



SPECIAL MEETING OF ELECTORS
AGENDA

11 SEPTEMBER 2012

MEETING GUIDELINES

Meeting Procedures

The procedures for this meeting of electors are governed by the *Meeting Procedures Local Law 2011*.

As such, this meeting is controlled under sole direction of the Mayor.

The following requirements apply:

- Be courteous and respectful – *Section 5.17*;
- Comply with the directions of the Mayor as Presiding Member – *Section 5.17*;
- Do not interrupt or interfere with proceedings – *Section 5.17*;
- The Mayor will determine the order of speaking so wait your turn to speak – *Section 7.5*;
- You need to cease speaking when asked to by the Mayor – *Section 7.5*;
- Do not use offensive language – *Section 7.7*;
- Stick to the question you are asking – *Section 7.7*;
- Don't dominate the discussion – *Section 7.9*;
- Don't interrupt others – let everyone have their say – *Section 7.11*;
- Don't use offensive or objectionable expressions in relation to individuals – *Section 7.14*.
- Limit questions and statements to 5 minutes per person – *Section 7.9*.

If the above requirements are NOT followed, the Mayor may:

- Warn the person to cease making a disturbance and if the behaviour continues the Mayor may order the person to leave the meeting – *Section 5.17*;
- Cause the removal of the person from the room should he/she fail to leave willingly – *Section 5.17*;
- Direct the person who is being offensive or insulting to withdraw the remark and apologise – *Section 7.15*;
- Rule the person out of order and direct him/her to refrain from taking further part in the meeting, other than to vote – *Section 8.6*;
- Adjourn the meeting for up to 15 minutes – *Section 8.7*;
- Adjourn the meeting to another time and place – *Section 8.7*.

TABLE OF CONTENTS

1 DECLARATION OF OPENING.....4

2 ATTENDANCE.....4

3 PURPOSE OF THE MEETING4

4 OPENING STATEMENT FROM CGGRDC17

5 PUBLIC QUESTIONS ON NOTICE.....17

6 PUBLIC QUESTIONS17

7 ELECTOR'S MOTIONS.....17

8 CLOSING STATEMENTS17

9 CLOSURE17

CITY OF GREATER GERALDTON**SPECIAL MEETING OF ELECTORS
TO BE HELD ON TUESDAY, 11 SEPTEMBER AT 5.30PM
AT QUEENS PARK THEATRE, GERALDTON****A G E N D A****1 DECLARATION OF OPENING****2 ATTENDANCE****3 PURPOSE OF THE MEETING**

The purpose of this meeting as stated on the petition is:

1. To ask questions relating to the unjustifiable 2012/2013 rate rise and the expenditure of ratepayers money for the 2012/2013 financial year and preceding financial years;
2. To address the issue of increased rates for the 2012/2013 financial year; and
3. To object to the rate for the year 2012/2013 and put forward our concerns.

4 OPENING STATEMENT FROM CGGRDC**5 PUBLIC QUESTIONS ON NOTICE**

Shain Forth, 21 Sexton Drive, MORESBY WA 6530

Question .1

The world has just gone through the biggest economic downturn with the high dollar, the mining sector has flat-lined and the retail sector is at its worst in 25 years. This is all public knowledge on the news every day, yet the Councillors enforce such high rates without any acknowledgment of this. Did the councillors realise the impact of their vote, when agreeing to the recent massive rate rises?

Response

Yes. The Council was presented 6 detailed options which ranged from -18% decrease in the rate in the dollar (resulting in a zero increase in revenue from 2011/12 figures) through to a 7.6% increase in the rate in the dollar.

Through the comprehensive budget workshop process Council gave serious and detailed consideration of the potential impacts of each model and also had due regard for the requirements to properly fund the City's financial needs including asset development and asset renewal.

Question 2

It is noted in your Budget Principals for 2012-13 too significant an increase over a short period of time, had potential to cause financial hardship to too higher proportion of ratepayers and residents.

