

# SHIRE OF KOJONUP



## Council Minutes

***20<sup>th</sup> April 2010***

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**SHIRE OF KOJONUP****MINUTES****1 DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS**

The Shire President declared the meeting opened at 3:11pm and alerted the meeting of the procedures for emergencies including evacuation, designated exits and muster points and draw the meetings attention to the disclaimer below:

*Disclaimer*

*No person should rely on or act on the basis of any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.*

*The Shire of Kojonup 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 advice or information provided by a member or officer, or the content of any discussion occurring, during the course of the meeting.*

*Where an application for an approval, a license or the like is discussed or determined during the meeting, the Shire warns that neither the applicant, nor any other person or body, should rely upon that discussion or determination until written notice of either an approval and the conditions which relate to it, or the refusal of the application has been issued by the Shire.*

**2 ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE**

Cr Jill Mathwin  
Cr Jane Trethowan  
Cr Ian Pedler  
Cr Rosemary Hewson  
Cr Frank Pritchard  
Cr Greg Marsh  
Cr John Benn

(Note: Leave of Absence was approved at the 16 March 2010 Council Meeting, however Cr Benn was present at the meeting).

|                     |                               |
|---------------------|-------------------------------|
| Mr Stephen Gash     | Chief Executive Officer       |
| Mr Kim Dolzadelli   | Manager of Corporate Services |
| Mrs Heather Marland | Senior Finance Officer        |

**APOLOGIES**

Cr Michael Baulch applying for Leave of Absence for the Council meeting.

**3 PUBLIC QUESTION TIME**

Nil

**4 SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**

Nil

**5 APPLICATIONS FOR LEAVE OF ABSENCE****COUNCIL DECISION**

**18/10 MOVED Cr Benn seconded Cr Pritchard that Cr Baulch be granted Leave of Absence for the Council meeting held 20<sup>th</sup> April 2010.**

**CARRIED 7/0**

**6 CONFIRMATION OF MINUTES**ORDINARY MEETING 16<sup>th</sup> March 2010

Corrections:

**COUNCIL DECISION**

**19/10 MOVED Cr Hewson seconded Cr Pedler that the Minutes of the Ordinary Meeting of Council held on 16<sup>th</sup> March 2010 be confirmed as a true record.**

**CARRIED 7/0****7 ANNOUNCEMENTS by the Presiding Member without discussion**

Nil

**8 PETITIONS, DEPUTATIONS & PRESENTATIONS**

The Chief Executive Officer highlighted a presentation by Madeline Harvey Suann nee Bailey of an Autobiography titled "With Hope They Settled "West-A".

The book is inscribed "*Presented to the Shire of Kojonup for historical reference in the area. From the Hadlow Bailey families per Madeline Harvey Suann nee Bailey – 1<sup>st</sup> April 2010*" and will be housed in the Kojonup Public Library.

**9 DECLARATIONS OF INTEREST**

Nil

**10 FINANCE REPORTS****10.1 FINANCIAL MANAGEMENT – MONTHLY STATEMENT OF FINANCIAL ACTIVITY (Incorporating Budget Review)**

AUTHOR: Kim Dolzadelli – Manager Corporate Services  
 DATE: Friday, 16 April 2010  
 FILE NO: FM.FNR.2  
 ATTACHMENT: 10.1 Monthly Statement of Financial Activity 1<sup>st</sup> July 2009 to 31<sup>st</sup> March 2010  
 10.1 – Appendix A - Budget Review

**DECLARATION OF INTEREST**

Nil

**SUMMARY**

Preparation and presentation to Council of monthly reports are a statutory requirement, with these to be presented to the next ordinary meeting following the close of a month, or it may be presented to the ordinary meeting in the following month after that.

Following a review of Budget Projections as at 31<sup>st</sup> March 2010 Council is being asked to consider the creation of two (2) new Reserves and the adoption of Budget Amendments contained within Appendix A (Budget Review) of the Statement of Financial Activity.

**BACKGROUND**

The reporting requirements, as per Financial Management Regulation 34, for the Statement of Financial Activity came into force from 1<sup>st</sup> July 2005.

The Review of Budget is covered by Financial Management Regulation 33A which states:

1. *Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.*
2. *Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*
3. *A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

**\* Absolute majority required.**

4. *Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

### **COMMENTS**

The attached Statement of Financial Activity for the period 1 July 2009 to 31 March 2010 shows a solid position with 93.69% of rates collected to 31<sup>st</sup> March 2010 and a total amount of cash holdings of \$4,439,509 of which \$2,163,677 is held in fully cash backed Reserves.

