



CITY OF VINCENT

"Enhancing and celebrating our diverse community"

MINUTES

SPECIAL COUNCIL MEETING

1 JULY 2014

This document is available in the following alternative formats upon request for people with specific needs; large print, Braille, audio cassette and computer disk

3. Public Question Time and Receiving of Public Statements

3.1 Dudley Maier of 51 Chatsworth Road, Highgate

- You would have seen my submission in the Agenda. I want to address some of the responses to that.
- Firstly about the rate setting statement in the surplus. The rate setting statement can be found on page 4.4, it is the go to statement to work out how the rates are determined. If you carry on down the page you will see there is a key figure towards the bottom which is the surplus or the deficit which is carried over from the previous year. So the staff are currently saying there is going to be a \$3.2 million surplus carried forward, now that is despite the fact that the 31 May figures showed an \$885,000 deficit. When you look at last year's budget, same time last year they said \$3.9 million surplus, it was a 3.8% deficit they got it wrong by \$7.7million, if accurate figures had been used to work out last year's budget the rate increase would have been 36% not 3.9%.
- It looks like the opening balance this year 2014/2015 could be \$4 million dollars different from the \$3.2 million surplus that they are predicting. Using wildly inaccurate estimates looks like the City is in denial about the deficit and the fact that it keeps on going from year to year, it might be hidden now but it will become public in a couple of months when the final figure are advertised. This isn't a new issue, last September I asked that a report come to the new Council, so it would have been in November explaining what the impact of last year's turnaround was, Mr Rootsey said that report was provided, but I challenge anyone to find anywhere in that report where it explained why there was a deficit but did not explain what the impact would be.
- Mr Rootsey also stated that they don't know the final outcome until the final figures are almost audited, no one is expecting to be a 100% correct at this time of the year, but if you have a \$50 million dollar business you would expect to be maybe a \$100,000 dollars out in that sort of ball park not \$7.7 million dollars out, now a cynical way of looking at it is that the City is deliberately in denial about the deficit and they are keeping rates down because of that and also because they are selling out assets. Now I know that selling of assets argument and responding to that, but that is what it could look like, there was also some comments about Beatty Park, pointing out the figures did not look as solid as mentioned, one of the reasons given was that because the energy cost increases because the geo thermal plant wasn't working all that well.
- That was last year's excuse if you go to Page 72 on the Operating Budget you will see that the electricity costs were about \$18,000 dollars over Budget this last year, that does not explain why at the end of May \$745,000 dollars down.
- I made a point about too much work on the Budget never gets done, there is \$16.9 million dollars in Capital Programme of that \$10 million is new funding and \$6.9 million is carried over from last year. \$3.3 million of that was from rate payers, so that was money that was taken from rate payers last year and the year before that was never spent.
- I have got some concern also with the carry overs, disappointed that \$50,000 for the Mt Hawthorn area traffic calming pilot has been dropped, Councillors would be aware that you would get a lot of complaints about rat running and things like that.
- I think there is some other mistakes in the Budget and Mayor you may want to check Page 5.1 and 5.2 because there are some carry over for Beaufort Street streetscapes, the figures that is used is exactly the same figure as the Scarborough Beach Road Black spot and I think there might be a mistake there.

3.2 Debbie Saunders of 150 Oxford Street

- Mine won't be probably as comprehensive as the previous speaker.
- I just have a question regarding Page 54 of the Budget under the major land transactions part 19, it states "*the sale of 291 Vincent Street, will be for the development*". Just wanted to know for which development and what does that mean and just on the Vincent Street properties in the budget it states as if there is given that they will be sold.
- I thought that under Community Consultation under Major Land Transactions that it had to be at least fourteen (14) days Public Notice given.

The Presiding Member advised Ms Saunders that he will take her Question on Notice.

- To the lighting up the trees on Oxford Street, previously three (3) trees were \$30,000 dollars and in this budget there are four (4) trees at \$50,000 dollars which means one tree is suddenly \$20,000 dollars while the others are all \$10,000, just wanting some clarification.

The Presiding Member advised Ms Saunders that he will take her Question on Notice.

There being no further speakers, Public Question Time closed at approx. 6.05pm.

4. Applications for Leave of Absence

Nil.

5. Announcements by the Presiding Member (Without Discussion)

- 5.1 There will be a Confidential Item that I have listed as a Late Item, which is in relation to Local Government Reform and that will be Confidential as it relates to Legal Advice.

6. Declaration of Interests

Nil.

