



## SPECIAL MEETING OF COUNCIL

### AGENDA

1 JULY 2014

---

**TABLE OF CONTENTS**

**1 ACKNOWLEDGEMENT OF COUNTRY ..... 2**

**2 DECLARATION OF OPENING..... 2**

**3 ATTENDANCE..... 2**

**4 PUBLIC QUESTION TIME ..... 3**

**5 APPLICATIONS FOR LEAVE OF ABSENCE ..... 4**

**6 PETITIONS, DEPUTATIONS OR PRESENTATIONS..... 4**

**7 DECLARATIONS OF CONFLICTS OF INTEREST ..... 4**

**8 REPORTS OF CORPORATE & COMMERCIAL SERVICES ..... 5**

*CCS058 CITY OF GREATER GERALDTON BUDGET 2014-15 ..... 5*

**9 CLOSURE ..... 21**

**APPENDIX 1 – ATTACHMENTS ..... 22**

**CITY OF GREATER GERALDTON**  
**SPECIAL MEETING OF COUNCIL**  
**TO BE HELD ON TUESDAY, 1 JULY 2014 AT 5.30PM**  
**CHAMBERS, CATHEDRAL AVENUE**

**A G E N D A**

**DISCLAIMER:**

The Chairman advises that the purpose of this Council Meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting. Persons should be aware that the provisions of the Local Government Act 1995 (Section 5.25(e)) and Council's Standing Orders Local Laws establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person. The City of Greater Geraldton expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

**1 ACKNOWLEDGEMENT OF COUNTRY**

I would like to acknowledge the traditional owners of the land on which we meet, and pay respect to the Elders and to knowledge embedded forever within the Aboriginal Custodianship of Country.

**2 DECLARATION OF OPENING**

**3 ATTENDANCE**

Present:

Officers:

Others:

Members of Public:

Members of Press:

Apologies:

Leave of Absence:

Cr J Critch

---

#### **4 PUBLIC QUESTION TIME**

*Questions provided in writing prior to the meeting or at the meeting will receive a formal response. Please note that you cannot make statements in Public Question Time and such statements will not be recorded in the Minutes.*

*Our Local Laws and the Local Government Act require questions to be put to the presiding member and answered by the Council. No questions can be put to individual Councillors*

#### **Mr Max Correy, 52 Bayview Street, Mount Tarcoola, WA6530**

##### Question

As all Local Government authorities have implemented the requirements of the Local Government Act Section 5.56 (1) and (2) why is City of Greater Geraldton the only Local Government that has imposed massive rate rises on the ratepayers?

*In fact some of the larger Metropolitan authorities have quite sophisticated asset management practices and have been planning long term for a number of years however they have refrained from implementing significant rate increase both before the revision to the Local Government Act requiring long term financial planning and after the introduction of the legislation.*

*The excuse used by prior management that the increases to rates would be matched by other Local Governments and that City of Greater Geraldton had implemented the process first is ridiculous and highlights some of the misleading information being peddled by City of Greater Geraldton.*

#### **Mr Mark Gilligan (e-mail address supplied)**

##### Question

Will the increase in rates be sufficient to maintain the present level of services and amenities or will there be cuts? If so, where?

*Responses will be provided at the Meeting.*

**5 APPLICATIONS FOR LEAVE OF ABSENCE****Existing Approved Leave**

<b>Councillor</b>	<b>From</b>	<b>To (inclusive)</b>
Cr J Critch	22 June 2014	2 July 2014
Cr T Thomas	14 July 2014	19 July 2014
Cr T Thomas	17 August 2014	23 August 2014
Cr J Clune	12 August 2014	25 August 2014
Cr S Douglas	14 July 2014	23 July 2014

*Cr S Keemink request for leave of absence for the period 19 August 2014 to 26 August 2014 be approved.*

**6 PETITIONS, DEPUTATIONS OR PRESENTATIONS****7 DECLARATIONS OF CONFLICTS OF INTEREST**

## 8 REPORTS OF CORPORATE & COMMERCIAL SERVICES

CCS058 CITY OF GREATER GERALDTON BUDGET 2014-15
---

<b>AGENDA REFERENCE:</b>	<b>D-14-42283</b>
<b>AUTHOR:</b>	<b>P Radalj, Manager Treasury and Finance</b>
<b>EXECUTIVE:</b>	<b>B Davis, Director Corporate and Commercial</b>
<b>DATE OF REPORT:</b>	<b>25 June 2014</b>
<b>FILE REFERENCE:</b>	<b>FM/7/0001</b>
<b>APPLICANT / PROPONENT:</b>	<b>City of Greater Geraldton</b>
<b>ATTACHMENTS:</b>	<b>Yes</b>

### EXECUTIVE SUMMARY:

This report seeks adoption by Council of the 2014-15 Financial Budget for the City of Greater Geraldton. The report also seeks the adoption of the Long Term Financial Plan (revised) for the 10 year period covering 2014-15 to 2023-24 and the Corporate Business Plan (revised) for the period covering 2014 to 2018.