If Council recognises that the huge rate increase for the 2012-13 financial year would cause such hardship, please justify why you applied such a high rate in the dollar especially when it has been previously noted that it would be a gradual increase from 2010?

Response

The Council in setting the 2012/13 'rate in the dollar' level had due regard of the detrimental impact of the substantial 'rate in the dollar' reduction applied in the 2007/08 financial year (at the time of the last revaluation).

It is noted that the current 'rate in the dollar' is 85% (or 15%) less than the rate in the dollar applied in 2007, prior the last revaluation.

In setting the 2012/13 budget Council actually adopted a 'rate in the dollar' which was less than the adopted Financial Sustainability Policy which recommend a 7.6% increase. The Policy made no reference to adjustments for the revaluation of property values.

Question 3

Please explain why the CGG continues to refer the public to Landgate who are unable to assist with budgetary explanations, rather than take responsibility for their actions and provide open and honest responses to ratepayers.

Response

The City has not referred people to Landgate in relation to the budget. All references to Landgate have been purely relating to the valuation of properties.

It is noted that the City produces one of the most comprehensive budget information websites (in Local Government) which not only detail the financials, but also the principles, policies, budget by work area and exhaustive FAQ's.

Question 4

How much is forecast for City operations in the 2012-2013 budget? How much of this is contributed by rates?

Response

Operating Expenses budget for 2012-13 is:	\$88.265 million
Rates revenue budgeted for 2012-13 is:	\$37.009 million

Question 5

All government agencies have been told to decrease spending by around 2%. Will the CGG be following the same path?

Response

It is noted that for the past three years the City has undertaken extensive operational budget savings amounting to 5.25% of rates over the 3 year period. This equates to an annualised saving (as referred to in the 2012/13 budget) of approximately \$1.9 million.

The City's efficiency gain would compare very favourably to any State Government agency especially noting that in the previous year's few, if any of the State agencies, actually achieved their stated 'dividend reduction' targets.

Question 6

Can you please clarify total staffing costs for the City of Greater Geraldton in the 2012-2013 financial year, breaking these costs down into:

- a) Permanent and casual staff*
- b) Contractors and contract staff, and*
- c) Special projects and consultants.*

Response

Staff numbers as at 2007/8 reflect the actual head count and vacancies as at the amalgamation of the City of Geraldton and Shire of Greenough at the start of the 2007/08 financial year.

Full employment costs for 2012/13 including superannuation, workers compensation insurance, personal development and training costs, recruitment costs and leave provisions totals \$26.499 million.

The City doesn't separate contractors and consultants expenditure. The City predominantly outsources major works and projects as can be seen by the staff chart above which shows a static level of staff numbers.

The budget for contractors and consultants for 2012/13 is \$34M.

Question 7

We would like to know how many Council cars are in the fleet, how many mobile phones are used for Council purposes and how many iPads were issued to Council employees in the past 12 months. What dollar value of our rates is contributing the use of these items including private use of phones and fuel?

Response

Number of light vehicles in the fleet is 102 which includes sedans and work utilities.

Total cost of fuel for these items was approximately \$250,000.

Number of mobile phones used for Council purposes is 133.

Total cost of mobile phone usage is \$115,060.

Number of iPads issued to employees in the last 12 months is 9.

Question 8

We have been advised that it costs \$1.3 million to run the 14 Councillors in the 2012-2013 financial year. This equates to each Councillor on average being allocation \$92,857. Considering they are paid \$7000 each per annum, what else do these funds cover?