7. Reports

- 7.1 Adoption of the Annual Budget 2014/2015.

7.1 Adoption of the Annual Budget 2014/15

Ward:	Both	Date:	26 June 2014
Precinct:	All	File Ref:	FIN0025
Attachments:	Nil		
Tabled Items:	Annual Budget – 2014/2015		
Reporting Officer:	Bee Choo Tan, Acting Director Corporate Services		
Responsible Officer:	Mike Rootsey Acting Chief Executive Officer		

OFFICER RECOMMENDATION:

That the Council **APPROVES BY AN ABSOLUTE MAJORITY;**

1. BUDGET:

To **ADOPT** in accordance with Section 6.2(1) of the Local Government Act 1995 the City of Vincent Annual Budget 2014/15 for the year ending 30 June 2015, as distributed with this Agenda, “Tabled Item” and incorporating the:

- 1.1 **Statutory Budget, Significant Accounting Policies and Schedule Notes, as shown in Section 4 of the Annual Budget 2014/15;**
- 1.2 **Reserve Fund Budget, as shown in Section 4 of the 2015 Annual Budget 2014/15;**
- 1.3 **Capital Works Budget, as shown in Section 5 of the Annual Budget 2014/15;**
- 1.4 **Operating Budget, as shown in Section 6 of the Annual Budget 2014/15; and**
- 1.5 **Schedule of Fees and Charges, as shown in Section 8 of the Annual Budget 2014/15;**

2. RATES:

To **IMPOSE**, in accordance with Section 6.32(1) and 6.35 of the Local Government Act 1995:

- 2.1 **a General Rate of 5.79 cents to be applied to all rateable property in the City of Vincent for the year ending 30 June 2015; and**
- 2.2 **a Minimum Rate of \$707 in respect of any rateable property within the City for the year ending 30 June 2015;**
- 2.3 **a Differential Rate of \$11.58 cents to be applied to vacant commercial property.**
- 2.4 **a Minimum Rate of \$1,414 in respect of any vacant commercial property.**

3. RATE PAYMENT OPTIONS:

To **ADOPT**, in accordance with Section 6.45(3) of the Local Government Act 1995, the following payment dates for payment of rates by instalments:

	INSTALMENT	DATE
(a)	Due Date/First instalment	25 August 2014
(b)	Second instalment	27 October 2014
(c)	Third instalment	5 January 2015
(d)	Fourth instalment	9 March 2015

4. INSTALMENT AND ARRANGEMENTS ADMINISTRATION FEES AND INTEREST CHARGES:

To **IMPOSE:**

- 4.1 **a charge of \$12.00 per instalment for payment of rates by instalments, to apply to the second, third and fourth instalment, in accordance with Section 6.45(3) of the Local Government Act 1995 and Regulation 67 of the Local Government (Financial Management) Regulations 1996; and**

4.2 an interest rate of 5.5% on instalments, to apply to the second, third and fourth instalment in accordance with Section 6.45(3) of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996;

5. LATE PAYMENT INTEREST ON OVERDUE RATES AND AMOUNTS:

To IMPOSE an interest rate of 11% per annum, calculated daily from the due date and continues until the date of payment on overdue:

5.1 rates in accordance with Section 6.51(1) of the Local Government Act 1995 and Regulation 70 of the Local Government (Financial Management) Regulations 1996; and

5.2 amounts due to the City in accordance with Section 6.13 of the Local Government Act (1995);

Excluded are deferred rates, instalment current amounts not yet due under the four (4) payment options, registered pensioner portions and current government pensioner rebate amounts;

6. RUBBISH CHARGE:

To ADOPT pursuant to the provisions of Division 5 of Part IV of the Health Act 1911, (as amended) a rubbish charge of \$290 per 240 litre bin per annum for a weekly service for all non rateable properties receiving the service;

7. REPORTING OF BUDGET VARIANCES:

To ADOPT the monthly reporting variance for the 2014/15 financial year of 10% on items more than \$10,000, in accordance with the Local Government Act and Regulations No. 34 and 35 of the Local Government (Financial Management) Regulations 1996;

8. GROSS RENTAL VALUATIONS:

To RECORD the gross rental valuations as supplied by the Valuer General totalling \$460,037,811 in the Rate Book for use in the 2014/15 financial year;

9. TRANSFER OF BUDGET 2013/2014 SURPLUS:

To:

9.1 TRANSFER the Budget 2013/2014 Surplus to the Capital Reserve to fund future capital works;

9.2 NOTE that the amount transferred to the Reserve Fund will be adjusted in the finalisation of the 2013/2014 annual accounts; and

9.3 AUTHORISES the Chief Executive Officer to make the necessary adjustment after the finalisation of the 2013/2014 annual accounts; and

Moved Cr Harley, Seconded Cr Buckels

That the recommendation, together with the following amendments be made to the Annual Budget 2014/15

Expenditure Additions

Capital Expenditure:

Water Playground Braithwaite Pk Zip line	\$150,000
Bulwer St /Fitzgerald Pedestrian signals	\$ 50,000

Operating Expenditure

Legal Costs for potential LGAB process.	\$ 30,000
Change Management	\$100,000

Total Expenditure Additions **\$330,000**

Expenditure Deletions

Faraday Street Parking	\$25,000
Charles Veryard Parking	\$65,000
Robertson Park Toilets	\$95,000
Total Expenditure Deletions	\$185,000

Additions Revenue

Kerbside Parking	
Brewer St, Pier St, Stadium Cr Pk	\$100,000
Total Revenue Additions	\$100,000

Carried Forward items removed.

Robertson Park Clubrooms	\$25,000
Halverson Hall – toilet upgrade	\$65,000
Hobart/ London St Intersection	\$15,000
Traffic Calming Salisbury- Loftus to Shakespeare	\$25,000
Total Carry Forwards items removed.	\$130,000

Capital Miscellaneous Initiatives **\$85,000**

Debate ensued.

Moved Cr Harley, Seconded Cr Buckels

Moved with the amendment, Voting everything except Clause 1.5 Charges.

**MOTION – EXCLUDING CLAUSE 1.5 FEES & CHARGES
PUT AND CARRIED (7-1)**

For: Presiding Member Mayor Carey, Cr Buckels, Cr Cole, Cr McDonald, Cr Peart
Cr Pintabona and Cr Topelberg

Against: Cr Harley

(Cr Wilcox was on approved leave of absence.)

Moved Cr Cole, Seconded Cr Buckels

“That Clause 1.5 be voted separately

- 1.5 Schedule of Fees and Charges, as shown in Section 8 of the Annual Budget 2014/15;

AMENDMENT 1

Moved Cr Harley, Seconded Cr Peart

“That a new Clause 10 be inserted to read as follows:

- 10. A parking survey is to be undertaken on Richmond Street and also an investigation of a CENTRAL TAFE student Parking Permit system taken to see whether it is feasible and a report presented back to the Council.”**

Debate ensued.

AMENDMENT 1 PUT AND CARRIED (5-3)

For: Cr Buckels, Cr Cole, Cr Harley Cr Peart and Cr Topelberg

Against: Presiding Member Mayor Carey, Cr McDonald and Cr Pintabona

(Cr Wilcox was on approved leave of absence.)

MOTION CLAUSE 1.5 FEES & CHARGES CARRIED (7-1)

For: Presiding Member Mayor Carey, Cr Buckels, Cr Cole, Cr Harley, Cr McDonald, Cr Peart and Cr Pintabona

Against: Cr Topelberg

(Cr Wilcox was on approved leave of absence.)

COUNCIL DECISION ITEM 7.1

That the Council APPROVES BY AN ABSOLUTE MAJORITY;

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2. RATES:

To IMPOSE, in accordance with Section 6.32(1) and 6.35 of the Local Government Act 1995:

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To IMPOSE:

- 4.1 a charge of \$12.00 per instalment for payment of rates by instalments, to apply to the second, third and fourth instalment, in accordance with

Section 6.45(3) of the Local Government Act 1995 and Regulation 67 of the Local Government (Financial Management) Regulations 1996; and

- 4.2 an interest rate of 5.5% on instalments, to apply to the second, third and fourth instalment in accordance with Section 6.45(3) of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996;**

5. LATE PAYMENT INTEREST ON OVERDUE RATES AND AMOUNTS:

To IMPOSE an interest rate of 11% per annum, calculated daily from the due date and continues until the date of payment on overdue:

- 5.1 rates in accordance with Section 6.51(1) of the Local Government Act 1995 and Regulation 70 of the Local Government (Financial Management) Regulations 1996; and**

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Excluded are deferred rates, instalment current amounts not yet due under the four (4) payment options, registered pensioner portions and current government pensioner rebate amounts;

6. RUBBISH CHARGE:

To ADOPT pursuant to the provisions of Division 5 of Part IV of the Health Act 1911, (as amended) a rubbish charge of \$290 per 240 litre bin per annum for a weekly service for all non rateable properties receiving the service;