### PROPONENT:

The City of Greater Geraldton

### BACKGROUND:

As part of the function of local government and its operations, each year the Council is required, under Section 6.2 of the Local Government Act 1995, to formally adopt its annual financial year budget, to enable the administration to carry out the defined services and programmes and to raise revenue through rates and fees and charges.

Consistent with sections 6.2(4) of the Local Government Act 1995, the 2014-15 Budget for the City of Greater Geraldton includes the following:

- Statement of Objects and Reasons Proposed City Rates and Minimum Payments for 2014-15
- Capital Works
- Fees and Charges
- General Charges and Concessions
- Allowances
- Borrowings
- Reserve Accounts
- Budget Estimates for Adoption

### 1. Rating & Minimum Payments

The Statement of Objectives and Reasons for Proposed City Rates and Minimum Payments for 2014-15 attached to this report provides detail of budget principles applied in formulating the 2014-15 Budget. The primary focus of these principles is to improve the City's position over the coming years, for financial sustainability, having regard to the Community Strategic

Plan, the Corporate Business Plan, the Long Term Financial Plan, delivery of necessary services, and prevailing economic circumstances.

2014-15 is the second year of budget preparation informed by a Ten Year Long Term Financial Plan. The following Table 1 provides an overview of the differences between the revised budget for the 2014-15 financial year adopted by Council as a result of the mid-year budget review, and the budget recommended in this report for 2014-15.

<b>BUDGET</b>	<b>Revised 13/14 Budget</b>	<b>Proposed 14/15 Budget</b>	<b>Increase on 13/14 Revised Budget</b>
<b>Revenue</b>	<b>\$000s</b>	<b>\$000s</b>	<b>%</b>
Rates	37,738	39,547	4.8%
Fees & Charges	17,267	18,415	6.6%
Interest Earnings	1,908	1,459	-23.5%
Other Revenues	1,241	1,680	35.4%
Operating Grants, Subsidies & Contributions	11,954	8,963	-25.1%
<b>Total Revenue</b>	<b>70,110</b>	<b>70,063</b>	<b>0.1%</b>
<b>Expenses</b>			
Employee Costs	28,751	29,511	2.6%
Interest Expenses	800	872	9.0%
Materials & Contracts	21,979	22,598	2.8%
Depreciation & Amortisation	18,018	17,939	-0.4%
Utilities	3,170	3,300	4.1%
Insurance	963	945	-1.9%
Other Expenses	2,127	2,356	10.8%
<b>Total Expenses</b>	<b>75,810</b>	<b>77,522</b>	<b>2.26%</b>
<b>NET RESULT FROM ORDINARY ACTIVITIES</b>	<b>(\$5,700)</b>	<b>(\$7,458)</b>	

Table 1: Comparison 2013-14 and Recommended 2014-15 Budget

#### Budget Result

The 2014-15 Budget recommended for adoption incorporates an estimated operating deficit of about \$7.46 million for the period ending 30 June 2015.

Councillors will note that this is the *real operating deficit*, not to be confused with the 'deficiency' envisaged in section 6.2(2) or the 'budget deficiency' described in related Local Government (Financial Management) Regulation 32, calculated for the purposes of determining the amount of cash revenue required from general rates. The real operating result includes non-cash depreciation and amortisation expenses, representing in effect the City's annual costs of a capital nature. In general terms, the extent to which the City does not raise revenue to cover its costs of a capital nature (for example, by

excluding depreciation expenses from calculation of the cash 'budget deficiency' in the rate setting statement), contributes directly to the real operating deficit in the financial accounts.

This forecast result is based on a proposed differential rates model (per the Executive Recommendation) in which a 4.7% overall increase in aggregate rates revenue (excludes interim and prior year rates collection) is recommended for Gross Rental Valuation (GRV) residential and non-residential GRV properties, and Unimproved Value (UV) rural properties.

Residential GRV and Vacant Residential GRV for the previous Geraldton-Greenough areas have been standardised under the one differential category to be known as CGG Residential. Based on the 2014-15 proposed Rate in the Dollar (RID) of 10.9371c for the CGG Residential category this has resulted in 39.6% decrease in rates revenue from Vacant Residential properties compared to the RID applied in 2013-14. CGG Residential proposed RID of 10.9371c represents a 4.3% increase compared to 2013-14. Mullewa GRV proposed RID of 10.9795 represents a 0.3% decrease compared to 2013-14. This decrease is based on aligning both CGG Residential & Mullewa GRV residential properties into one rating category in 2015-16 as a further step towards rates alignment per the Governor's Orders for the amalgamation process of the two previous districts.

