

# TOWN OF COTTESLOE



## SPECIAL COUNCIL MEETING MINUTES

SPECIAL MEETING OF COUNCIL  
HELD IN THE  
Council Chambers, Cottesloe Civic Centre  
109 Broome Street, Cottesloe  
6.00 PM, Tuesday 11 July 2017

Purpose of Meeting:  
For Council to adopt the 2017/18 Budget

**MAT HUMFREY**  
Chief Executive Officer

18 July 2017

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**1 DECLARATION OF MEETING OPENING/ANNOUNCEMENT OF VISITORS**

The Presiding Member announced the meeting opened at 6:02 PM.

**2 DISCLAIMER**

The Presiding Member drew attention to the Town's Disclaimer.

**3 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

The Presiding Member announced that the purpose of this Special Council Meeting is solely to adopt the 2017/18 Budget.

The Presiding Member alerted those present that this meeting is being audio recorded for the purpose of accuracy of minutes, and for record keeping purposes.

**4 PUBLIC QUESTION TIME****4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil.

**4.2 PUBLIC QUESTIONS**

Nil.

**5 PUBLIC STATEMENT TIME**

Nil.

**6 ATTENDANCE****Present**

Mayor Jo Dawkins  
Cr Philip Angers  
Cr Katrina Downes  
Cr Mark Rodda  
Cr Rob Thomas

**Officers Present**

Mr Garry Bird  
Mr Andrew Jackson  
Mr Nick Woodhouse  
Ms Samantha Hornby

Manager Corporate & Community Services  
Manager Development Services  
Manager Engineering Services  
Governance Coordinator

**6.1 APOLOGIES**

Cr Jay Birnbruer  
Cr Sandra Boulter  
Cr Helen Burke  
Cr Sally Pyvis

**Officer Apologies**

Mr Mat Humfrey                      Chief Executive Officer

**6.2 APPROVED LEAVE OF ABSENCE**

Nil.

**6.3 APPLICATIONS FOR LEAVE OF ABSENCE**

Nil.

**7 DECLARATION OF INTERESTS**

Nil.

**8 PRESENTATIONS**

**8.1 PETITIONS**

Nil.

**8.2 PRESENTATIONS**

Nil.

**8.3 DEPUTATIONS**

Nil.

**9 REPORTS OF OFFICERS**

**9.1 ADOPTION OF THE 2017/2018 BUDGET**

**File Ref:** SUB/2403  
**Attachments:** [2016/2017 Budget](#)  
**Responsible Officer:** Mat Humfrey  
Chief Executive Officer  
**Author:** Garry Bird  
Manager Corporate and Community Services  
Wayne Richards  
Finance Manager  
**Proposed Meeting Date:** 11 July 2017  
**Author Disclosure of Interest:** Nil

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**SUMMARY**

The 2017/2018 Budget is attached for the consideration of Elected Members and adoption.

**BACKGROUND**

Council is required under the *Local Government Act 1995* to adopt a budget for each financial year. The budget cannot be adopted before 1 June in the financial year immediately prior to the year it applies and must be adopted before 31 August in the year it applies to. The budget must be in the prescribed format and set expenditure levels and type for the year. The budget must also contain a forecast of all income and set the rate in the dollar for the rates levied in the financial year it applies to.

**STRATEGIC IMPLICATIONS**

The budget sets out how funds will be allocated to all projects during the financial year, including all strategic projects. In the 2017/2018 there is funding allocated to a wide range of strategic projects. All of the capital works outlined in the Town's five year asset replacement schedules for the 2017/2018 budget have been incorporated into the budget.

**POLICY IMPLICATIONS**

There are no policy implications arising from the officer's recommendation.

**STATUTORY ENVIRONMENT**

*Local Government Act 1995 (s6.2)*

6.2. *Local government to prepare annual budget*

- (1) *During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt\*, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.*

*\* Absolute majority required.*

- (2) *In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in*

*accordance with section 5.56 and to prepare a detailed estimate for the current year of —*

- (a) the expenditure by the local government;*
  - (b) the revenue and income, independent of general rates, of the local government; and*
  - (c) the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.*
- (3) For the purposes of subsections (2)(a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.*
- (4) 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 and 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.*
- (5) Regulations may provide for —*
- (a) the form of the annual budget;*
  - (b) the contents of the annual budget; and*
  - (c) the information to be contained in or to accompany the annual budget*