7. REPORTING OF BUDGET VARIANCES:

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8. GROSS RENTAL VALUATIONS:

To RECORD the gross rental valuations as supplied by the Valuer General totalling \$460,037,811 in the Rate Book for use in the 2014/15 financial year;

9. TRANSFER OF BUDGET 2013/2014 SURPLUS:

To:

- 9.1 TRANSFER the Budget 2013/2014 Surplus to the Capital Reserve to fund future capital works;**

- 9.2 NOTE that the amount transferred to the Reserve Fund will be adjusted in the finalisation of the 2013/2014 annual accounts; and**

- 9.3 AUTHORISES the Chief Executive Officer to make the necessary adjustment after the finalisation of the 2013/2014 annual accounts; and**

- 10. A parking survey is to be undertaken on Richmond Street and also an investigation of a CENTRAL TAFE student Parking Permit system taken to see whether it is feasible and a report presented back to the Council.**

11. Amend the Annual Budget 2014/15:**Expenditure Additions**Capital Expenditure:

Water Playground Braithwaite Pk Zip line	\$150,000
Bulwer St /Fitzgerald Pedestrian signals	\$ 50,000

Operating Expenditure

Legal Costs for potential LGAB process.	\$ 30,000
Change Management	\$100,000

Total Expenditure Additions **\$330,000****Expenditure Deletions**

Faraday Street Parking	\$25,000
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Robertson Park Toilets	\$95,000

Total Expenditure Deletions **\$185,000****Additions Revenue**

Kerbside Parking Brewer St, Pier St, Stadium Cr Pk	\$100,000
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Total Revenue Additions **\$100,000****Carried Forward items removed.**

Robertson Park Clubrooms	\$25,000
Halverson Hall – toilet upgrade	\$65,000
Hobart/ London St Intersection	\$15,000
Traffic Calming Salisbury- Loftus to Shakespeare	\$25,000

Total Carry Forwards items removed. **\$130,000****Capital Miscellaneous Initiatives** **\$85,000****PURPOSE OF REPORT:**

To present the Annual Budget 2014/15 to the Council for adoption.

BACKGROUND:

The City's Administration, in conjunction with the Council Members, have prepared the Budget for 2014/2015. This is in keeping with the Strategic Community Plan (Plan for the Future), the Council's Strategic Plan (2011–2016) and adopted Annual Plan – Works Programs 2014/2015.

A Briefing Session on the Draft Budget 2014/2015 for Council Members was held with the City's Senior Officers on Tuesday 6 May 2014.

A Special Council Meeting was held to discuss the Draft Budget 2014/15 on the 20 May 2014.

At the Special Council Meeting held on 20 May 2014 the Draft Budget 2014/2015 was adopted in principle to be advertised for community consultation as follows:

“That the Council:

1. *APPROVES IN PRINCIPLE the Draft Budget 2014/15 as tabled;*
 - 1.1 *the Draft Operating Budget (Community Services, Donations and Sponsorships) be amended to insert a new line item as follows:*

Manna Inc.
Donation and Sponsorship of \$6,000 to be provided as a contribution to their operating costs;
 - 1.2 *Delete Alma Road – Camelia Street on Page 1.3 (\$45,000);*
 - 1.3 *Combine the budget for Skate Park Mt Lawley/Perth on page 1.4 (\$30,000) with Children and Young People Infrastructure on page 1.8 (\$50,000) to make \$80,000 (plus note \$20,000 carryover);*
 - 1.4 *Reduce the Budget Item 81 Angove Street Fee from \$25,000 to \$15,000 on page 1.9; and*
 - 1.5 *Include the following Items:*
 - 1.5.1 *Gym Bag Storage Racks expenditure on page 3.1 from Reserve;*
 - 1.5.2 *An additional \$50,000; for the Greening Plan; and*
 - 1.5.3 *Form Art Festival for \$25,000;*
 - 1.6 *Volleyball WA Royal – volleyball court perimeter wall budget to be \$10,000 and any further contribution required would need to be fundraised by the Volleyball Club;and*
 - 1.7 *That an amount of \$6,000 be included in the Draft Budget for Heritage Plaques within the City;*
2. *ADVERTISES the Draft Budget 2014/15 for public comment for a period of fourteen (14) days and further considers any submissions received;*
3. *In the event that a second Budget Special Council Meeting is required APPROVES BY AN ABSOLUTE MAJORITY to authorise the Acting Chief Executive Officer to arrange the meeting at a date to be advised; and*
4. *APPROVES an additional \$5,000 to be listed in Draft Budget 2014/15 for infrastructure works and safety requirements to be undertaken at YMCA HQ when the fence is removed for public access.”*

DETAILS:

1. OVERVIEW

This year's Annual Draft Budget 2014/15 reflects the new council's key focus – improving liveability and genuinely making our neighbourhoods and urban villages better places to live, work and play.