Geraldton Non-Residential proposed RID of 10.9385 represents a 3.6% increase compared to 2013-14. Similar to residential rates alignment, non-residential properties for the two previous districts are to be categorised into one in 2015-16.

Actual revenue collections in the financial year are affected after calculating Minimum Payments that do not require Ministerial approval (consistent with section 6.35 of the Act), payment of prior year rates during the year, and interim rates. Hence the objective of an overall increase in rates revenue does not necessarily translate to a 4.7% increase in overall revenue and Rates in the Dollar across all differential rating categories.

The Governor's Orders for the Councils amalgamation agreement provide for a 5 year period for alignment rates between previous Geraldton-Greenough and Mullewa areas. To achieve this, a rate in the dollar decrease from 0.8c to 0.8100c to 0.7800 (3.7% decrease) is recommended for 2014-15 on unimproved value (UV) properties in the previous Mullewa district, and a rate in the dollar increase from 0.6552c to 0.6794c (3.7% increase) is recommended for UV properties in the previous Geraldton-Greenough district. These rates in the dollar were calculated after having regard to the annual UV Valuation by the Valuer-General, which saw a *modest overall increase in aggregate UV Valuation* for the City.

Minimum payments increase has been limited to 3.2% except for Mullewa GRV as any increase would raise the number of properties on minimum values to over the legislative requirement (50:50 rule).



The specified area rate applicable to commercial properties within the Geraldton City Centre, Marina Mixed Use and Additional Use City Centre zones is to be increased by 4.7% (0.5199c).

The recommended Budget includes continuation of the differential rate on Un-occupiable properties in the City Centre Zone.

*Adoption of a rates model other than as proposed in the Executive Recommendation will require reassessment of the Budget result, and will depend amongst other matters on related Council determinations as to use of own-source funds or loan funds in the adjusted budget proposed to be adopted by Council.*

#### Rate Increase

2014/15 is the second year for which budget formulation is informed by a Long Term Financial Plan (LTFP), one of the mandatory elements required of all WA Councils, as part of the Integrated Planning Framework which was required to be in place from 1 July 2013. The Long Term Financial Plan has been framed with the view to achieving a positive accounting result from Ordinary Operating Activities (an effective operating surplus in accounting terms) within ten years.

This important reform in Local Government aims to shift the focus of Local Government budgets away from the cash-based rate setting statement, to the accrual-based operating statement and balance sheet (statement of financial position).

For some years, the annual Financial Statements of Councils have properly reported on this basis, with determination of the annual net operating result including non-cash expenses such as depreciation of fixed assets. However, in determining the 'budget deficit' required to be funded from rates, as defined in the Local Government Act 1995 and the Local Government (Financial Management) Regulations, a *cash-based* view has prevailed, with Councils able to *exclude* non-cash expenses such as depreciation of fixed assets. Consequently, rates and other revenue have not been determined to recover capital costs such as depreciation of fixed assets. In effect, while budgets may have shown a "surplus" in cash-based terms, the net result as reported in the Annual Financial Statements will have shown an operating deficit.

The increases in rate-in-the-dollar recommended by the Executive enables Council to set priorities within its resourcing capabilities to sustainably deliver the assets and services required by the community in a fiscally responsible manner.

As determined by the Department of Local Government, in relation to assets management by Councils in WA, a basic financial sustainability benchmark for Councils is that they should expend at least the equivalent of 90% of their annual asset depreciation expense on asset renewal. Failure to pursue achievement of that benchmark over a reasonable number of years, would expose the City to unacceptable risks from asset deterioration, lead to decline

---

in asset functionality, safety and community amenity, compound the magnitude of the asset renewal funding problem in future years, attract criticism for failure to recognise the principle of intergenerational equity, and would be contrary to the interests of the City and the Community.