Following a review of Budget Projections by senior staff as at 31<sup>st</sup> March 2010 Council is being asked to consider the creation of two (2) new Reserve Accounts, adoption of Budget Amendments contained within Appendix A of March's Monthly Statement of Financial Activity and adoption of reallocations for Royalties for Regions Funding.

Council is also being asked to consider authorising the transfer of any unexpended Gravel Resheeting funds, at year end, to the Capital Works Reserve in the event that all works are unable to be completed due to weather conditions.

The review also looks at changes to the current schedule of Plant disposals and replacement which considers the current position of plant replacement and any adjustments required. The review is also proposing changes to Reserve transfers, these can be seen in page 1 of Appendix A "Summary of Proposed Amendments".

The Original Budget projected a Closing Balance for the 2009/10 financial year of -\$2,124 with a minor adjustment of -\$72 made at time of audit resulting in a current budgeted Surplus Closing Balance of -\$2,196.

The attached Budget Review is requesting net amendments to budget of -\$4,591, if adopted this will result in a **projected surplus Closing Balance of -\$6,787.**

Appendix A "Budget Review" to the Statement of Financial Activity contains the following reports which detail the proposed amendments:

1. Summary of Proposed Budget Amendments
2. Detailed Review of Operations – Income Statement
3. Detailed Review of Capital Expenditure Program
4. Plant Replacement Report and Review
5. Review of Royalties for Regions Allocations

The review was conducted consistent with the "Material" Variance figure of either \$1000 or 8% as previously adopted by Council and also considered issues relating to timing of projects.

### **CONSULTATION**

Officers.

### **STATUTORY ENVIRONMENT**

Financial Management Regulation 34 sets out the basic information which must now be included in the monthly reports to Council. Financial Management Regulation 33A sets out the requirements with respect to the Review of Budget.

The Local Government Act 1995 Section 6.11 Reserve Accounts subsection (1): Subject to subsection (5), where a Local Government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.

**POLICY IMPLICATIONS**

None applicable.

**FINANCIAL IMPLICATIONS**

Occasionally Council may be asked to authorise certain budget amendments/variations by way of separate Senior Officer Reports, but those proposed variations will be taken into account in the monthly Statements of Financial Activity when a full budget review is put before Council. Amendments are being sought from Council in the attached reports.

**STRATEGIC IMPLICATIONS**

This will only occur where it involves variations to the multiple year proposals previously put forward. Impacts to the “Closing Balance” position will also occur or where a Budget Review highlights the requirement for amendments to occur.

**VOTING REQUIREMENTS – SIMPLE MAJORITY****OFFICER RECOMMENDATION 1**

That the Monthly Statement of Financial Activity, as attached, be accepted.

**COUNCIL DECISION**

**20/10 MOVED Cr Marsh seconded Cr Pritchard that the Monthly Statement of Financial Activity, as attached, be accepted.**

**CARRIED**

**7/0**

**VOTING REQUIREMENTS – ABSOLUTE MAJORITY****OFFICER RECOMMENDATION 2**

1. That Council create two new Reserve Accounts titled “BUSHFIRE SUPPORT RESERVE” AND “EMERGENCY RESPONSE RESERVE”,
2. That the Proposed Budget Amendments contained within Appendix A, Shire of Kojonup Budget Review, of the Statement of Financial Activity Totalling -\$4,591 be approved,
3. That the Proposed changes to the schedule of Plant disposals and replacements contained within Appendix A of the Statement of Financial Activity be approved,
4. That where there are any unexpended Gravel Resheeting Funds at end of financial year Council authorises the transfer of such funds into the Capital Works Reserve account for use in subsequent years, and
5. That Council advise the Department of Local Government of the new/amended Royalties for Regions allocations for acquittal by 30<sup>th</sup> June 2010.

**COUNCIL DECISION**

**21/10 MOVED Cr Benn seconded Cr Hewson**

1. **That Council create two new Reserve Accounts titled “BUSHFIRE SUPPORT RESERVE” AND “EMERGENCY RESPONSE RESERVE”,**
2. **That the Proposed Budget Amendments contained within Appendix A, Shire of Kojonup Budget Review, of the Statement of Financial Activity Totalling -\$4,591 be approved,**

3. That the Proposed changes to the schedule of Plant disposals and replacements contained within Appendix A of the Statement of Financial Activity be approved,
4. That where there are any unexpended Gravel Resheeting Funds at end of financial year Council authorises the transfer of such funds into the Capital Works Reserve account for use in subsequent years, and
5. That Council advise the Department of Local Government of the new/amended Royalties for Regions allocations for acquittal by 30<sup>th</sup> June 2010.