This means more investment in making our streets safer and easier for cyclists of all ages, greener and cooler streets, renewal of our town centres to make them more pedestrian friendly and continuing to make our parks and reserves great places to use.

Vincent Bike Plan

The most significant project in this year's Draft Budget is the Vincent Bike Lane Project which will see an investment of \$1.5 million for next year as well as the money carried forward from the current financial year, which will dramatically improve the use of the roads for cyclists in the City of Vincent. New cycling corridors will be created on Oxford Street and Scarborough Beach Road, in addition to Bulwer Street.

In addition a number of initiatives have been included on the budget associated with the City's Travel Smart Program.

Greening Plan

The budget reflects the Council's major emphasis on its innovative Greening Plan, which is aimed at creating green corridors to help make our streets more pedestrian friendly and reduce the heat island effect.

There has been a significant increase in funding, taking the total amount for 2014/2015 to \$300,000. The popular adopt a verge program – which provides earthworks, mulch and vouchers for native plants to residents – will also receive more funding to meet resident demand.

The Eco-zoning Implementation Plan, now in its fourth year, will be undertaken at Britannia Reserve this year, which will compliment the Masterplan work undertaken at this venue.

Renewal of Town Centres

Building on a current program of works, the budget makes new funding allocations to improve our urban villages, to encourage them as hubs of activity. This includes:

- Mt Hawthorn – Streetscape Improvement;
- Leederville Town Centre – Streetscape and Park Enhancement; public art and CCTV
- North Perth Town Centre - Streetscape Improvement and public art

In addition, a \$100,000 placemaking program has been created to encourage innovative and "outside the box" projects to foster vibrant town centres.

Improving parks and reserves

The Draft Budget again this year, includes a significant allocation of funds for our open space to maximise the use of our parks and reserves and ensure these areas are of a high quality. Monies have been allocated for lighting at Charles Veryard and the completion of the Britannia Reserve Masterplan.

Improvements will be made to several playgrounds in the City with new softfall being installed at Braithwaite Park, Hyde Park Street Reserve and Redfern/Norham Street Reserve.

An allocation has again been made this year to upgrade park furniture installed in the parks and reserve in various locations in Vincent.

Upgrades to community facilities

The Capital Works Programme contains a number of significant improvements to community buildings in the City, the projects include the following:

- Completion of the Cheriton Street property refurbishment;
- Halverson Hall – toilet upgrade;
- Loton Park Tennis Club – removal of asbestos and toilet upgrade;
- North Perth Tennis Club – refurbish interior of clubroom;
- Charles Veryard Reserve Clubrooms upgrade;
- Finalise Anzac Cottage Refurbishment; and
- Upgrade to the Litis Stadium change rooms and grandstand repairs.

Safer streets

This includes a number of important traffic management projects to improve traffic flow and slow traffic that have been allocated funding in this year's budget as follows:

- View Street;
- Angove Street;
- Carr/Newcastle Street Intersection;
- Norfolk Road; and
- Flinders Street

The City continues to receive grant funding from both the State and Federal Government through Main Roads, Black Spot and Roads to Recovery submissions. The value of these grants totals \$1,319,311 for next financial year.

The Footpath Replacement Programme is in its final year with the majority of the paths ranked as "poor" being replaced as the programme nears completion.

2. Key Financial Summary

The key financial features for the 2014/2015 Draft Annual Budget include:

- Increase in the rate in the dollar of **3.65%**;
- Rate Revenue required – \$26,421,955;
- Operating Revenue from other sources – \$24,269,210;
- Operating Expenditure – \$50,967,170;
- Depreciation Charges – \$8,566,790;
- New Capital Works Programme – \$10,041,875; and
- New Operating Costs – \$436,280.

An estimated inflation rate of 2.75% (State Consumer Price Index) together with an estimated Local Government Index for 2014/15 has been used as a base in the preparation of this Budget.

The Salary budgets have been calculated in accordance with the current salaries and increases based on performance and are in accordance with the Local Government Industry Award 2010.

