the *Local Government Act 1995*.)
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 of the *Local Government Act 1995*.)

7.2 Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee had given or will give advice.

8.0 REPORTS TO COUNCIL

Please Note: declaration of financial/conflict of interests to be recorded prior to dealing with each item.

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

04. Adoption of 2015/2016 Budget

Previous Items	N/A
Responsible Officer	Director Corporate Services
Service Area	Finance
File Reference	
Applicant	N/A
Owner	N/A
Attachment 1	Schedule of Fees and Charges – Community Facilities – 2015/2016
Attachment 2	Schedule of Fees and Charges – Statutory and Regulatory Charges – 2015/2016
Attachment 3	2015/2016 Statutory Budget

PURPOSE

1. To adopt the Municipal Fund Budget for the year ended 30 June 2016, representing the Financial Year 2015/2016, together with supporting schedules including striking of the Municipal Fund Rates, adoption of fees and charges and other consequential items arising from the budget papers.

BACKGROUND

2. The draft Budget has been compiled based on the principles and assumptions contained in the Kalamunda Accountable: Long Term Financial Plan (LTFP) to 2025.

These principles and assumptions included:

- Balanced Operating Budget with Reserve Funds being set aside annually.
- Operating and Capital expenditure funded by rates, grants, reserve funds and loan borrowings.
- The net profit or proceeds from land sales are transferred to reserve funds.
- Freehold land for future sale and development accounted for and disclosed separately and shall include all costs of land development.
- Reserves used primarily to fund future capital expenditure or specifically for the purpose for which it was created.
- Operating costs are set either by zero based budgeting principles or in line with CPI.
- Domestic Rubbish Charges set at cost recovery plus overheads and contributions to reserves.
- Interest on Investment calculated at 2.5%.
- Operating Grants based on prior period experiences and available information from funding agencies.
- Fees and Charges based upon statutory requirements or cost recovery indexed by CPI.

-
- Insurance calculated based on quotation received from the Shire's insurers.
 - Salaries and Wages increases set in accordance with Enterprise Bargaining Agreements or contract market rates.
 - Workforce growth has been restricted to no new positions apart from changes internally for minor re-alignments dependant on resource requirements.
 - Future population growth projections for calculating interim rates and planning approval revenues is based on 2-4% projected annual growth rate as detailed in the Kalamunda Accountable: Long Term Financial Plan to 2025.
3. The proposed differential rate basis within the Budget was presented to Council at its Budget workshop held on 18 May 2015.
4. Council, at its meeting on 25 May 2015, resolved to advertise the proposed differential rates in line with the level of rate increase to be at 4.1% across all categories (except Vacant which is at 7.25 cents in the \$) advertised by public notice for 2015/2016. Growth in the rates base is predicted to be 0.9%.
5. In accordance with section 6.36 of the *Local Government Act 1995* the Shire advertised its intention to raise differential rates stating the purpose for each rate. This notice was advertised in the local newspaper for 21 days from 2 June 2015. No submissions were received. S6.36(4) of the *Local Government Act (1995)* provides that a rate different to that advertised, may be adopted. There are no changes to the advertised rates.
6. The 2015/2016 draft Budget has been prepared in accordance with the presentations made to Councillors at a series of Budget Workshops.
7. Interest earnings will be significantly lower than the previous year's estimate due to:
- Lower interest income from deposits with Approved Deposit taking Institutions (ADI's) where the returns are lower than forecasted. The cash rate was reduced by the Reserve Bank of Australia (RBA) in May 2015 by 25 basis points to a new low of 2.00%; and
 - The returns will be further constrained with the implementation of Basel III banking regulations which are effective from 1 January 2015, which requires all ADI's to keep a higher capital ratio against their liabilities
8. The Budget includes increases in utility charges and interest costs which are a direct result of the State Budget.

Utility costs increases of 4.5% on standard tariffs and 7.5% on street lighting have been partially absorbed by better negotiation of contracts on contestable sites and retrofitting of some key buildings, such as the Ray Owen Sports Centre with more efficient lighting systems.