### **5.63. Some interests need not be disclosed**

- (1) Sections 5.65, 5.70 and 5.71 do not apply to a relevant person who has any of the following interests in a matter —*
- (a) an interest common to a significant number of electors or ratepayers; or*
  - (b) an interest in the imposition of any rate, charge or fee by the local government; or*
  - (c) an interest relating to a fee, reimbursement of an expense or an allowance to which section 5.98, 5.98A, 5.99, 5.99A, 5.100 or 5.101(2) refers; or*

- (d) *an interest relating to the pay, terms or conditions of an employee unless —*
  - (i) *the relevant person is the employee; or*
  - (ii) *either the relevant person's spouse, de facto partner or child is the employee if the spouse, de facto partner or child is living with the relevant person; or*
- (e) *[deleted]*
- (f) *an interest arising only because the relevant person is, or intends to become, a member or office bearer of a body with non-profit making objects; or*
- (g) *an interest arising only because the relevant person is, or intends to become, a member, office bearer, officer or employee of a department of the Public Service of the State or Commonwealth or a body established under this Act or any other written law; or*
- (h) *a prescribed interest.*

### **Local Government (Financial Management) Regulations 1996**

Regulations 22 to 33 contain the requirements for the form of the budget document and the information to be contained within it.

### **FINANCIAL IMPLICATIONS**

The budget allocates the Town's financial resources for the financial year ending 30 June 2018. Overall the budget reflects the strong financial position the Town now finds itself in.

Rates revenue is estimated to increase by 3.00%, which when excluding growth to the rates base in 2016/2017 represents an increase of approximately 2.00% for many properties.

### **STAFFING IMPLICATIONS**

All associated staffing costs are contained within the draft 2017/2018 Budget.

### **SUSTAINABILITY IMPLICATIONS**

The Town has several sustainability projects and programs contained within the budget.

### **CONSULTATION**

#### **Public Consultation**

As Council raises a differential rate, it is required to advertise its intention to do so. Council resolved to advertise its intention to raise a differential rate at its May round of meetings. The advertisements and notices were placed as required and two comments were received.

The Town also advertised the community grants program and sent letters to community and sporting groups requesting submissions. The requests have been summarised within the budget document (pages 41 and 42).

**Council Workshops**

There have been two Council workshops to directly discuss formulating the budget and Council has previously adopted the 5 Year Asset Replacement Schedules. These workshops provided Elected Members with an opportunity to give feedback on draft budgets and the documents that guide the formation of the budget. The final draft of the budget presented for consideration by Council incorporates the feedback received during these workshops.

The use of the Long Term Financial Plan and 5 Year Asset Replacement Schedules shows a strategic budgeting process, rather than a reactive budgeting process. Council now anticipates its expenditures several years in advance and the administration allocate those expenditures to best ensure there are no significant increases in rates in any one year.

**STAFF COMMENT**

The process of compiling the 2017/2018 Budget began in February 2017, with Council reviewing its Long Term Financial Plan. This plan seeks to show all of Council's financial commitments over the 10 year period and allows for the allocation of that expenditure, such that rate shocks can be avoided. In March Council then considered and adopted the Corporate Business Plan and the 5 year Capital Works Plan as the second part of formulating its budget. These plans form the basis for the "Capital" section of the budget. In April 2017, the current year's budget was reviewed and projections were made for the anticipated end of year position.

The Town is in a strong financial position, having healthy reserves and operating at a very high level of operational efficiency. Much work has been done to ensure that operating revenue is maximised and that expenditure is undertaken in the most efficient way possible.

The Town also has well maintained assets, which is the result of many years of investment in these assets and a well planned approach. As the assets are replaced as a part of the systematic approach, the yearly maintenance costs decreases and staff are spending less time responding to call outs, and more time working on strategic projects.

With an increase in rates revenue of 3.00%, with all of the Town's operating and asset management obligations being met – as well as their still being discretionary capital and operating items within the budget – the Town is operating in the most sustainable way possible. Low rate increases with cuts to operating or asset management obligations are not sustainable – but neither are budgets that continue to raise rates well above the level inflation. If the Town can maintain the financial discipline it currently has, then the short to mid-term financial outlook for the Town is very positive.

