



SHIRE OF BODDINGTON

'The Council and Staff of the Shire of Boddington, in partnership with the community, are committed to operating effectively and efficiently to provide quality lifestyle opportunities that encourage population growth and development'

MINUTES

For the

SPECIAL MEETING OF COUNCIL

held at

7PM, WEDNESDAY 29th JULY 2009

at the

**Shire of Boddington Council Chambers
at 39 Bannister Road Boddington**

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Minutes

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1. DECLARATION OF OPENING:

The Shire President, Cr Carrotts, declared the meeting open at 7:02 pm.

2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE:

ATTENDANCE

Cr PR Carrotts	President
Cr E Flaherty	Deputy President
Cr EK Hoek	
Cr GJ Day	
Cr SW Patten	
Cr DN Veitch	
Cr AJ Hardie	(From 7:23pm)
Mr G Sherry	Chief Executive Officer

APOLOGIES

Mrs C Martin	Director of Corporate Services
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VISITORS

Nil

3. DISCLOSURE OF FINANCIAL INTEREST:

Nil

4. PUBLIC QUESTION TIME:

Nil

**5. PETITIONS/ DEPUTATIONS/ PRESENTATIONS/
SUBMISSIONS:**

Nil

6. CONFIRMATION OF MINUTES:

Nil

**7. ANNOUNCEMENTS BY PRESIDING MEMBER
WITHOUT DISCUSSION:**

Nil

8. REPORTS OF OFFICERS AND COMMITTEES:

Nil

8.1 PLANNING CONSULTANT:

Nil

8.2 SPECIAL PROJECTS MANAGER:

Nil

8.3 PRINCIPAL ENVIRONMENTAL HEALTH OFFICER/ BUILDING SURVEYOR:

Nil

8.4 DIRECTOR OF CORPORATE SERVICES:

8.4.1 Adoption of the Annual Budget 2009/2010

File No:	ADM 0314
Disclosure of interest:	Nil
Date:	19 th July 2009
Author:	Carmel Martin
Attachment	Attachment 8.4.1- Annual Budget 2009/10 (Included Separately)

Summary

The 2009/2010 Draft Budget is presented for adoption.

Background

Each year local governments are required to adopt a budget and strike a rate in the dollar for rates that allow the Council to operate financially and once it is adopted, it is then presented to the Department of Local Government.

Comment

This budget incorporates a total operating expenditure of \$4,581,070 which is an increase from last year's budgeted expenditure of \$4,187,500.

This continued level of expenditure is as a result of the increase in Council activities due to the Boddington Gold Mine project, which has resulted in the employment of additional staff and provision of services to the community.

The major increase in capital expenditure is due to the increased demands required through a growing community and infrastructure needs.

The Shire of Boddington has budgeted to receive \$5,351,831 in grants towards capital projects within our Shire. This reflects a decrease from the 2008/09 budget of \$5,685,783. However, actual 2008/09 capital grants received were only \$2,186,377, due to delays in projects, including the new Medical Centre and the Administration Centre Expansion not proceeding in this period, and the light industrial area development commencing later than expected.

From the Draft Budget Meeting held on 9th June 2009, some amendments have been made with the receipt of new information. The Budget identifies \$2,994,683 in rates to be raised to meet Council's obligations. The table below shows the activities that have been removed from the original Draft budget to meet a nil deficit. If, at any time, during the budget year, should the amount of interim rates raised increases to become in excess of \$2,994,683, then these activities may be able to be completed by Council resolution.

Activities Not Included

Activity	\$	Total \$
Trainee Expenses	26,991	26,991
Traineeship Program - Income	-11,500	15,491
CCTV for Rubbish Tip	6,600	22,091
Central Park - Reticulation - 2 additional stations	2,800	24,891
Town Hall Roof Over Female Toilets & Gutters	6,600	31,491
Town Hall Replace Ceiling in Ladies Toilets	2,200	33,691
Town Hall Lower Grd Level on South Side of Wall & Replace Front Planter Wall	7,310	41,001
New TV Rebroadcast Decoder Boxes x 3	8,000	49,001
Hino truck replacement	93,365	142,366
New Loader/Tractor	124,000	266,366
Sale Proceeds Massey	-25,760	240,606
New Park Mower	10,000	250,606
Reduction of Donations & Grants	5,000	255,606
Transfer to Plant Reserve	50,000	305,606
Transfer to Building Reserve	120,000	425,606
Reduction of Refreshments & Receptions	3,000	428,606
Strategic Plan Expenses	3,000	431,606
Corporate Profile	30,000	461,606
Increased Overdraft Interest Fees Increase	-3,500	458,106
Club Drive - Const & Seal Entry/Car Park	22,186	480,292
Roberts Rd – Construct & Seal	30,932	511,224
Contract Rural Tree Pruning	22,440	533,664
Construct River Crossing	41,518	575,182
Footpath - Nichols Place Path to Club Drive	9,841	585,023
Transfer to Refuse Site Reserve Transfer from Muni	100,000	685,023