Interest costs, show a lower amount due from previous year which is as a result of no significant increases in the loan portfolio. This has been impacted

by the significant increase in the guarantee fee (GFEE), from 0.1% to 0.7%. The additional impost is retrospective on all existing loans which has added approximately \$350,000 additional interest charges over the life of the loans currently held by the Shire. Unfortunately, some of these loans are self-supporting loans which require the cost to be passed on to the community groups. The Shire will be writing to the individual clubs once the detailed breakdowns from West Australian Treasury Corporation (WATC) are calculated.

9. The 2015/2016 estimated operating result stands at a surplus of \$2,741,392 compared to the 2014/2015 Budget cash surplus of \$2,289,459. The return to a budget operating surplus has been achieved through the leadership taken by the Council in deciding to develop and sell freehold land and property and maintain strong control over growth in operating expenditure.
10. Notwithstanding the forecast proceeds from land sales, it is still necessary, in the interim, that operating costs be funded from rate income. After further deliberations, Council have approved a 4.1% rate increase across all rate categories (except Vacant category). In stating that, it should be noted that the Shire's rate in the \$ is still very competitive as noted by the table below.

The major change in the categories is the merger of the industrial and commercial categories into one, now called, Industrial/Commercial GRV. The combined category makes up 589 properties out of a total of 22,418 or 2.6% of the total rate base. This move will improve administrative efficiency.

11. Rates comparison table:

	Rate in \$							
	Kalamunda Advertised 2015/2016		Swan Advertised 2015/2016		Belmont Advertised 2015/2016		Mundaring Advertised 2015/2016	
	Cts	Min (\$)	Cts	Min (\$)	Cts	Min (\$)	Cts	Min (\$)
GRV General/ Residential	5.5235	840	6.5618	845	4.5600	790	7.56	760
GRV Commercial	5.6660	980	8.0590	1340	5.2900	930	7.56	760
GRV Industrial	5.6660	980	8.0280	1620	5.3129	950	7.56	760
GRV Vacant	7.2500	695	N/A		N/A		N/A	

DETAILS

12. This Budget has been set in accord with the Shire's Ten Year Financial Plan 2015/2025 which forms a component of the Integrated Planning Framework as prescribed by the State Government under legislation introduced in 2013/14. It is the third Budget drawn from the rolling ten year programme designed to lift the level of service at the Shire of Kalamunda.

13. The Rate Setting Statement for the period ending 30 June 2016 shows the Shire's expenses have increased by 2% or \$1,105,506 compared to last year's budget estimates.

Budget 2015/2016	\$55,723,385
Estimate 2014/2015	\$54,617,879
Budget 2014/2015	\$56,280,237

14. Increases for all rates (including ex-gratia rates) will generate rate revenue of \$32.01 million. This represents the Shire's largest single source of funds and is essential for the Shire to deliver services, undertake capital works and to maintain the current level of maintenance of community facilities and reserves.

15. It should be noted that based on the updated Unimproved Value (UV) categories, Landgate have determined an overall decrease in values averaging 1.3%.

16. A new rates category which had been introduced in the 2013/2014 year for Vacant land continues with a rate in the dollar of 7.25 cents. This was introduced to encourage development on vacant land within the Shire and the effects are being noted with a 22% reduction in the number of properties in this category over the last two years.

17. The threshold for capitalisation of assets has been maintained at \$3,000 to better reflect the redundancy that occurs in technology and also the cost of assets in the current market.

18. Specific comments on some elements of the draft 2015/2016 Budget are as follows:

- i. Adoption of Percentage for Reporting Material Variances – each financial year, a local government is to adopt a percentage or value, calculated in accordance with Australian Accounting Standards, to be used in statements of financial activity for reporting material variances. The level proposed for 2015/2016 is 10% or \$50,000 whichever is the greater.
- ii. The Budget makes provision for a short term loan for \$500,000 to pay for technical studies required for the Forrestfield North area. The area will be undergoing a significant transformation with higher density housing and light industrial commercial zones. These will align with the Gateway project and the new Forrestfield public train line.
- iii. The Capital Works Program has some key projects which are listed below:
 - Hartfield Park – Stage 1 Various Buildings and Parks \$2,757,576
 - Kostera Oval – Stage 1 Redevelopment of playing fields \$2,800,000