**CARRIED BY ABSOLUTE MAJORITY**

**7/0**

## 10.2 MONTHLY PAYMENTS LISTING

AUTHOR: Kim Dolzadelli – Manager Corporate Services  
 DATE: Thursday, April 15, 2010  
 FILE NO: FM.AUT.1  
 ATTACHMENT: 10.2 Monthly Payment Listing

### **DECLARATION OF INTEREST**

Nil

### **SUMMARY**

To receive a list of payments made since the last similar list was received.

### **BACKGROUND**

Not applicable.

### **COMMENT**

The attached list of payments is submitted for receipt by the Council.

### **CONSULTATION**

No consultation was required.

### **STATUTORY ENVIRONMENT**

Regulations 13 (2) of the Local Government (Financial Management Regulations) 1996 requires such a list to be "presented" whenever payments have been made under a delegated authority. (Reference Delegation #18).

### **POLICY IMPLICATIONS**

Council's Policy F3 provides authorities and restrictions relative to purchasing commitments.

### **FINANCIAL IMPLICATIONS**

All payments made are for items where Council has provided a budget authority.

### **STRATEGIC IMPLICATIONS**

There are no strategic implications involved with presentation of the list of payments.

### **VOTING REQUIREMENTS**

Simple Majority

### **OFFICER RECOMMENDATION**

That the Payment Listing from 01/03/2010 to 31/03/2010 comprising of Municipal Cheques 10956 to 11034, EFT's 5357 to 5506 and Internal Payment Vouchers 2153 to 2212 totaling \$784,451.07 and as attached to this agenda, be received.

**COUNCIL DECISION**

**22/10 MOVED** Cr Hewson seconded Cr Pedler that the Payment Listing from 01/03/2010 to 31/03/2010 comprising of Municipal Cheques 10956 to 11034, EFT's 5357 to 5506 and Internal Payment Vouchers 2153 to 2212 totaling \$784,451.07 and as attached to this agenda, be received.

CARRIED

7/0

3:33pm Mrs Heather Marland left the Chamber.

**11 ENGINEERING & WORKS REPORTS**

Nil

**12 ECONOMIC & ENVIRONMENTAL DEVELOPMENT REPORTS**

Nil

**13 CORPORATE & COMMUNITY SERVICES REPORTS****13.1 2009 STATUTORY COMPLIANCE AUDIT RETURN**

AUTHOR: Stephen Gash - Chief Executive Officer  
 DATE: 15<sup>th</sup> April 2010  
 FILE NO: CM.REP.1  
 ATTACHMENT: 13.1.1 - 2009 Statutory Compliance Report  
 13.1.2 - 2009 Non Compliance Summary

**DECLARATION OF INTEREST**

Nil

**SUMMARY**

The adoption of the 2009 Statutory Compliance Report.

**BACKGROUND**

The Department of Local Government has prepared and circulated to each local government an annual return covering various statutory compliance matters under the Local Government Act and associated Regulations. A copy is attached to the agenda.

**COMMENT**

The completion of the return is mandatory for each local government. The return has been completed following a review of processes and documentation for each activity / area in which compliance is being assessed against the Local Government Act 1995 (as amended) and associated regulations.

Areas of non compliance have been summarised in an attachment to the agenda which also details remedial action taken or proposed to be taken to ensure future compliance. Historical compliance has been:

| Year | %      |
|------|--------|
| 2006 | 97.5%  |
| 2007 | 98.8%  |
| 2008 | 99.3%  |
| 2009 | 98.8%. |

The three areas and four events of non compliance are viewed as not having a material impact on the operational performance of the Shire of Kojonup, however are important from a governance perspective and require immediate attention. This has also been assured by the reportable nature of delays in lodging annual returns and the involvement of the Department of Local Government.



**CONSULTATION**

Nil required

**STATUTORY REQUIREMENTS**

The Local Government Act (Audit) Amendment Regulations 1999, Regulation 15 states:

“A compliance audit return is to be-

- (a) presented to the Council at a meeting of the Council;
- (b) adopted by the Council; and
- (c) recorded in the minutes of the meeting at which it is adopted.”

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

There are no financial implications

**STRATEGIC IMPLICATIONS**

There are no strategic implications

**VOTING REQUIREMENTS - SIMPLE MAJORITY****OFFICER RECOMMENDATION**

1. That the attachment to this item detailing areas of non compliance and remedial action taken or proposed to be taken to ensure future compliance be noted.
2. That the circularised Statutory Compliance Return for 2009 attached be adopted.