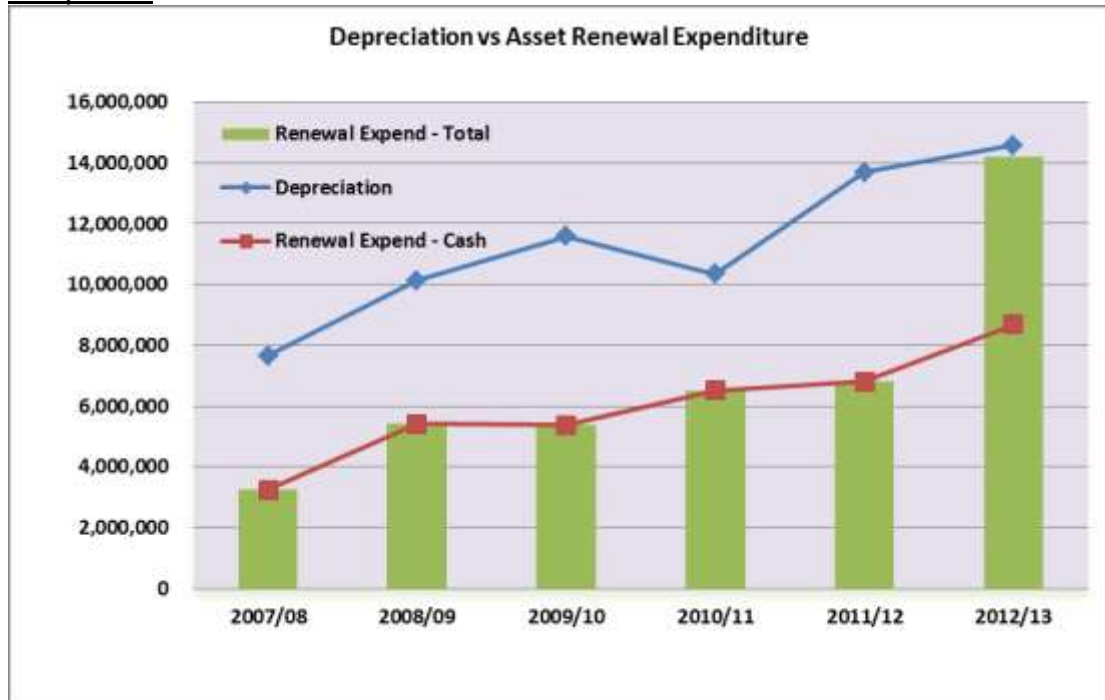
Response

The budget makes provision for all Governance costs, totalling \$1.584 million. It includes:-

- statutory allowances and meeting attendance fees for the Mayor, Deputy Mayor and Councillors,
- conference, external meeting expenses and Councillor training,
- travel allowances,
- recurring community donations (\$381,000),
- the Community Support Fund (\$360,000)
- Mullewa Community Trust (\$65,000), and
- costs of operations of the Mayor and CEO offices including staff support and secretarial support for Council meetings.

Question 9

It is interesting to see in a year of this huge rate increase, the budget for asset maintenance and replacement has been reduced, please explain.

Response

The budgets for asset maintenance, renewal and replacement have not been reduced. To the contrary, allocations for renewal and replacement have been increased significantly.

To understand the full budget it is necessary to include allocations in the operations budget (which cover operational maintenance) and allocations in the capital budget.

Full details are available in the capital expenditure program included in the published budget papers.

Question 10

If an individual loses a sum of money, it is lost forever. If our council loses money, through bad management or bad investments, they recover it by raising our rates. Please justify to the ratepayers why they have to continually compensate for our Council making poor financial decisions and/or investments? And who was responsible for investing into high risk accounts resulting in the loss of masses of ratepayers money?

Response

The [then] City of Geraldton in 2005 invested approximately \$3.5 million into 'AAA Rated' Collateral Debt Obligations (CDO's) put together by Lehman Brothers and sold through Grange Securities.

The City has since recouped approximately \$1 million. The balance of \$2.45 million now has a written down value of \$881,000. The City's current financial planning and budgeting has provided and accounted for these written down values.

There is no evidence of any poor financial planning or management by the either the [then] City of Geraldton-Greenough or the current City of Greater Geraldton.