-
- Buildings projects including: \$1,405,467
 - KPAC external lighting
 - Retrofitting air-conditioning systems against ember attack – various buildings
 - Ray Owen Recreation Centre various works
 - Hartfield Park – roof and gutter renewal

 - Major road construction projects including: \$3,514,464
 - Zigzag Drive Traffic Treatments
 - Welshpool Rd East/Lewis Rd
 - Kalamunda Rd/Gooseberry Hill Rd
 - Dawson Avenue – Stage 1
 - Abernethy Road
 - Mundaring Weir Road – Stage 1
 - Mundaring Weir Rd - Bridge
- iv. Sanitation and Household Refuse - Rubbish Rate. Details of the costs of this service are shown separately in the attached Budget. Both the standard and the pensioner charges have increased by 6% and 12% to \$487 and \$257 respectively. These increases are primarily necessitated by the significant increase by the State Government landfill levy on putrescible waste to \$55/Tonne from \$28/Tonne, inert waste to \$40/Tonne from \$8/Tonne effective from 1 January 2015.
- The 50% pensioner discount is now capped to the 2014/2015 rebate of \$230 and is funded through an increase in the waste charge to all non-pensioner properties. This ensures the waste budget is cost neutral and not funded from the rates levied.
- It is proposed to continue with the unlimited free tip passes for residential properties. The vouchers allow for waste to be taken to the Walliston Transfer Station or Red Hill Landfill Site in trailers (6x4), utilities or vans.
- The Shire is also investing in new equipment to bring about:
- More efficiencies in the separation, movement and compaction of materials collected at the transfer station;
 - Improved recycling at community groups, clubs and reserves.
- v. Reserve Accounts – The following new Reserve Accounts have been added in this Budget.
- Asset Enhancement Reserve reflects the merge of Stirk Park reserve, Plant and Equipment Reserve and the Light Plant Reserve. The reserve will be used to fund projects related to infrastructure works and plant and equipment requirements for the future. \$127,742 is set aside in 2015/2016.
 - Waste Avoidance and Resource Recovery Reserve has been created to allow for any surplus funds arising after expenditure on the contaminated sites. There is no opening funds coming in from 2014/2015 however this may change once the financial accounts are audited for this period.
-

- Forrestfield Industrial Area Scheme Stage 1 reserve is created as a requirement of the scheme. This reserve will be isolated from the other Shire reserves and will be made up of the developer contributions only. No movements have been predicted for 2015/2016 as this driven by Scheme and has no impact on the Municipal funds and therefore the ratepayers. 2014/2015 Estimate is \$1,952,285.
- vi. Significant reserve fund movements back to Municipal Funds are for:
- Funding the various Building and maintenance projects \$3,000,000
- Significant reserve fund movements from Municipal Funds are for:
- Building and maintenance projects \$3,362,581
 - Nominated Employee Leave Provisions Reserve to cash back leave provisions at year end by \$505,952
 - Home and Community Care reserve to fund capital enhancement requests \$500,000
 - Unexpended capital works and specific purpose grants reserve to allow for expenditure on carried forward projects \$3,633,838

Estimated Year End Position – 30 June 2015 - The estimated unaudited year end (2014/2015) position is a cash surplus of \$2,438,941 against an opening position of a surplus of \$2,741,392 which shows the Shire is operating on a sustainable basis.

STATUTORY AND LEGAL CONSIDERATIONS

19. Section 6.2 of the *Local Government Act 1995* requires a local government to adopt its budget prior to 31 August each year.
20. Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refers to the setting of budgets and the raising of rates and fees and charges. The 2015/2016 Budget as presented is considered to meet these statutory obligations.

POLICY CONSIDERATIONS

21. The Budget has been developed based on the principles contained in the Kalamunda Accountable: Long Term Financial Plan to 2025.

COMMUNITY ENGAGEMENT REQUIREMENTS

22. The Shire has met its statutory obligations with respect to community consultation whereby a Notice of Intention to Levy Differential Rates was advertised in the Kalamunda Reporter on the 3 June 2015.