In addition, the provision for the transfer of funds to reserves to minimise the financial impact of future significant projects and the replacement of assets has also be included.

3. Capital Works

The significant new works/projects in the Capital Works Programme include:

Road Works – Rehabilitation	
Scarborough Beach Road – Loftus Street to Oxford Street	413,620
William Street – Vincent Street – Bulwer Street	336,457
Flinders Street – Scarborough Beach Road to Anzac Road	242,263
Roads to Recovery Programme	
Matlock Street – Scarborough Beach Road to Anzac Road	55,000
Fairfield Street – Scarborough Beach Road to Anzac Road	53,000
Fairfield Street – Green to Ellesmere Street	35,000
Harrow Street – Scarborough Beach Road to Anzac Road	30,115
Black Spot Submissions	
Angove Street and Fitzgerald Street – Upgrade traffic control signals	40,000
William Street and Bulwer Street - Upgrade traffic control signals	40,000
Loftus Street/Richmond Street – install seagull island	30,000
Fitzgerald Street to Raglan Road – install median island	30,000
Streetscape Improvements	
North Perth Town Centre enhancement	85,000
Mt Hawthorn – Streetscape Improvements	70,000
Leederville Town Centre – Streetscape and Street Furniture	60,000
Leederville Town Centre – Water Corporation upgrade	50,000

Landscaping

Greening Plan	300,000
Britannia Reserve – Eco-zoning	30,000

Reticulation

Litis Stadium – Replace existing bore pump	15,000
Beatty Park Reserve – Rewiring of irrigation solenoid valves	10,000

Parks Development

Britannia Reserve – paths construction	260,000
Britannia Reserve – power upgrade	150,000
Britannia Reserve – park lighting stage one (1), year two (2)	130,000
Banks Reserve – Dual Use Path (DUP) deviation/realignment	35,000

Parks Furniture and Lighting

Installation of BBQ's and park benches at various locations in accordance with the five (5) year development plan	60,000
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Drainage

Gully Soakwell Program	75,000
Randell Street – Drainage Improvements	50,000

Car Parking

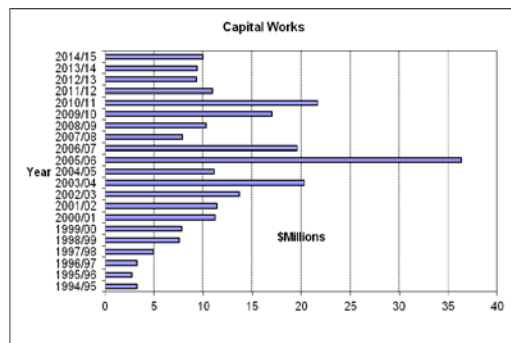
Selkirk Street – angled parking	150,000
Charles Veryard Reserve – Bourke Street	65,000

Bicycle Network

On Road Cycle Lanes	1,515,000
Bike Parking	35,000
Bike Symbol Program	10,000

Miscellaneous

Additional funds for Public Artwork in the following Town Centres – Leederville and North Perth	100,000
Leederville Christmas 'Light on Trees' four (4) additional trees	50,000
Mary Street – upgrade existing lighting	15,000
Upgrade and install additional street lighting on request	10,000



Rates Incentive Prizes

The City will again provide incentive prizes to encourage the payment of rates in full in the 35 day period:

- 1 x Commonwealth Bank – cash prize to the value of \$2000;
- 1 x \$100 voucher for lunch/dinner at The Oxford Hotel;
- 1 x \$100 voucher for Dinner at Fibber McGee's;
- 5 x \$20 vouchers for Kailis Bros Fish Market and Café Leederville;
- 2 x double passes to WASO – Tchaikovsky's Serenade Performance;
- 1 x 3 month membership to the Loftus Recreation Centre;
- 1 x 6 month full membership to Beatty Park Leisure Centre; and
- 1 x one night accommodation and breakfast - Pagoda Resort & Spa.