Question 11

One councillor has publicly compared the CGG with the City of Mandurah and yet Mandurah's median rates are \$1125, while our median rates are \$1370. Mandurah's services and facilities are far superior to ours so their Council can obviously manage their finances far better than the CGG can manage ours. How can you justify the difference?

Response

It is noted the City of Mandurah has not undertaken any process to address their asset depreciation needs in terms of funding their required asset renewal and replacement program. This contrasts considerably with the City of Greater Geraldton which has achieved a 62% level of asset renewal/replacement to asset depreciation. It is also noted that Mandurah has a considerably larger rate base.

WALGA has recently confirmed that there is across Western Australian local government a \$1.75 billion asset renewal/replacement backlog.

Question 12

It has been noted on several budgeting documents that amounts for various major projects have discrepancies. For example, in the 2012-12 CGG Capital expenditure program document, there is \$4.75 millionM Set aside for Meru Landfill (New Cell and Recycling Facilities), however on the budget brochure the distribution to the ratepayer, the same major project was allocated 4.55M. as well as this, on your capital expenditure document you have allocated 1.53M for the Art Gallery (roof replacement and environmental system replacement), however on the brochure distributed to ratepayers, you note that the Art Gallery building upgrade has been allocated 1.23M. as well as this, in your 2-page layout in the Midwest Times on July 26, Pg 17 the same Art Gallery Project has an allocation of only 2M.

To pick up a third discrepancy which evidences this to be common practice, the Aquarena budget in the Capital Expenditure program is 2.6M, this same figure applies in the brochure distributed to ratepayers, however again in your 2 – page layout in the Midwest times it is allocated 2M.

It is important to note these are not the only discrepancies detected between and within different publications, and it is these types of discrepancies, which cause your ratepayers confusion, concern and angst.

Is there something Council is hiding by not disclosing consistent amounts for works to be carried out?

Response

Differences between information provided in the lead-up period and the final Budget adoption reflect the realities of the budget formulation process which occurs over a period of months. Up to and including the Council meeting at which the Council considers the full Budget for formal adoption, proposed allocations can be and often are changed by Council as part of their deliberations.

In the interests of informing the community prior to final budget adoption, information was provided based on the estimates at that time.

Question 13

On amalgamation it was stated that costs would be reduced and the Council streamlined. Can council please explain why rates, parking costs, rubbish collection etc. have skyrocketed since amalgamation?

Response

It is noted that over the past 4 years, there have been considerable external inflationary impacts such as utilities (power, water and gas), constructions costs and other inflation.

As highlighted in Question 5 the City has actually achieved an operational savings equivalent to \$1.9 million annually and this has in large part been fully redirected to progressing towards full cash back funding of the asset renewal/replacement program in response to meeting its depreciation needs.

Question 14

Many Small Businesses lease their premises. Consistent with commercial property lease practices, they pay the rates as part of this lease, yet don't reap the benefits of the increased value of the property they operate from. How does council justify the burden of the massive rate rise on small businesses, which are the backbone of our city?

Response

The City bases its rating strategy in accordance with the provision of the Local Government Act and in accordance with practice across Western Australia (and Australia) it is applied to all properties whether they are owned or leased or private or commercial in use.

Question 15

We believe several years ago the domestic rubbish collection was increased to cover recycling. Please explain why this charge remains when recycling has not commenced nor does there appear to be any imminent plans to do so?

Response

Council will not proceed with earlier proposals to introduce *Domestic Kerbside Recycling*. That decision was taken in 2010/11 after going to tender for establishment of a materials recovery and recycling facility. Through this process it became obvious that the capital costs of doing so were excessive for the community and would not have delivered value for money to the City in terms of reducing quantities of waste going to landfill or adequate recovery of materials for recycling.

The view that there are no imminent plans to commence recycling activities is incorrect. Provision has been made in the 2012-13 budget to deliver major elements of Council's strategy including redevelopment and expansion of the recycling centre at Meru, and development of the first modern Bring Centres within urban Geraldton.