-
23. A period of 21 days was provided for public comment concluding on 24 June 2015. At the date of publishing the agenda for the Adoption of the Budget no submissions have been received.
24. Specific financial implications are as outlined in the Detail section of this report and in the attached 2015/2016 Budget document.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

25. *Kalamunda Advancing: Strategic Community Plan to 2025*

OBJECTIVE 6.8 To ensure financial sustainability through the implementation of effective financial management, systems and plans

Strategy 6.8.1 Develop and regularly review the Long Term Financial Plan for the Shire.

SUSTAINABILITY

Social Implications

26. The Budget has been developed to align with the prioritised needs of community infrastructure and services. Long term plans such as the Strategic Asset Management Plan and the Community Facilities Plan will be the strategic documents that identify and prioritise community infrastructure. Ongoing service reviews will continue to ensure community services are relevant and efficient.

Economic Implications

27. The Budget has been developed to align with the economic implications occurring in the Shire. The Budget addresses the ongoing development of future industrial land in Forrestfield, as well as land development opportunities throughout the Shire and also provides support to the Kalamunda Chamber of Commerce and the tourism industry.
28. The draft Local Planning Strategy will guide development within the Shire over the next 20 years.

Environmental Implications

29. The Budget has been developed to align with the environmental priorities outlined in the Shire's Strategic Plan. Funding has been allocated for a range of environmental initiatives within the operating program. An Environmental Reserve was established and additional funds from proceeds of land sales have been set aside to fund a greater level of environmental initiatives.

RISK MANAGEMENT CONSIDERATIONS

30.

Risk	Likelihood	Consequence	Rating	Action / Strategy
Declining economy adversely impacts capacity of Ratepayers to pay rates.	Possible	Major	High	<p>Monthly management reports are reviewed by the Shire.</p> <p>Debt collection strategies are in place to assist ratepayers manage their debts to the Shire.</p>
Understatement of capital works program.	Possible	Major	High	<p>Improved Asset Management procedures to ensure that project designs are well costed prior to implementation.</p> <p>If revised costings are higher than budgeted, the project budget could either be varied at budget review from internal savings to allow for project to progress if determined critical to the community, deferred to the following year or cancelled.</p>
Non-compliance with Financial Regulations	Unlikely	Major	Medium	<p>The budget report is scrutinized by the Shire's Governance and Internal Audit departments to ensure that all statutory requirements are met.</p>

OFFICER COMMENT

31. The 2015/2016 Budget continues to reflect the decision taken by the Council in 2009 to address the issue of the historic under funding of asset maintenance and renewal. It continues the objective of delivering a responsible budget that enables further improvements to the Shire's financial ratios. A dedicated reserve called the Asset Enhancement Reserve has been created to allow the Shire to reduce the infrastructure gap.
32. The 2015/2016 Budget has been guided by the LTFP. The Plan provides a blueprint for effective long term financial planning which is in alignment with the Department of Local Government and Communities Integrated Planning Framework.
33. Following three years of significant growth in capital works projects which resulted in a depletion of the Shire's Reserves, the Shire implemented its alternative funding strategy to develop and sell land assets. The Shire was able to transfer significant proceeds to the Land and Property Reserve through the course of the past twelve months. The Shire is ensuring this work continues and has budgeted to transfer \$386,640 expected from land sales in 2015/2016.
34. Continued cash flow management will be crucial in 2015/2016 to ensure the Shire's Reserves are maintained. The Shire will ensure its operating income growth continues to exceed cash operating expenditure by closely monitoring and managing activities and programs.
35. The 2015 Salaries and Allowances Tribunal determination was brought down on 17 June 2015. The Tribunal determined that there would be no increase to Councillor Allowances and Fees.