RATES COMPARISON 2013/2014						
Municipality	Residential Rate (Cents)	General Minimum	Residential Rubbish	Other Charges	Total Account on GRV \$21000	Variation
<i>Perth</i>	4.1310	624	183		1051	-28.5%
<i>Canning</i>	4.3413	540	326		1238	-15.7%
<i>Claremont</i>	6.4014	1130			1344	-8.5%
<i>Cottesloe</i>	6.3388	968			1331	-9.4%
<i>Belmont</i>	5.4855	755	273		1425	-3.0%
<i>Stirling</i>	5.2770	763	278	59	1445	-1.6%
<i>Subiaco</i>	5.8440	707	298		1525	3.8%
Vincent	6.9950	681		13.75	1469	0.0%
<i>East Fremantle</i>	7.1277	839			1497	1.9%
<i>Nedlands</i>	5.6520	1214	330		1517	3.3%
<i>Melville</i>	5.4019	697.5	403.5		1538	4.7%
<i>Joondalup</i>	5.8036	767	333		1552	5.6%
<i>Kalamunda</i>	5.7380	755	400		1605	9.3%
<i>Peppermint Grove</i>	7.6112	1141			1598	8.8%
<i>Victoria Park</i>	7.8500	933			1649	12.2%
<i>Bayswater</i>	5.8310	739	284.7	13.75	1523	3.7%
<i>South Perth</i>	6.5473	825	240	26.5	1641	11.7%
<i>Mosman Park</i>	6.5807	787	260	13.75	1656	12.7%
<i>Bassendean</i>	7.3150	940	305		1841	25.3%
<i>Cockburn</i>	5.0890	657	408	474	1755	19.5%
<i>Swan</i>	6.9450	805	328	235	2084	41.9%
<i>Rockingham</i>	7.0600	885	345	64	1828	24.4%
<i>Cambridge</i>	7.1985	883	100	70	1682	14.5%
<i>Gosnells</i>	6.6120	850	247	16.5	1636	11.3%
<i>Wanneroo</i>	7.7574	1155	360.5		1990	35.4%
<i>Fremantle</i>	7.3440	1099			1542	5.0%
<i>Armadale</i>	8.8760	976	272		2136	45.4%
<i>Mundaring</i>	9.0593	905	174	62	2138	45.6%
<i>Kwinana</i>	8.0588	883	310		2002	36.3%

5. New Operating Items

An amount of **\$436,280** has been allocated in the 2014/15 Draft Annual Budget for new operating items, as follows:

Community Services has requested funds for the projects listed below:

Community Development

Spirit of Christmas Banners	8,000
Disability & Cultural Awareness Training	7,500
Passages Resource Centre	6,000
Community Gardens Operations	3,000

Health and Compliance Services

Environmental Health Officer – Part time	25,000
Feral Pigeon Control Programmes	25,000

Technical Services has requested funds for the following items:

Parks Services

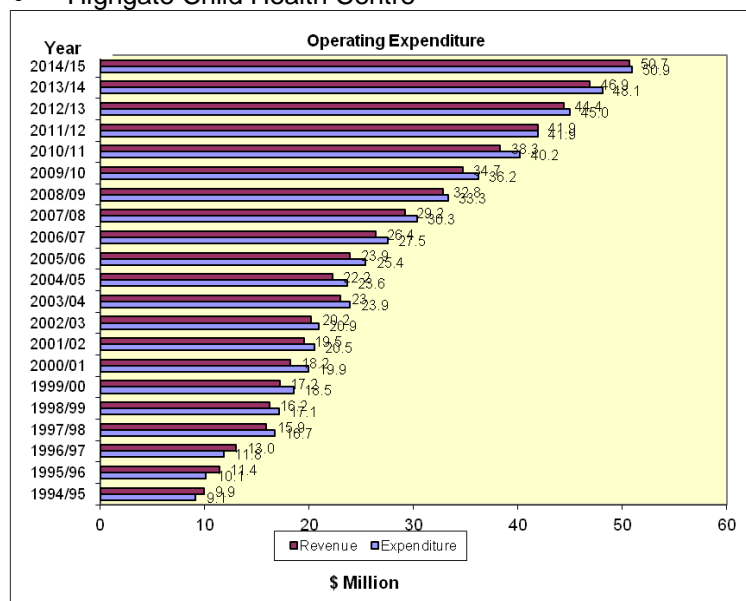
Parks Services (Gardener) – Additional Position	62,400
Monger/Money Street Trees – Tree Surgery	50,000

Asset Design

Asset Management – data collection program	40,000
Asset Management – Council building condition survey	40,000
Red Light and Speed Camera Intersection – Walcott & Beaufort	30,000
Street consultant	
Travel Smart Community Improvement Programmes	10,500

The Specified Maintenance budget this year is to be spent at the following locations:

- ASseTTs – 286 Beaufort Street;
- DSR Building;
- Loftus Recreation Centre;
- Menzies Park Pavilion;
- Birdwood Square Pavilion;
- YMCA HQ Youth Facility;
- North Perth Town Hall;
- Margaret Kindergarten; and
- Highgate Child Health Centre



6. Operating Budget

The increase in the Operating Expenditure is attributed to:

- Increased waste tipping cost as a result of increase in land-fill levy;
- Beatty Park Leisure Centre redevelopment full year of operation;
- Increased maintenance for costs following increased number of new planted trees and greening initiatives; and
- Increased services – high pressure cleaning in Town Centres.