All surpluses from waste-related revenues of prior years have been retained in the reserve account for waste functions and have no direct impact on general rates.

Question 16

The City of Albany charges \$284 per year for a full domestic refuse service including Weekly Refuse – 140L mobile garbage bin; fortnightly recycling - 240L mobile garbage bin; and monthly green waste – 240L mobile garbage bin. Please justify why CGG's refuse payable is \$221 and only includes 1 x weekly refuse removal?

Response

Albany collects waste from 13,500 premises while Geraldton services 19,600 premises and therefore collection costs are significantly higher. Geraldton residents do not have to pay to deposit domestic waste at Meru whereas Albany residents have a minimum fee of \$8 to take their household waste to their landfill site and for larger loads its costs \$100/tonne. At Meru, depositing green waste is free while in Albany it costs \$13/cubic metre.

Taking all of the different waste charges into account Geraldton's waste charges are very competitive.

Question 17

Rubbish collection fees have increased by 50% in the past 4 years. Private rubbish contractors were only able to increase their rates by the CPI, which the Reserve Bank indicated at 1.6%. Where is the justification for Council to increase ratepayers fees so dramatically, and where is the extra money being spend?

Response

The State forecast for CPI increases in WA for 2012-13 is 3.6%. Unfortunately, while forecasts in Consumer Prices might be useful for monitoring household expenditures, the consumer price index actually has limited relevance to organisations in the construction, transport or waste

management industries or to Local Governments which have functions across those industries.

With the Labour Costs index and the Construction Costs index for WA both independently forecast to increase by 4.5% in 2012-13, using the CPI alone to forecast local government cost increases would put any Council into fiscal difficulty in terms of ability to maintain services.

As well, the City has to cover externally imposed inflation from increased costs of utilities – electricity, water and gas.

Question 18

Ratepayers are charged a \$29.90 pool inspection fee, a 217% increase from 2010. Can council please explain why ratepayers who own a pool are paying this fee every year when this service is not carried out annually and why, as per local government laws, inspections are carried out every four years, with a maximum rate of \$55, we are paying \$119.60 over the four year period?

Response

Pool inspection fees have not been amended by the State Government since the introduction of the pool inspection process. While the changes to the fee levy process has enabled the City to now recover more of the true cost for inspections it is still being subsidised by rate payers and will continue to do so until the State Government amend the fee to reflect cost recovery.

Question 19

Can council please explain how vacant land, which is likely to receive a little or no rental income can be charged rates based on GRV?

Response from Landgate

Where an annual value cannot reasonably be determined, the GRV becomes the assessed value. Assessed value is defined in the Valuation of Land Act as a percentage applying to the capital value of land within a particular class.

Residential zoned land for which no rental value can be determined is valued on the basis of 3% of its total capital value. Assessed value for land designated for uses other than residential is assessed on the basis of 5% of its total capital value".

The reference in this case to GRV is purely to indicate that it is the rating value applied to the vacant site in accordance with the Valuation of Land Act. Further information can be accessed from www.landgate.wa.gov.au see - Property information - Property valuation - Valuations used for local government and land tax assessment.

Question 20

It was noted in the media release dated August 30, 2012 that final funding from the various State agencies for the Flores Rd Project was only confirmed in April this year. You also stated that the City had the full design and a contractor in place ready to start works. If the Flores Road project has been

part of the capital expenditure in the last four budgets, please explain why we have been charged so long in advance, for services not yet rendered?

Response

Given the scale and size of this project, the process to develop the Flores & Place Road has required the progressive collection of both City and external grant funds over a multiple financial years period.

It is noted that the Flores & Place Rd's intersection project is not a service, but a capital works project, for which all funding collected (either general rates or grants) has been allocated and will be spent on this project alone.

Question 21

Did the Councillors approve the expenditure of ratepayer's money for the recent private investigations carried out on staff?

Can you please provide a full accurate costing for these services for the 2011/2012 financial year?