It is plausible, but not anticipated, that total Rates raised in 2009/10 may fall short of the budgeted \$2,994,683. Should this occur, then additional activities will need to be deferred or not undertaken. The table below shows these activities that could potentially be deferred if the rates revenue is lower than expected.

Activities Potentially Able to be Deferred

Activity	\$	Total \$
Loan – increase borrow for Hill St residence finishing	25,040	25,040
Loan – increase borrow for Pecan Place residence finishing	24,940	49,980
Not purchase EHO Relief	18,000	67,980
Not make Heritage Council of WA contribution	5,000	72,980
Ranger Laptop - Motor Vehicle	34,775	107,755
Not complete Fire Hazard Mapping	15,000	122,755
Ranger - Salary and office Expenses	84,022	206,776
Not renew Special Projects Manager Contract	70,000	276,776
Not Council Property Valuations	18,200	294,976
Rebate on Property Valuations - forgone	-7,200	287,776
Reduce Area Promotion	15,000	302,776
Not Undertake Communications Upgrade	14,000	316,776
Not Undertake Town Dam Feasibility Study	10,000	326,776
Not Replace MWS BT06 Holden Colorado	32,775	359,551
Proceeds MWS BT06 Holden Colorado forgone	-22,000	337,551
Reduce Planning Consultant Expenditure	30,000	367,551
No Executive Vehicle Change Over	15,000	382,551
No Health Vehicle Change Over	18,000	400,551
Not Replace Nissan Navara 4x4 BT011	32,775	433,326
Proceeds on sale of BT011 forgone	-11,818	421,508
Not Complete Farmers Ave - Construct & Seal 80m	12,920	434,428
Not Complete Harvey Quindanning - Table Drain Cleaning	9,690	444,118
Not Complete Newmarket Rd Resheeting	15,080	459,198
Town Oval - Reticulation edge Improvements	5,500	464,698
46 Johnstone St - Kitchen cabinets	10,700	475,398
46 Johnstone St - New Oven	2,200	477,598
46 Johnstone St - Floor Cover - Hallway/Entry	1,500	479,098
46 Johnstone St - Tile Kitchen Floor	1,400	480,498
46 Johnstone St - Roof Restoration	6,620	487,118
20 Prussian Way - R/C Airconditioning Split Units	14,440	501,558
20 Prussian Way - Roof Restoration	2,200	503,758
16 Blue Gum Close - R/C Airconditioning Split Units	16,913	520,671
16 Blue Gum Close - Roof Restoration	5,090	525,761
25 Johnstone St- R/C Airconditioning Split Units	14,325	540,086
Not Purchase Toro 60 inch Mower	32,936	573,022
Proceeds of sale Toro 60 inch Mower forgone	-11,227	561,795
Not Complete Water Tank Purchase / Hire	37,000	598,795
Terminate Employee	53,244	652,039
Terminate Employee	55,615	707,654

Plant and Major Capital Purchases

There are no major plant purchases included in the budget. There is a provision to replace light vehicles on a regular basis.

As a part of the adopted Budget for 2009/2010, the Shire of Boddington has committed to undertake these major projects.

Administration Centre Design	\$150,000*
New Medical Centre	\$2,991,900*^
Aged Care Community Centre	\$380,000^
Aged Care Housing Development	\$380,000*^
Child Care Centre	\$661,417*
Houses (2) for Staff	\$583,412^
Youth Centre	\$428,200*
Main Street Upgrade	\$556,000*
Recreation Centre – Design & Plans	\$200,000*
Completion of development of Light Industrial Area and Relocate Works Depot	\$1,700,000*
Total Major Capital Expenditure	\$8,030,929

* Denotes jobs partially or fully funded through grant monies.

^ Denotes partial funding through a debenture loan.