## 2. 2014/15 Capital Program

Capital Expenditure	Renewal	New Service	Program Total
<b>Buildings</b>	1,477,000	7,645,000	9,122,000
<b>Roads Infrastructure</b>	5,223,865	26,300,000	31,523,865
<b>Drainage</b>	1,534,405	165,000	1,699,405
<b>Parks, Gardens, Coastal &amp; Recreation</b>	1,215,000	9,009,000	10,224,000
<b>Pathways</b>	502,070	220,000	722,070
<b>Airports</b>	426,000	3,120,000	3,546,000
<b>Meru</b>	185,000	500,000	685,000
<b>Other Infrastructure</b>	2,824,190	810,000	3,634,190
<b>Total</b>	<b>\$13,387,530</b>	<b>\$47,769,000</b>	<b>\$61,156,530</b>

The City's planned Capital Budget for 2014/15 is \$61.2m. This expenditure will be funded from General Revenue, Reserves, Borrowings and funding provided by Federal and State Agencies as follows:

FUNDS SOURCE	Own Source	Own Source	External	Other		Capital Program
	Gen. Revenue	Reserves	Grants & Contributions	Borrowings	Proceeds of Sale	Total Funding
<b>Buildings</b>	(972,000)	(1,450,000)	(4,700,000)	(2,000,000)	-	(9,122,000)
<b>Roads Infrastructure</b>	(4,323,865)	(8,747,000)	(5,453,000)	(13,000,000)	-	(31,523,865)
<b>Drainage</b>	(1,699,405)	-	-	-	-	(1,699,405)
<b>Parks, Gardens, Coastal &amp; Recreation</b>	(2,325,667)	(1,000,000)	(5,258,333)	(1,640,000)	-	(10,224,000)
<b>Pathways</b>	(632,070)	-	(90,000)	-	-	(722,070)
<b>Airports</b>	(526,000)	-	-	(3,020,000)	-	(3,546,000)
<b>Meru</b>	(685,000)	-	-	-	-	(685,000)
<b>Other Infrastructure</b>	(2,544,190)	-	(440,000)	-	(650,000)	(3,634,190)
<b>Total</b>	<b>(13,708,197)</b>	<b>(11,197,000)</b>	<b>(15,941,333)</b>	<b>(19,660,000)</b>	<b>(650,000)</b>	<b>(\$61,156,530)</b>

### 3. Fees and Charges

The majority of the fees and charges have been proposed based on the existing LTFP assumption of 5.2% unit rate increase. Where appropriate, the actual cost of providing the service has been assessed, with provision for increases based on inflation and cost escalation where necessary. Benchmarking has been undertaken with other local governments for alike fees, where possible – but noting that not all Councils have yet determined their 14/15 budgets.

Fees and charges associated with town planning, health and building have been increased or remain unchanged as per relevant legislation that determines those fees and charges.

### 4. General Charges and Concessions

Consistent with Council's position in 2013-14, no service charges on land are proposed, and no additional concessions are proposed.

### 5. Allowances

Allowances proposed for the Mayor and Councillors for 2014-15 remain the same as per amendments authorised in 2013-14

Note that in late June 2014, after the Long Term Financial Plan preparation and proposed budget formulation process, the WA Salary and Allowances Tribunal determined a general increase in the range of allowances able to be paid to Mayors and Elected Members in WA. Council will consider this at a later date, with the prerogative to adjust allowances as part of standard budget review processes.

### 6. Borrowings

Borrowings in 2014-15 include projects previously approved by Council in the 2013-14 budget but have carried over into 2014-15. As per the Capital Plan \$19.66m of loans are proposed for major infrastructure projects to be financed over a longer term period and \$5.2m of loans are proposed for land development under short term finance facilities. Borrowings will include:

Project	Loan Amount	Purpose
<b>Karloo/Wandina</b>	\$13,000,000	Karloo/Wandina overpass connection, headworks & Verita Road stage 1 development
<b>West End Project</b>	\$1,690,000	Multi-Use Facility & Merry Go Round Precinct Development
<b>St Georges &amp; Greys Beach Stabilisation</b>	\$1,200,000	Stabilisation works
<b>Olive Street Development</b>	\$4,200,000	Development & remediation works
<b>Eastward Rd Development</b>	\$1,000,000	Land acquisition and development
<b>Airport Infrastructure &amp; terminal</b>	\$3,020,000	Finalise paid parking infrastructure, terminal extension and fire-fighting & water infrastructure
<b>New Animal Facility</b>	\$750,000	Construct new facility

## **7. Reserve Accounts**

As per the adopted budget of 2013-14 all discretionary reserve accounts have been closed. The minimum reserve accounts necessary for specific legal compliance obligations have been retained.

### **COMMUNITY CONSULTATION:**

In accordance with the requirements of section 6.36 of the *Local Government Act 1995*, a statement of intended differential rates and minimum payments was published, seeking public submissions, and a statement of objects and reasons for the intended rates and minimum payments was made available for download from the City website, with hardcopies provided at the City Offices in Geraldton, the City Library, and the Mullewa District Office.

Submissions closed at 5:00pm on 20 June 2014. In total 77 submissions were received. Copies of each and every submission received by that time were distributed to all Councillors. For gauging the level of community engagement, the City currently has about 24,020 Electors, and about 19,912 Rateable Properties.