The CEO is quoted saying in the West Australian on March 16, 2012, that the City would on occasion use Private Investigators and it is common practice. Given this statement, can you please disclose how much you will be spending on such activities this financial year?

Response

The costs of staff management are included in the total employment budget which is approved by Council.

The City is required, by law, to properly investigate any allegations of misconduct which are identified either through internal review or external complaint. The amount spent is completely dependent on complaints received which include on some occasions vexatious or false complaints.

The cost of investigations, auditors and surveillance for 2011/2012 was \$100,185.

Question 22

A business owner recently raised a safety issue where a designated footpath was being used by cars as a traffic lane to avoid traffic congestion. The business owner requested Council to place bollards on the footpath to prevent traffic driving on it. The Councils response for this was it was Main Roads issue. Since when have footpaths become the responsibility of Main Roads?

Response

The question can only be answered if details of the road in question are provided. If the road reserve is a Main Roads controlled road, then all works must be approved by MRWA as the City does not have the delegated authority or jurisdiction to make changes or affect a MRWA controlled road.

Question 23

Confirmed by various CGG staff, please tell the ratepayers where the flagpole is? If the order was cancelled, please show us the cancelled invoice. Is it true that the flagpole was ordered without approval from the Councillors and a \$5000 deposit was paid?

Response

There is no flagpole.

It is the case that a purchase order was raised prior to the matter being deliberated on by Council. Purchase order 16038 was subsequently cancelled.

No deposit was paid but a cancellation fee of \$3130 was paid to compensate the provider for some initial work undertaken after receiving the order.

This matter has been extensively and publicly responded to on the public record in Council Minutes of 13 October 2009 & 24 November 2009 in response to public questions provided.

Question 24

Why did the CGG's Human Resources Manager recently go to Melbourne to train the Council staff there at ratepayer's expense? What is our link with Melbourne?

Response

The Manager Human Resources attended a local government benchmarking conference in Melbourne. She visited several local governments which had similar systems used by the City. At no stage did she train or undertake any services with these local governments.

Question 25

We believe a local wooden furniture maker has been contracted to make a \$20,000 table for Council. Have the Councillors approved this expenditure? Does this not seem excessive?

Response

The City was approached about an opportunity to re-use the timber from the historic Maley's (Convict) Bridge for Council furniture. A similar table was provided for the Shire of Morawa.

To date no quote or formal proposal has been received by the City and no commitment made to purchase any table or furniture.

Question 26

During original planning for the new City Library, why were the original architectural drawn plans, which cost ratepayers a large sum of money, disposed of without being utilised? How much did it cost to have second plans drawn up for the current structure and was it the same company that provided these plans?

Response

The new City Library at Marine Terrace was designed by Eastman Poletti Sherwood. There was no other architect.

It may be possible that the questioner has confused projects. The City did engage Mathews Architects to undertake architecture work for the refurbishment of the former library at Cathedral Avenue and the existing administration centre. The contract with the Architects was terminated at the conclusion of their design work (i.e. they were not retained to undertake the project management of the works). The City engaged an in-house architect to review and make relevant modifications to the work by Matthews Architects and to project manage the delivery of the project (which has been done through a local building company). The bulk of the work undertaken by Matthews, including mechanical and electrical design, was retained used in the redevelopment works.

The decision to review the project delivery has seen the project cost drop from a budgeted \$4.5 million down to \$3.5 million and further it is noted that notwithstanding the reduction in expenditure there has actually been considerable expansion in the scope of works.

The matter was responded in detail on the public record on Council minutes of 10 August 2011 & 12 October 2011.

Question 27

While we acknowledge the decision to waive some of the fees this financial year, can Council please explain why ratepayers incur such varying administrative costs for the various paying options compared to other Shires.

Examples of this are Mundaring Shire who charge an additional \$22 for using the instalment option where CGG charge an extra \$65. That is a 295% difference. And Mandurah Council charge \$3 per instalment fee, which is only \$12 for this option. Please explain why CGG's fee needs to be so high, knowing that, as you quoted yourselves, a high proportion of ratepayers would have financial hardship and be unable to pay the full amount.