2015/2016 BUDGET RECOMMENDATIONS

PART 1 – Councillor Fees and Allowances for 2015/2016

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Pursuant to Section 5.99 of the *Local Government Act 1995* and Regulation 34 of the *Local Government [Administration] Regulations 1996* adopts the following annual fees for the payment of Councillors in lieu of individual meeting attendance fees:-

Shire President	\$30,385
Councillors	\$22,660

2. Pursuant to Section 5.99A (b) of the *Local Government Act 1995* and Regulations 34A and 34AA of the *Local Government [Administration] Regulations 1996*, adopts the following annual allowances:-

Telecommunications, Communication and Technology Allowance	\$3,500
Travel Allowance	\$50

3. Pursuant to Section 5.98 (5) (b) of the *Local Government Act 1995* and Regulation 33 of the *Local Government [Administration] Regulations 1996*, adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:-

Shire President	\$61,800
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4. Pursuant to Section 5.98 (A) of the *Local Government Act 1995* and Regulation 33A of the *Local Government [Administration] Regulations 1996*, adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:-

Deputy Shire President	\$15,450
------------------------	----------

Moved:

Seconded:

Vote:

PART 2 – Schedule of Fees and Charges for 2015/2016

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Pursuant to Section 6.16 of the *Local Government Act 1995*, adopts the Hall Hire, Community Recreation Facilities Charges and Reserve Hire – Outdoor Activities Charges as per (*Attachment 1*).
2. Adopt the fees and charges for Regulatory and Other Services as per (*Attachment 2*).
3. Pursuant to *Regulation 53 of the Building Regulations 2012*, adopts a swimming pool inspection fee of \$20.50.
4. Pursuant to Section 6.51 of the *Local Government Act 1995* and Regulation 70 of the *Local Government [Financial Management] Regulations 1996*, impose an interest charge of 11% on all rates and service charges including the refuse charge, Waste Avoidance and Resource Recovery Levy and swimming pool inspection fee that are not paid by the due date.
5. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government [Financial Management] Regulations 1996*, adopt an instalment administration charge where the owner has elected to the payment of rates and service charges through an instalment option by charging a:
 - (a) \$6 administration charge where a property owner elects to payment of rates and service charges on a two instalment option: or
 - (b) \$18 administration charge where a property owner elects to payment of rates and service charges on a four quarterly instalment option.
6. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government [Financial Management] Regulations 1996*, adopt an instalment interest charge where the owner has elected to the payment of rates and service charges through an instalment option by charging 5.5% as prescribed:

Moved:

Seconded:

Vote:

PART 3 – Waste and Rubbish Charges for 2015/2016

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Pursuant to Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, adopt the following charges for the removal and deposit of domestic and commercial waste:-
 - i. Domestic / Commercial Service
 - a. Ordinary domestic collection/disposal service including kerbside recycling service to be set at \$487 and any additional general waste bin at \$600 or recycling bin at \$165
 - b. Eligible pensioners – a concession rate for the domestic collection/disposal service including kerbside recycling service of \$257. Additional services will be as specified above in (a).
 - c. Residential multi-unit and Residential Other domestic collection/disposal service including kerbside recycling service to be set at \$460.
 - d. Residential multi-unit eligible pensioners – a concession rate for the domestic collection/disposal service including kerbside recycling service of \$230.
 - e. Credit for residential properties who cannot access the skip bin service \$(36.50)
 - f. Commercial and Industrial – collection and disposal of both general and recyclable waste service of \$960 and additional service for both general and recycling bin at \$1,125
 - g. Community and sporting clubs – collection and disposal of general waste will be \$1.06 per litre for a 120 Litre bin or \$0.27 for a 240 Litre recyclable waste bin.
 - h. Community Event – collection and disposal of general waste will be \$175 for a 240 litre general Waste bin, \$100 for a 240 litre recycling waste bin and a \$100 additional fee for disposal of contaminated recycling waste bin.
 - ii. Walliston Transfer Station
The deposit of rubbish at Walliston Transfer Station and Collection of specific items will be charged as follows:-

Description – Resident charges only	\$
Collection of Whitegoods or Mattresses (up to 2 items) (non-pensioner)	22.00
Collection of Whitegoods or Mattresses (up to 2 items) (pensioner)	7.00
Standard Car & Motor Cycle Tyre, each (maximum of 5/entry)	10.30
Four Wheel Drive Tyre, each (maximum of 5/entry)	19.10
Truck Tyres, each (maximum of 2/entry)	29.20
Compost Bin (including delivery)	50.00
Worm Farm (including Delivery)	140.00