A Council concept forum was held on Tuesday 24 June 2014 for the purposes of consideration by Council of the submissions received.

Noting the above, and culminating in the final deliberation and debate on the 2014-15 Budget, the Council – with all Councillors on 24th June 2014 having been provided with copies of all submissions received, to ensure ample time for study and consideration of every submission by Councillors - has demonstrably considered submissions from electors and ratepayers on proposed differential rates and minimum payments.

As part of its consultation process, the City convened two Community Panels, each comprising about 40 randomly selected members of the Community. The work of the panels was facilitated by a Curtin University CUSP Professor and associates.

One Community panel considered capital works proposals, all day, every Saturday for 6 weeks, examining long lists of prospective projects, and determined a set of criteria for determining priorities, from the community perspective, to capital project proposals. A capital works priorities list, and the suggested criteria for setting priorities for any future project proposals, were subsequently submitted to and adopted by Council.

The second Community panel worked all day, every Saturday, for 8 weeks, and considered the range and level of City services, developing a consensus view from the community perspective on City services that should be increased, decreased, or remain at current levels. A report on the recommendations and suggestions from the Community Panel was submitted to Council to inform the budget process, with the overwhelming majority of panel recommendations supported by Council. These panels each worked every Saturday with oversight by an audit committee that had as its role to

ensure that the panels received necessary information from officers, and that the consideration process was objective.

These Community panels represented an extraordinary degree of consultation and engagement with the Community on the budget process, and the City expresses its gratitude for the level of personal commitment from Community panel members.

#### **COUNCILLOR CONSULTATION:**

City of Greater Geraldton Councillors have been actively engaged in formulation of the 2014-15 Budget through a series of Budget Workshops conducted through April to June of 2014, enabling consideration of revenue and expenditure requirements, with extensive discussion on budget options. Particular workshops addressed the 10yr Capital Plan, Corporate Business Plan, Long Term Financial Plan, operational position in relation to level and range of services, fees and charges, and submissions received from electors and ratepayers.

#### **STATUTORY IMPLICATIONS:**

Section 6.2 of the Local Government Act 1995 refers.

*Section 6.2(2) of the Act requires that in preparing its annual budget the Council is to have regard to the contents of its plan for the future prepared in accordance with section 5.56. Under the Integrated Planning Framework for Local Government, that is the Community Strategic Plan. This section requires that the City must prepare detailed estimates of:*

- (a) Expenditure;*
- (b) Revenue and income, independent of general rates*
- (c) The amount required to make up the 'deficiency' if any shown by comparing the estimated expenditure with the estimated revenue and income.*

*Section 6.2(3) requires that all expenditure, revenue and income must be taken in account unless otherwise prescribed. Local Government (Financial Management) Regulation 32 prescribes amounts that may be excluded in calculating the 'budget deficiency'*

*Section 6.2(4) requires the annual budget to incorporate:*

- (a) Particulars of estimated expenditure proposed;*
- (b) Detailed information relating to the rates and service charges which will apply, including:*
  - i. Amount estimated to be yielded by the general rate*
  - ii. Rate of interest to be charge on unpaid rates and service charges;*
- (c) Fees and charges;*
- (d) Borrowings and other financial accommodations proposed;*
- (e) Reserve account allocations and uses;*
- (f) Any proposed land transactions or trading undertakings per section 3.59*

*Local Government (Financial Management Regulations) 22 through 31 prescribe requirements in relation to form and content of the Budget and required Notes to and forming part of the Budget.*

Local Government (Financial Management) Regulations 1996 states the maximum amount of interest that can be charged.

**Regulation 68. Maximum interest component prescribed (Act s. 6.45)**

*The maximum rate of interest to be imposed under section 6.45(3) is prescribed as 5.5%.*

**Regulation 70. Maximum rate of interest prescribed (Act s. 6.51)**

*The maximum rate of interest to be imposed under section 6.51(1) is prescribed as 11%.*

**Ministerial Approval Requirements**

For the 2012-13 Budget, Ministerial approvals were required and received under sections 6.33(3) and 6.35(5) of the Act. For 2014-15, those approval are not required having regard to the relative levels of both differential rates and minimum payments set out in the 2014-15 Budget per the Executive Recommendation in this report.

Should Council seek to adopt a rating and minimum payments model other than that set out in the Executive Recommendation, then such a determination should be deferred, to enable necessary assessment under the requirements of sections 6.33 and 6.35 of the Act, noting that if Ministerial approvals are required in respect of a different model of differential rates and minimum payments, such approvals must be obtained before Council can subsequently adopt a revised Budget.

**Change from Publicised Intended Rates**

Section 6.36(4) of the Act envisages that a Council may adopt differential rates or minimum payments different from those set out in its local public notice of intent to impose differential rates and minimum payments.