**COUNCIL DECISION**

**23/10 MOVED Cr Marsh seconded Cr Hewson**

- 1. That the attachment to this item detailing areas of non compliance and remedial action taken or proposed to be taken to ensure future compliance be noted.**
- 2. That the circularised Statutory Compliance Return for 2009 attached be adopted.**

**CARRIED**

**7/0**

*3:40pm The Chief Executive Officer left the Chamber.*

*3:44pm The Chief Executive Officer returned to the Chamber.*

**13.2 ROYALTIES FOR REGIONS – COUNTRY LOCAL GOVERNMENT FUND 2009-10**

AUTHOR: Stephen Gash - Chief Executive Officer  
 DATE: 15<sup>th</sup> April 2010  
 FILE NO: GS.PRG.22  
 ATTACHMENT: Nil

**DECLARATION OF INTEREST**

Nil

**SUMMARY**

Council to determine if it makes an application for funding to assist with the preparation of a forward capital works plan.

**BACKGROUND**

Council has received advice from the Director General of the Department of Regional Development and Lands (RDL) that the 2009-2010 funding under the Country Local Government Fund (CLGF) is

now available. CLGF for 2009-2010 is to support the development of strategic plans, asset management plans, forward capital works plans and voluntary local government amalgamations.

Council is eligible to receive up to \$35,000 towards the preparation of a forward capital works plan that relates to current or developing strategic and asset management plans.

The Department of Regional Development and Lands will be managing this component of the CLGF.

In order to receive the funds Council is required to submit a proposal on how it will expend the funds in accordance with the guidelines. Proposals are due by 30 April 2010.

Professional support will be provided by RDL through an expert panel to assist country local governments to develop forward capital works programs. If Councils already have a forward capital works plan this can be submitted. If deemed acceptable by RDL then the 2009-2010 funds can be used for planning towards specific projects from the forward capital works plan.

A forward capital works plan is a pre-requisite for Council to be able to access the 65% allocation in 2010-2011.

#### Regional Groupings of Local Governments

Up to \$100,000 is being provided to each of the nine Regional Development Commissions (RDC) to support regional groupings of country local governments to identify, scope and plan priority regional infrastructure projects.

RDC's will contact Council to coordinate group planning and begin project identification and business case development. Business cases for priority infrastructure projects will be a pre-requisite for regional groups to access the 35% component of the CLGF on 2010-2011.

#### **COMMENT**

The planning supports Councils long term strategic and financial planning objectives. The Shire has expertise in these areas to progress the forward capital works plan and in the first round of funding the Shires internal resources can be utilised and offset under this funding, rather than relying solely on consultants.

Officers recommend making an application for the funding. The budget amendment in this agenda reflects receipt of the funds and sufficient allocation within the special consultants expenditure for the high end assistance to offset any internal resources required.

If the grant application is supported, the Chief Executive Officer will finalise the specific details of the application and proposed expenditure of the funds.

#### **CONSULTATION**

Nil required

#### **STATUTORY REQUIREMENTS**

Royalties for Regions Act 2009

#### **POLICY IMPLICATIONS**

Nil

#### **FINANCIAL IMPLICATIONS**

\$35,000 is being made available and will be reflected in Councils budget.

#### **STRATEGIC IMPLICATIONS**

Supports Councils long term asset management, strategic, and financial planning objectives in the strategic plan.

#### **VOTING REQUIREMENTS - SIMPLE MAJORITY**

**OFFICER RECOMMENDATION**

That Council makes application to the Department of Regional Development and Lands for funding through the Country Local Government Fund to assist with the development of a Forward Capital Works Plan.

**COUNCIL DECISION**

**24/10 MOVED** Cr Benn seconded Cr Pritchard that Council makes application to the Department of Regional Development and Lands for funding through the Country Local Government Fund to assist with the development of a Forward Capital Works Plan.

CARRIED

7/0

**14 COMMITTEES OF COUNCIL**

Nil

**15 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**16 NEW BUSINESS**

of an urgent nature, introduced by a decision of the meeting

Nil

**17 CONFIDENTIAL REPORTS**

Nil

**18 NEXT MEETING**

Tuesday, 18<sup>th</sup> May 2010 commencing at 3:00pm.

**19 CLOSURE**

There being no further business to discuss, the President thanked the members for their attendance and declared the meeting closed at 3:49pm.

**20 APPENDICES AND TABLED DOCUMENTS**

Nil

**21 ATTACHMENTS**

- Item 10.1 Monthly Statement of Financial Activity 1<sup>st</sup> July 2009 to 31<sup>st</sup> March 2010  
10.1 – Appendix A - Budget Review
- Item 10.2 Monthly Payment Listing 1 March 2010 to 31 March 2010
- Item 13.1 13.1.1 - 2009 Statutory Compliance Report  
13.1.2 - 2009 Non Compliance Summary

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 Presiding Member

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 Date