Description – Non-Resident charges only	\$
Clean Greenwaste per tonne (minimum charge 0.5t = \$20.35)	42.30
Mixed Waste - Car/Station Wagon/Utes or Trailer only	54.90
Mixed Waste - Vehicle & Trailer combination - up to 7 x 5, no trucks	96.00
Mattress disposal fee (max 5/entry)	19.50
Standard Car & Motor Cycle Tyre, each (maximum of 5/entry)	11.50
Four Wheel Drive Tyre, each (maximum of 5/entry)	23.00
Truck Tyres, each (maximum of 2/entry)	34.50

- iii. Waste Avoidance and Resources Recovery Levy
Adopt a levy of \$0.0002040 against the Property's GRV valuation as provided by Landgate.

Moved:

Seconded:

Vote:

PART 4 – Municipal Fund Budget For 2015/2016

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Pursuant to the provisions of Section 6.2 of the *Local Government Act 1995* and the Part 3 *Local Government [Financial Management] Regulations 1996*, adopt the Municipal Fund Budget as contained in (*Attachment 3*), Statutory Statements and Notes (including supplementary information) for the year ending 30 June 2016.

Moved:

Seconded:

Vote:

PART 5 – General and Minimum Rates, Instalment Payment Arrangements and Incentives for Early Payments for 2015/2016

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Pursuant to Sections 6.32, 6.33 6.34 and 6.35 of the *Local Government Act 1995* impose the following differential general and minimum rates on Gross Rental and Unimproved Values adopted for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget at Item 13.
 - 1.1 General Rates
 - General - Gross Rental Values(GRV) 5.5235 cents in the dollar
 - Industrial/Commercial – GRV 5.6660 cents in the dollar
 - Vacant Land – GRV 7.2500 cents in the dollar
 - General - Unimproved Values (UV) 0.3090 cents in the dollar
 - Commercial – UV 0.3390 cents in the dollar
 - 1.2 Minimum Rates
 - General - Gross Rental Values(GRV) \$840
 - Industrial/Commercial – GRV \$980
 - Vacant Land – GRV \$695
 - General - Unimproved Values (UV) \$840
 - Commercial – UV \$980
 - 1.3 Instalment Arrangements
Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, nominate the following due dates for the payment of rates in full and by instalments:-

Full payment	17 August 2015
<u>Two Payment Option</u>	
First Payment	17 August 2015
Second Payment	10 December 2015
<u>Four Payment Option</u>	
First Payment	17 August 2015
Second Payment	12 October 2015
Third Payment	10 December 2015
Fourth (Final) Payment	8 February 2016
 - 1.4 Incentives for Early Payment of Rates
Pursuant to Section 6.46 of the *Local Government Act 1995*, offers the following incentive prizes to ratepayers who have paid their rates in full.
 - 9 cash prizes of \$1,000 donated by the Shire of Kalamunda.
 - 1 cash prize of \$1,000 donated by the Commonwealth Bank of Australia.
 - 1 \$500 passbook account donated by the Bendigo Bank - Forrestfield & High Wycombe Community Bank.

- 2 double passes to concert preformed and donated by the Western Australian Symphony Orchestra.

Pursuant to Section 6.46 of the *Local Government Act 1995*, offers the following incentive prizes to ratepayers who register to receive their future rates notices electronically.

- 2 Samsung Galaxy Tab 3 Lite VE 7" 8GB WiFi Tablets
- 2 Apple iPad mini 2 16GB WiFi Tablets

- 1.5 Eligibility for inclusion in the rates incentive prize draw.
That ratepayers who make rates payment in full by a week before the due date, being 10 August 2015, will be eligible for inclusion in the rates incentive prize draw.
- 1.6 Eligibility for inclusion in the eRates incentive prize draw.
That ratepayers who registers to receive their future rates notices a week before the due date, being 10 August 2015, will be eligible for inclusion in the eRates incentive prize draw.
- 1.7 Eligibility of Elected Members and Staff to participate in rates incentive and eRates prize.
That all Elected Members, staff of the Shire of Kalamunda and government bodies and their agencies be ineligible to be chosen as a winner of the early rate payment incentive or eRates prizes either as a sole or part owner of any property.