In accordance with *Local Government Financial Management Regulations* 23(b) and 56(4)(b), if Council adopts a differential rate or minimum payment that differs from that set out in its local public notice, then the change and reasons for the change need to be detailed in the budget, and in the rates notices or in information accompanying rates notices.

Council considerations leading to variation from the originally intended rates, as set out in the local public notice of intention to impose rates for 2014-15, and adopting instead the differential rates set out in the Budget proposed for adoption under the Executive Recommendation in this report included:

- Reduction from the general increase in aggregate rates revenue (including growth) originally considered, from 5.7% down to 4.7%, having regard to submissions invited per section 6.36(3)(b), received and considered by Council in accordance with section 6.36(4) of the Act,
- Consideration of the Long Term Financial Plan (Revised 2014/15 to 2023/24)
- Consideration of the Corporate Business Plan (Revised 2014-2018),
- Commitment to maintaining levels of service, consistent with the recommendations of the Community Panel

<b>DIFFERENTIAL GENERAL RATES</b>	<b>Rates per Local Public Notice (Cents in Dollar)</b>	<b>Rates Proposed for 2014-15 per Executive Recommendation (Cents in Dollar)</b>
CGG Residential (Previously Residential GRV & Vacant Residential GRV)	11.0286	10.9371
Non Residential GRV	11.1084	10.9385
GRV Un-occupiable City Centre Zone	19.9186	19.9186
UV Geraldton Rural Mining & Farming General	0.6892	0.6794
UV Mullewa Rural Mining & Agriculture	0.7699	0.7800
GRV Ex-Mullewa Shire District (Previously GRV Mullewa and Pindar Town Sites)	11.2706	10.9795

<b>MINIMUM PAYMENTS</b>	<b>Per Local Public Notice Minimum Per Assessment</b>	<b>Per Executive Recommendation 2014-15 Minimum Payment Per Assessment</b>
CGG Residential (Previously Residential GRV & Vacant Residential GRV)	\$1,010	\$1,010
Non Residential GRV	\$1,010	\$1,010
UV Geraldton (Rural Mining & Farming General)	\$1,010	\$1,010
UV Mullewa (Rural Mining & Agriculture)	\$857	\$705
GRV Mullewa (Ex-Mullewa Shire District - previously GRV Mullewa and Pindar Town Sites)	\$630	\$628

#### **POLICY IMPLICATIONS:**

A change to Council Policy CP033 Community Funding is included in the recommendations in this report.

The City's Corporate Business Plan 2014-18 has been updated and revised in accordance with Council Policy 005 (Integrated Strategic Planning Framework) and in consideration of the 2014-15 proposed Budget and the updated and revised Long Term Financial Plan 2014-15 to 2023-24.

**FINANCIAL AND BUDGET IMPLICATIONS:**

Details of the budget estimates for 2014-15 are contained in the attached documents.

**INTEGRATED PLANNING LINKS:**

Title: Governance	Planning and Policy
Strategy 5.2.7	Ensuring efficient and effective delivery of service.

**Regional Outcomes:**

Capital projects will deliver benefits for the broader region, for example the continuation of the Karloo-Wandina and West End Projects and the commencement of Foreshore stabilisation and protection work's for Beresford Foreshore, St Georges and Grey Beaches.

**ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:****Economic:**

Various strategies and initiatives included in the budget will contribute to the Region's economy.

**Social:**

Various strategies and included in the budget will create and improve social outcomes in the community.

**Environmental:**

Various strategies and initiatives included in the budget will examine and support environmental programs and resourcing.

**Cultural & Heritage:**

Various strategies and included in the budget will create and improve cultural and heritage outcomes in the community.

**RELEVANT PRECEDENTS:**

Councils adopt a Budget including a rates model for every financial year.

**DELEGATED AUTHORITY:**

There is no delegated authority.

**VOTING REQUIREMENTS:**

Absolute Majority is required for adoption of an Annual Budget.

**OPTIONS:****Option 1:**

As per the Executive Recommendation in this report.



**Option 2:**

That Council by Absolute Majority pursuant to Section 6.2 of the Local Government Act 1995 RESOLVES to

1. ADOPT the Budget as set out in items 1 through 31 of the Executive Recommendation *but with the following changes:*
  - a. to be determined by Council.
2. MAKES the determination based on the following reason/s:
  - a. To be determined by Council.

**Option 3:**

That Council by Simple Majority pursuant to section 5.20 of the Local Government Act 1995 RESOLVES to:

1. DEFER consideration of the 2014-15 Budget;
2. MAKES the determination based on the following reason/s:
  - a. to be determined by Council.