Council has allocated a large portion of the budget funding for both Rural and Urban Road Maintenance and Capital improvement. The Shire of Boddington has also committed to the following major road projects:

Project	Expenditure	Funding
Road Construction		
Chalkbrook Rd - Gravel Sheeting 3km	61,760	(61,760)
Farmers Ave - Construct & Seal 80m	34,939	
Harvey Quindanning - Table Drain Cleaning	45,759	-
Harvey Quindanning - Construct & Seal 1.5km	253,122	(163,000)
Marradong Rd - Gravel Sheeting 1km	20,587	(20,000)
Newmarket Rd - Gravel Sheeting 1.7km	41,186	-
Quindanning-Darkan - Construct & Seal 400m	59,169	(50,000)
Palmer Rd - Gravel Sheet & Culverts	48,874	
	565,395	(294,760)
Footpath Construction		
Bannister Rd to Farmers Ave	25,657	(22,733)
Bannister Rd to Hakea Rd	47,245	(20,698)
Bannister Rd to Wuraming Ave	17,112	(17,112)
Johnstone St to Bannister Rd	45,566	(19,128)
	135,580	(79,671)

Rates

Council has been able to contain the rate increase to an average of 5%. A 5% discount is offered to ratepayers who choose to pay their rates in full by the due date.

With the increasing cost of materials, contractors and staff wages, this increase was unavoidable.

Council has allowed for Interim Rates in the amount of \$1,408,637. Almost all of this amount relates to Interim GRV rates to be charged on one assessment that includes the Boddington Gold Mine. At this time, Council has not received a valuation for this assessment and does not expect to receive a valuation for this assessment until late in 2009. This valuation will be then back dated to the date at which the Valuer General's

Office assesses that the Boddington Gold Mine is at an operational level. Interim rates will be charged from that date, not from the date the valuation is received.

In addition Council is seeking to expand the area of the Boddington Gold Mine that is to be GRV rated. At this time Council anticipates that this will be completed before the end of the financial year. When this occurs the valuation for the assessment is anticipated to at least increase by double. The increased value will be interim rated from the date that the valuation is posted.

Council staff and Councillors have met with Boddington Gold Mine representatives to discuss possible solutions that may provide certainty over the payment of rates to both parties, however to date no agreement has been reached.

The anticipated Interim rates are based in part on an estimated valuation suggested by the Valuer General's Office. Council's budget estimates for interim rates conservatively utilises:

- An interim valuation on the existing area of \$25,000,000 at the 5.7165 rate returns \$1.071 Million assuming a valuation dated 30 September 2009; and
- An interim valuation bases on an increase of \$25,000,000 at the 5.76154 rate returns \$357,000 assuming a valuation dated 31 March 2010.

Conclusion

It is the belief, that through this budget, Council will be able to further progress and increase facilities provided to the community and its wider users, and increase Council owned assets. This is a tight budget that has been adopted, with no surplus to assist Council in the situation that additional costs are received, or revenues are not as budgeted.

It is hoped, that with a strong emphasis on proper use of Council resources through the financial year, savings may be made, so that the next year's budget may result in a surplus, minimizing the rate impact for the next financial year.

These are very exciting times for the Boddington region, and the demand for increased infrastructure is very important to ensure that the region continues to prosper and develop at a rapid rate.

Options

The Annual Budget for 2009/10 be adopted as presented.

The Annual Budget for 2009/10 be adopted as amended.

The Annual Budget for 2009/10 be deferred for further deliberations.

Statutory Environment

Council's 2009/2010 Budget document contains a number of items that require adoption by Council under the Local Government Act. They are that in accordance with:

1. As per Section 6.32 (1) of the Local Government Act 1995, Rates and Minimum Rates to be levied on all rateable property be as follows:

Valuation	Rate cents/dollar	Minimum Rate \$
Gross Rental Value	5.7165	712
Unimproved Value	0.3876	723

2. Section 6.35 (5) of the Local Government Act 1995 requires that the Minister for Local Government's approval be sought for the imposing of a minimum payment where the number of separately rated properties in the district on which a minimum payment is imposed is greater than 50%;
3. Section 6.46 of the Local Government Act allows a discount of 5% be allowed for payment of rates in full within 35 days of the date of issue of the rate notice;
4. Section 6.45 of the Local Government Act a 5% interest charge be levied on rates installments, Deferred Pensioners Rates' excluded;
5. Section 6.45 of the Local Government Act an administration charge of \$7 be levied for the second and each of the subsequent rates installments;
6. Section 6.51 of the Local Government Act an 11% interest charge be levied on all overdue rates outstanding, Deferred Pensioners' Rates excluded;
7. Section 6.32 (1) of the Local Government Act 1995 the Schedule of Rents, Leases and Charges as detailed in the budget document;
8. Section 64 (2) of the Local Government (Financial Management) Regulations 1996 that the due date for installments be set as follows:

Two Instalment Option:

- 1st Instalment due Wednesday 9th September 2009; and
- 2nd Instalment due Monday 11th January 2010;

Four Instalment Option:

- 1st Instalment due Wednesday 9th September 2009;
- 2nd Instalment due Monday 9th November 2009;
- 3rd Instalment due Monday 11th January 2010; and
- 4th Instalment due Tuesday 9th March 2010;

9. Section 6.19 of the Local Government Act 1995 requires a local government to give local public notice of any fees or charges it wishes to impose after adoption of the annual budget; and
10. Section 6.1 of the Local Government (Financial Management) Regulations 1996 requires that Council is required to adopt a percentage or value, to be used in statements of financial activity for reporting material variances against the adopted Budget

Financial Implications

The budget sets the Council approved expenditure for the 2009/10 financial year.

Social Implications

Many projects contained within the 2009/10 Annual Budget are focused on improving facilities within the general community.

Voting Requirements

Absolute Majority

OFFICER RECOMMENDATION – ITEM 8.4.1

Council Resolution **138/09** **Moved** **Cr Flaherty**

That:

1. the Rates and Minimum Rates to be levied in 2009/10 on all rateable property be as follows:

Valuation	Rate cents/dollar	Minimum Rate \$
Gross Rental Value	5.7165	712
Unimproved Value	0.3876	723

2. a discount of 5% be allowed for payment of annual rates paid in full within 35 days of the date of issue of Council's rate notice;
3. a 5% interest charge be levied on rates instalments, eligible and deferred pensioners rates' excluded;
4. an 11% interest charge be levied on all overdue rates, eligible and deferred pensioners rates' excluded;
5. an 11% interest charge be levied on all overdue service charges and rubbish charges, eligible and deferred pensioners rates' excluded;
6. an administration charge of \$7 be levied for the second and each of any subsequent rates instalments;
7. the due date for instalments of rates payments be set as follows:
 - a. Two Instalment Option:
 - 1st Instalment due Wednesday 9th September 2009; and
 - 2nd Instalment due Monday 11th January 2010;
 - b. Four Instalment Option:
 - 1st Instalment due Wednesday 9th September 2009;
 - 2nd Instalment due Monday 9th November 2009;
 - 3rd Instalment due Monday 11th January 2010; and
 - 4th Instalment due Tuesday 9th March 2010.
8. Council adopt the Schedule of Fees and Charges as detailed in the 2009/2010 Draft Budget;
9. Council adopt the Revenue and Expenditure as detailed in the 2009/2010 Draft Budget;
10. Council adopt 10% or \$2,000 (whichever is higher) to be used in reporting

Economic Implications - Nil
Social Implications - Nil
Environmental Considerations - Nil
Consultation - Nil
Options

Council can accept the Officer's Recommendation or not.

Voting Requirements – Simple Majority

OFFICER RECOMMENDATION – ITEM 10.1

Council Resolution **139/09** **Moved** **Cr Flaherty**

That Council consider a Late Confidential Agenda Item for establishing a contribution from the Boddington Gold Mine in lieu of rates and Council move behind closed doors to consider confidential matters associated with a contribution from the Boddington Gold Mine in lieu of rates.

Seconded **Cr Hoek** **Carried** **7/0**

10.2 Late Item – Approval to Consider Request for Contribution - Boddington Gold Mine

OFFICER RECOMMENDATION – ITEM 10.2

Council Resolution **139/09** **Moved** **Cr Flaherty**

That Council signify acceptance of reaching an agreement for Newmont to make a prepayment for Assessment 1025 of \$1.32 Million conditional upon:

- 1. Council and Newmont agreeing signing an agreement confirming the terms of the contribution; and**
- 2. No term of the agreement will allow the contribution to Council reduce during 2009/10.**

Seconded **Cr Veitch** **Carried** **7/0**

11. CONFIDENTIAL ITEMS:

Nil

12. CLOSURE OF MEETING:

With no further business to discuss, Cr Carrotts closed the meeting at 7:29pm.

These minutes were confirmed by the Council as a true and accurate record at the Ordinary Council Meeting held on Tuesday, 11th August 2009

.....
P. R. Carrotts
President

.....
Date