Moved:

Seconded:

Vote:

PART 6 – Material Variance Reporting for 2015/2016

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. In accordance with Regulation 34 of the *Local Government (Financial Management) Regulations 1996*, and AAS 5 set the material variance level to be used in statements of financial activity in the year 2015/2016 for reporting variances at 10% or \$50,000, whichever is the greater.

Moved:

Seconded:

Vote:

PART 7 – Capitalisation Threshold 2015/2016

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Adopt a capitalisation threshold of \$30,000 for Information Technology Software and \$3,000 for all other assets.

Moved:

Seconded:

Vote:

PART 8 – Proposal to Borrow Loan Funds

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Pursuant to S6.20(1) of the *Local Government Act 1995*, proposes to borrow \$500,000 to allow for technical studies in the Forrestfield North area.

Moved:

Seconded:

Vote:

PART 9 – Establishment of New Reserves

Voting Requirements: Absolute Majority

RECOMMENDATION

That Council:

1. Pursuant to *Local Government Act 1995 Section 6.11* cancels the Stirk Park Reserve, Plant and Equipment Reserve and the Light Plant Reserve.
2. Pursuant to *Local Government Act 1995 Section 6.11* approves the establishment an Asset Enhancement Reserve with the purpose to fund projects related to infrastructure works and plant and equipment requirements for the future.

3. Pursuant to *Local Government Act 1995 Section 6.11* authorises the transfer of the current balances of \$127,742 from cancelled Reserves, Stirk Park Reserve, Plant and Equipment Reserve and the Light Plant Reserve, to the newly establish Asset Enhancement Reserve.
4. Pursuant to *Local Government Act 1995 Section 6.11* approves the establishment a Waste Avoidance and Resource Recovery Reserve with the purpose of funding expenditure on the contaminated sites.

Moved:

Seconded:

Vote:

Attachment 1

Schedule of Fees and Charges – Community Facilities - 2015/2016

[Click HERE to go directly to the document](#)

Attachment 2

Schedule of Fees and Charges – Statutory and Regulatory Charges – 2015/2016

[Click HERE to go directly to the document](#)

Attachment 3

2015/2016 Statutory Budget

[Click HERE to go directly to the document](#)

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

05. Kalamunda Accountable: Long Term Financial Plan to 2025

Previous Items	N/A
Responsible Officer	Director Corporate Services
Service Area	Finance
File Reference	FI-BUD-014
Applicant	N/A
Owner	N/A
Attachment 1	Kalamunda Accountable - Long Term Financial Plan to 2025

PURPOSE

1. To adopt the Shire's amended ten-year Long Term Financial Plan (LTFP) (Attachment 1).

BACKGROUND

2. The Shire of Kalamunda developed a number of plans in June 2013 which set out it's the long-term strategic priorities and goals, based on the community's aspirations for the future. A long term financial plan is required to ensure these priorities can be funded in a sustainable manner.
3. *Kalamunda Accountable* is a rolling ten year financial plan. As the Annual Budget is adopted each year, a new year is required to be added to the LTFP. The intention of the LTFP is to indicate the Shire's long term financial sustainability and to allow early identification of financial issues. This will be the third year that the Shire re-states its LTFP taking into account issues such as changing priorities, assumptions, funding, borrowings, etc.
4. The LTFP is a required element of the Department of Local Government and Communities Integrated Planning Framework. Its place within the Framework is as an informing document of the Corporate Business Plan. The priority actions and projects that are set out in the Corporate Business Plan are dependent on the resources allocated within the Financial Plan.
5. The LTFP has itself been informed by:
 - The Shire's Local Planning Strategy, which includes projections for development and population growth;
 - The Asset Management Strategy and Plans, which sets out the resource requirements for maintenance of existing assets at expected service levels; and
 - The Workforce Plan, which identifies the human resources required to deliver the Shire's normal operations and proposed future actions and projects.