**Consideration of Options**

Parts 'A' through 'F' (numbered items 1 through 29) of the Executive Recommendation address all of the elements covering imposition of rates and minimum payments, estimates of revenue and income other than rates, estimates of expenditure, charges, concessions and interest, the schedule of fees and charges, elected member allowances, the Statement of Objectives and Reasons on Proposed Rating and, in relation to Notes comprising part of the Budget, allocations to and use of funds from reserves, and proposed new loans. Parts 'A' through 'F' are inter-dependent and together produce the budget result, and thus they need to be considered and resolved together by Council, rather than separately.

Part 'G' of the Executive Recommendation seeks Council endorsement and adoption of the revised and updated Corporate Business Plan and Long Term Financial Plan both of which have been updated and revised, to reflect the budget proposed in this report, with 2014-15 now representing year 1 of the plans.

Any *significant/material* change to any of the revenue, income or expenditure elements of the recommended Budget (comprising parts 'A' through 'F' inclusive) would require re-casting of the budget and assessment of the consequent budget result, to ensure compliance with section 6.34 of the Local Government Act 1995. In effect this section requires prior Ministerial approval of a proposed budget if the amount estimated to be yielded by general rates does not fall within the range 90% to 110% of the 'budget deficiency' as envisaged in section 6.2 of the Act, and as calculated in the rate setting statement per Local Government (Financial Management) Regulation 32.

Council may choose to make changes to the recommended Budget via Option 2 – provided that those changes do not have such a significant/material effect on expenditure or revenue estimates that would require re-casting of the whole Budget. Should Council wish to make significant/material changes to revenue, income or expenditure components of the proposed 2014-15

Budget, in effect delivering a result significantly different than contained within the Long Term Financial Plan, then Option 3 (Deferment) should be pursued, with determination reasons to include clear directions and an unambiguous indication of an alternative required budget outcome, to guide recasting of the Budget for re-presentation to Council at a later date.

### **CONCLUSION:**

Section 6.2 of the Local Government Act 1995 requires Council to prepare and adopt a Budget for 2014-15 by 31 August 2015, or by such extended time as the Minister allows. Having regard to cash flow requirements for ongoing City operations, it is in the best interests of all Councils for their budget to be adopted at the earliest practicable opportunity, to enable issue of rates notices and commencement of revenue flows as early as possible in the new financial year.

### **EXECUTIVE RECOMMENDATION:**

That Council by Absolute Majority pursuant to Section 6.2 of the Local Government Act 1995 RESOLVES to:

#### **A. RATES & MINIMUM PAYMENTS 2014-15**

- ADOPT the following Differential General Rates against the valuations supplied by Landgate (as amended) as at 1 July 2014 for 2014-15 in accordance with Sections 6.32 and 6.33 of the Act:

<b>DIFFERENTIAL GENERAL RATES</b>	<b>2014-15 Cents in Dollar</b>
CGG Residential (Previously Residential GRV & Vacant Residential GRV)	10.9371
Non Residential GRV	10.9385
GRV Un-occupiable City Centre Zone	19.9186
UV Geraldton (Rural Mining & Farming General)	0.6794
UV Mullewa (Rural Mining & Agriculture)	0.7800
GRV Mullewa (Previously GRV Mullewa and Pindar Town Sites in ex-Mullewa Shire District)	10.9795

- ADOPT the following **Minimum** Payments for the City of Greater Geraldton for 2014-15, in accordance with Section 6.35 of the Act:

<b>MINIMUM PAYMENTS</b>	<b>2014-15 Minimum Payment Per Assessment</b>
CGG Residential (Previously Residential GRV & Vacant Residential GRV)	\$1,010
Non Residential GRV	\$1,010
UV Geraldton (Rural Mining & Farming General)	\$1,010
UV Mullewa (Rural Mining & Agriculture)	\$705
GRV Mullewa (Previously GRV Mullewa and Pindar Town Sites in ex-Mullewa Shire District)	\$628

3. ADOPT for 2014-15 the Specified Area Rate of 0.5199 cents in the dollar for City Centre, Marina Mixed Use, and Additional Use City Centre, against the valuations supplied by Landgate (as amended) as at 1 July 2014 in accordance with Section 6.37 of the Act.