Response

The Council has resolved to not charge any instalment fees or interest charge for instalment and direct debit payments of rates.

The application of charges and fees varies across local governments depending on their own specific circumstances.

Question 28

You noted that in the Ordinary Council meeting on 28 August 2012 that \$285,000 is included in the budget for late fees accumulated from rate payments. How can Council plan to spend this money when it is not guaranteed?

Response

It is accepted budget practice by all local governments and State and Federal agencies to include all fees and charges, including late fees, as an estimate of revenues.

Question 29

Can Council please explain why so much money has previously been wasted, multiple times, on digging up and repaving the drainage at the foreshore, and why this drainage still does not work properly? Secondly are there long term plans to permanently resolve this ongoing issue which is proving costly for local businesses in the area?

ResponseForeshore Project

It is noted that with projects such as the Foreshore Project which was externally funded and delivered over a 7 year period that some elements had to be constructed using sacrificial elements (e.g. they were constructed and planned with the intent of partial demolition and replacement).

This matter was extensively responded in the public record in Council meeting minutes of 8 July 2008.

CBD Drainage

The Budget provides \$2.5 million for the stormwater efficiency project which is a joint City and Federally funded project which will include the redirection of substantial flows from the city catchment away from the Durlacher outflow to Maitland Park as a means to capture and store water for future re-use. The project will also include modifications within the CBD and the Durlacher outflow as a means to reduce and minimise the probability and impacts from storm events.

Question 30

Can Council please explain why engineering still have not fixed the water drainage issues in front of Dick Smith on Marine Terrace caused by the lack of slope into drains and removal of gutters? Will this mishap be fixed at ratepayers expense or will the shops just continue to have 'sandbags' delivered in the event of heavy rain?

Response

The Budget provides \$2.5 million for the stormwater efficiency project which is a joint City and Federally funded project which will include the redirection of substantial flows from the city catchment away from the Durlacher outflow to Maitland Park as a means to capture and store water for future re-use. The project will also include modifications within the CBD and the Durlacher outflow as a means to reduce and minimise the probability and impacts from storm events.

Question 31

Please clarify for ratepayers the financial deal (inclusive of amounts) in regards to the discounted rates for Dome Cafe and why such a deal was proposed given other local businesses were not benefiting from this rates discount?

Response

Dome Coffees Australia Pty Ltd has not ever received a rate discount or waiver. They are required pay full rates and fees and charges based on the full GRV valuation of their property.

The matter has been canvassed and responded extensively on the public record, including a Special Electors Meeting and other Council Meeting Minutes which clearly, publicly and transparently detail the lease arrangements.

Question 32

Please explain why, when the forced amalgamation of the Greenough Shire and the City of Geraldton took place, the CEO of each organisation had to stand down. But when the City of Geraldton Greenough amalgamated with the Shire of Mullewa and became the City of Greater Geraldton, Mr Brun just rolled on without having to stand down or even reapply for the Position of CEO.

Response

Firstly the amalgamation of the [then] City of Geraldton and the [then] Shire of Greenough was not a forced amalgamation. The respective CEO's voluntarily stood down and were compensated accordingly.

In terms of the subsequent voluntary merger with the [then] Shire of Mullewa, the CEO of Mullewa indicated at the time he did not wish to compete for selection as the CEO of the new entity. As such, in accordance with written advice by the Department of Local Government, Mr Brun as the only CEO at the time of the merger was confirmed at its initiation.

This matter was extensively dealt with in the public record in the Council Meeting minutes of 13 July 2011.

6 PUBLIC QUESTIONS**7 ELECTOR'S MOTIONS**

At the time of publication of the Agenda no Motions had been put forward for consideration by the Electors.

8 CLOSING STATEMENTS**9 CLOSURE**