**VOTING**

Absolute Majority

**OFFICER RECOMMENDATION**

Moved Cr Angers, seconded Cr Thomas

That Council, noting the removal of the capital works projects Napier Street Drainage \$10,000 (page 36 of the Budget) and asphaltting of the Sea View Golf Club Carpark (\$38,904) from the Budget with the savings to be transferred to the Infrastructure Reserve:

1. Adopt the Budget for the year ended 30 June 2018, as attached, including:
  - (a) Adopting the Statement of Cashflows for the year ended 30 June 2018;
  - (b) Adopting the Rate Setting Statement for the year ended 30 June 2018;
  - (c) Endorsing the Statement of Comprehensive Income (by Nature and Type) for the year ended 30 June 2018;
  - (d) Endorsing Note 6 – Statement of Reserves for the year ended 30 June 2018;
  - (e) Endorsing Note 7 – Net Current Assets as at 30 June 2018; and
  - (f) Adopting the Fees and Charges for the year ended 30 June 2018.
2. Adopt the Differential General Rates (as per Section 6.32 of the *Local Government Act 1995*) and impose rates in the dollar on the gross rental value of all the rateable property within the Town of Cottesloe for the financial year ending 30 June 2018 as follows;
  - (a) GRV – Residential Improved (RI) – 6.1390 cents in the dollar;
  - (b) GRV – Residential Vacant (RV) – 6.1390 cents in the dollar;
  - (c) GRV – Commercial Improved (CI) – 6.1390 cents in the dollar;
  - (d) GRV – Commercial Town (CT) – 7.1690 cents in the dollar; and
  - (e) GRV – Industrial (II) – 6.1390 cents in the dollar.
3. Impose a minimum rate of \$1,090 for the financial year ended 30 June 2018.
4. Include in the rate charge for residential properties:
  - (a) a once per week service of 120 litre mobile garbage bin (MGB) for general household rubbish;
  - (b) a once per fortnight service of a 240 litre MGB for recyclable household rubbish; and
  - (c) a once per fortnight service of a 240 litre MGB for household green waste;
5. Apply the following charges to residential properties for additional services (per annum GST inclusive):
  - (a) General Rubbish – each service per week (120 litre MGB) - \$350.
6. Apply the following charges to commercial properties (per annum GST inclusive):
  - (a) General Rubbish – each service per week (240 litre MGB) - \$382;
  - (b) Recycling – one service per fortnight (240 litre MGB) - \$128; and
  - (c) Recycling – one service per week (240 litre MGB) - \$255.

7. Impose an administration charge of \$24.00 where a payment of a rate of service charge is paid in instalments, except that eligible pensioners will be exempted from paying the charge as per section 6.45(3) of the *Local Government Act 1995* –
8. Apply an interest rate of 11% per annum to rates and services levied in the year ended 30 June 2018 which remain unpaid after they become due and payable and where no election has been made to pay the rate or service charge by instalments as per section 6.51 of the *Local Government Act 1995*.
9. Adopt the following rate instalment plans
  - (a) Option 1  
To pay the total amount of rates and charges included in the notice in full by the 30 August 2017.
  - (b) Option 2  
To pay by four instalments, as detailed on the rate notices with the following anticipated dates;

First instalment	30 August 2017
Second Instalment	1 November 2017
Third Instalment	10 January 2018
Fourth Instalment	14 March 2018

After the due date for the first instalment, accounts paid by instalment will have an interest rate of 5.5% applied to the outstanding balance until the account is paid in full of the due date for an instalment lapses. At that point the rates will become due and payable and interest of 11% will be applied to the outstanding balance at that time.
10. Adopt a rate of interest on money owing – apply an interest rate of 11% per annum to any amount (other than rates) not paid by the due date being 35 days from the date of issue of the invoice as per section 6.13 of the *Local Government Act 1995*.
11. Adopt a Telecommunications Allowance of \$1,600 for elected members as per section 5.99A of the *Local Government Act 1995*.
12. Adopt Members Attendance Fees –set an annual meeting attendance fee of \$15,500 for Council members and \$24,000 for the Mayor as per section 5.99 of the *Local Government Act 1995*.
13. Adopt the Mayor's Allowance of \$27,500 as per sections 5.98 and 5.98A of the *Local Government Act 1995*.
14. Adopt the Deputy Mayor's Allowance of \$6,875 as per sections 5.98 and 5.98A of the *Local Government Act 1995*.
15. Maintain the materiality levels of 15% or \$25,000 for the monthly reporting of significant variances of income and expenditure in the Statement of Financial Activity.

CARRIED 5/0

**10 ELECTED MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil.

**11 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING BY:**

**11.1 ELECTED MEMBERS**

Nil.

**11.2 OFFICERS**

Nil.

**12 MEETING CLOSED TO PUBLIC**

**12.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

Nil.


**13 MEETING CLOSURE**

The Presiding Member declared the meeting closed at 6.06 PM.

CONFIRMED MINUTES OF 11 JULY 2017 PAGES 1 – 10 INCLUSIVE.

PRESIDING MEMBER:

POSITION:

.....  
  
DATE: 22 / 8 / 2017