**B. 2014-15 GENERAL CHARGES, CONCESSIONS, INTEREST**

4. IMPOSE no service charge on land for 2014-15;
5. RAISE a charge of \$10 per instalment for 2014-15 whereby the ratepayer has elected to pay their rates by instalments and in addition apply a 5.5% interest rate charge in accordance with Section 6.45(3) of the Act;
6. PROVIDE the option for ratepayers to pay their rates as a single payment or by 2 or 4 equal instalments in accordance with Section 6.45(1) of the Act;
7. NOT PROVIDE any discount for early payment of rates however endorse and acknowledge the rates incentive prize donors for their assistance in collecting the rates early;
8. NOTE the rates set by the State Government for the Emergency Services Levy (ESL) for Category 2, 4 and 5 regions for 2014-2015 and apply these rates on assessments against valuations from Landgate as at 1 July 2014;
9. NOTE that the City is not responsible for setting Emergency Services Levy rates and simply acts as a collection agent for the funds on behalf of the State Government;
10. NOT PROVIDE concessions or relief to:
  - a. any privately owned sporting or recreational grounds;
  - b. to any other ratepayer for their rates or service charges.
11. ISSUE rates instalment notices as soon as practicable with instalment due dates being no less than two months apart from the date of the first instalment becoming due in accordance with Section 6.50 of the Act;
12. CHARGE an interest rate of 11% on any outstanding rates and service charges that remain overdue as described in accordance with Section 6.51 of the Act;
13. PROVIDE a rates exemption for A61234 Geraldton Streetwork Aboriginal Corporation (Gunnado) by virtue of Section 6.26(2)(g) of the Act; and
14. CHARGE interest to be applied on outstanding debts exceeding 65 days after date of invoice at a rate of 11% per annum in accordance with section 6.13 of the Act.

**C. 2014-15 FEES AND CHARGES**

15. ADOPT the 2014-2015 Schedule of Fees and Charges.

**D. 2014-2015 CAPITAL WORKS & LOANS**

16. ADOPT the 2014-2015 Capital Works budget; and
17. ADOPT the new Loan debenture program in accordance with section 6.20(4) of the Act.

**E. 2014-15 ALLOWANCES**

18. NOTE that the proposed levels of allowances and fees for the Mayor, Deputy Mayor and elected members in the Budget estimates are the same as the amounts being paid as at 30th June 2014 and that June 2014 determinations on elected member allowances by the State Salary and Allowances Tribunal will be considered by Council during budget review processes;
19. APPROVE the Mayor's annual local government allowance of \$67,500 in accordance with section 5.98(5) of the Act;
20. APPROVE the Mayor's annual fees of \$31,000 in accordance with section 5.99 of the Act;
21. APPROVE the Deputy Mayor's annual local government allowance of \$16,875 in accordance with section 5.98A of the Act;
22. APPROVE the annual fees of \$24,000 for every other elected member (excluding the Mayor) in accordance with section 5.99 of the Act;
23. APPROVE an Information technology and telecommunication allowance of \$3,500 per year per elected member in accordance with section 5.99A of the Act;
24. APPROVE the reimbursement of expenses incurred by a council member in accordance with section 5.98 (2) (b) and (3) of the Act and regulation 32 of the Local Government (Administration) Regulations 1996;
25. APPROVE the reimbursement of childcare costs of up to \$25 per hour incurred by a council member in accordance with regulation 31 (1) (b) and regulation 32 (1) of the Local Government (Administration) Regulations 1996; and
26. APPROVE the reimbursement of travel costs incurred by a council member in accordance with regulation 31 (1)(b) of the Local Government (Administration) Regulation 1996.

**F. ADOPTION OF STATEMENT OF OBJECTIVES AND REASONS FOR PROPOSED RATES AND MINIMUM PAYMENTS AND THE 2014-15 BUDGET**

27. ADOPT a reporting variance of greater than \$50,000 or 10% as per AASB1031 and Local Government (Financial Management) Regulations 1996, Regulation 34;
28. ADOPT the Statement of Objectives and Reasons for Proposed Rates and Minimum Payments;
29. ADOPT the 2014-15 Budget for the City of Greater Geraldton; and
30. NOTE that Council considered all submissions received from electors and ratepayers before adopting the budget for 2014-15.

**G. ADOPTION OF LONG TERM FINANCIAL PLAN 2014-15 TO 2023-24  
PROPOSED RATES AND CORPORATE BUSINESS PLAN 2014 TO  
2018**

31. ADOPT the Long Term Financial Plan (including 10yr Capital Plan) revised for the 10 year period covering 2014-15 to 2023-24; and
32. ADOPT the Corporate Business Plan revised for the period covering 2014-18.

**H. AMENDMENT TO COUNCIL POLICY CP033 (COMMUNITY  
FUNDING)**

33. AMEND Council Policy CP033 (Community funding) from an annual allocation of 1% of rates revenue to a capped level of \$350,000 per annum.

**9 CLOSURE**

## **APPENDIX 1 – ATTACHMENTS**

Attachments and Reports to be Received are available on the City of Greater Geraldton website at: <http://www.cgg.wa.gov.au/your-council/meetings>