DETAILS

6. The LTFP includes seven Key Financial Indicators. These indicators provide a measure of the Shire's sustainability and performance over the ten year span of the LTFP. Targets have been included to allow the projected ratios to be compared against a benchmark figure.
7. The LTFP also contains a Rate Setting Statement for the ten years. This sets out the projected revenues and expenditure, the estimated surplus or deficit at the end of each year and the amount that will be required to be raised from rates.
8. The LTFP has been developed on the basis of a number of key assumptions, which are set out in the LTFP. For example, assumptions have been made about the interest rate for investments, inflation rate, and future population growth. The annual review of the LTFP will ensure that the projections are as accurate as possible, and that the assumptions are reasonable.
9. The Integrated Planning Framework requires that the LTFP be reviewed in conjunction with reviews to the Strategic Community Plan.

STATUTORY AND LEGAL CONSIDERATIONS

10. All local governments are required to produce a LTFP for the Future under s5.56 (1) of the *Local Government Act 1995*. The *Local Government (Administration) Regulations 1996* stipulates the minimum requirements for a LTFP.

POLICY CONSIDERATIONS

11. Council Policy FIN1 – Accounting Policies sets out accounting definitions and parameters.

COMMUNITY ENGAGEMENT REQUIREMENTS

12. Public consultation was undertaken to formulate the various strategies which inform this LTFP (for example, the Strategic Community Plan). No specific public consultation was carried out in relation to the LTFP given the nature of the document.
13. There is no requirement under the Department of Local Government and Communities requirements for the Shire to advertise or consult on the LTFP.

FINANCIAL CONSIDERATIONS

14. *Kalamunda Accountable* sets a financial framework for the Shire's operations and projects. It includes indicators to measure and monitor the Shire's financial sustainability.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

15. *Kalamunda Advancing: Strategic Community Plan to 2025*

OBJECTIVE 6.8 – To ensure financial sustainability through the implementation of effective financial management, systems and plans.

Strategy 6.8.1 Develop and regularly review the Long Term Financial Plan for the Shire.

OBJECTIVE 6.3 – To lead, motivate and advance the Shire of Kalamunda.

Strategy 6.3.1 Develop and implement a wide variety of informing strategies and plans which benefit the community socially, economically and environmentally.

SUSTAINABILITY

Social Implications

16. The Community Facilities Plan was considered in the development of the LTFP. This means that resources for the maintenance and development of community facilities, as prioritised in the Facilities Plan, have been taken into account.

Economic Implications

17. The LTFP enables the Shire to model different levels of service and program delivery to set priorities and determine what can be afforded in the short and long term.
18. The Financial Sensitivity analyses models the potential effect that changes within the economy will have on the LTFP.

Environmental Implications

19. The LTFP maintains an environmental Reserve Fund and a direct annual operational Budget over \$800,000 per year throughout the length of the Plan.

RISK MANAGEMENT CONSIDERATIONS

20. A LTFP should allow the early identification of financial issues, so that they may be dealt with promptly. The Key Financial Indicators that have been included will identify any potential sustainability issues (for example, over-reliance on grants or loans).

Risk	Likelihood	Consequence	Rating	Action / Strategy
Funding budgeted for from State and Federal Government does not eventuate	Possible	Major	High	Grant funded projects will only commence once written commitments are received.
Costings for capital works projects have been under-stated	Possible	Major	High	Improved Asset Management procedures to ensure that project designs are well costed prior to implementation; If revised costings are higher than budgeted, the project budget could either be varied at budget review from internal savings to allow for project to progress if determined critical to the community, deferred to the following year or cancelled.
Non-compliance with Financial Regulations	Unlikely	Major	Medium	The budget report is scrutinized by the Shire to ensure that all statutory requirements are met.

OFFICER COMMENT

21. The LTFP is formulated on the basis that the Shire of Kalamunda is operating in a normal economic cycle even though the State of Western Australia is going through a downturn. It is envisaged that non-mining services will make up gaps in employment and be even beneficial to the Shire in attracting better staff, contracts and resources.

Voting Requirements: Simple Majority

RECOMMENDATION

That Council:

1. Adopts the amended *Kalamunda Accountable: Long Term Financial Plan to 2025*. (Attachment 1)

Moved:

Seconded:

Vote:

Attachment 1

Kalamunda Accountable – Long Term Financial Plan

[Click HERE to go directly to the document](#)

9.0 MEETING CLOSED TO THE PUBLIC

10.0 CLOSURE