The Revenue Budget has been impacted by:

- The effect of lower interest rates on the City investment revenue;
- Increased revenue as a result of a full year of operation of the redeveloped Beatty Park Leisure Centre; and
- Increased revenue from the increased number of Development Applications being received by the City.

7. Interest on General Debtors

The City of Vincent will impose a late payment penalty of 11% per annum on overdue sundry debtor accounts.

8. Emergency Services Levy

The Fire and Emergency Services Association (FESA) have not yet advised that the rate in the dollar for the 2014/15 financial year for the Emergency Services Levy (ESL).

Residential, Farming and Vacant Land:

Minimum: \$64
Maximum: \$330

Commercial, Industrial and Miscellaneous:

Minimum: \$64
Maximum: \$186,000

9. Reporting Variance 2014/2015

It is a requirement of the Local Government Act Financial Management Regulations, Regulation 34 and 35, that Local Governments adopt the reporting variance amount to be used in a financial year. This should be adopted at the start of the financial year.

The Local Government Department and auditors in the industry have recommended that the reporting variance be adopted as part of the adoption of the Annual Budget.

Last year the Council approved of a variance of 10% on items over \$10,000. It is recommended that these reporting variances are retained for the forthcoming financial year.

CONSULTATION/ADVERTISING:

The introduction of the Differential Rate had to be advertised in accordance with the Local Government Act. and considered by Council. The Draft Budget 2014/15 was advertised for fourteen (14) days for public comment in accordance with the City's Community Consultation Policy No. 4.1.5.

At the end of the consultation period 20 June 2014 - One submission was received from:

Dudley Maier - 51 Chatsworth Road, HIGHGATE

"My main concerns are:

- *The mounting deficit is not being addressed*
- *Asset sales are funding large projects when there may be other priorities*
- *Too much new work added without any prospect of completing the work*
- *Lack of visibility into what is carried over and therefore what has quietly been dropped.*
- *Overly optimistic revenue from Beatty Park*
- *Lack of funding for staff in the planning area*

Mounting Deficit

The budgeted versus actual surplus for the last four years shows that the variance is very significant. The 2013/14 opening balance was \$7.7 million under budget. Had the correct figure been known at the time of setting the budget the rates requirement according to the Rate Setting Statement would have been \$32.9 million instead of \$25.2 million, and rates would have had to go up by 36.8% instead of the 3.9%

	2010/11	2011/12	2012/13	2013/14
Budgeted 1 July Surplus	1,698,660	922,458	2,454,494	3,914,577
Actual 1 July Deficit	(2,644,360)	(2,296,766)	(3,005,280)	(3,803,161)
Variance	(4,343,020)	(3,219,224)	(5,459,774)	(7,717,738)

The massive variance in the surplus/deficit is a concern given that the budget is approved in early July. At that point in time the administration should have a better handle on the surplus/deficit and should make the council aware of it. A \$7.7 million variance is not acceptable.

At the 10 September meeting the council requested a report on the impact of the deficit on the 2013/14 budget. This was never properly addressed. Council should not stick its head in the sand and hope the issue goes away, or just hope it becomes somebody else's problem after amalgamations.

Your comments are noted.

Officer's comment:

A report was prepared for Council on this matter and reported.

The financial position for the 2013/14 year will be finalised after the end of this financial year, which is finalised normally around the end of September / early October any deficit would be addressed at this point of time.

Asset Sales

Two large projects are being funded by asset sales. The Bike Plan (\$1.5 million) and North Perth Underground Power (\$1.2 million). These are funded by the Tamala Park land sales and the 291-295 Vincent Street sale.

I would question where the North Power project came from. I do not recall any discussion about this in the past 8 years. There may be higher priorities such as underground power in residential areas.

Officer's comment:

Noted; the North Perth Underground Power project was raised by Council members to improve the North Perth Town Centre.

Too much new work

Once again a large number of 'projects' have been added to the works program without any prospect of them being completed. One just has to look through the Capital Works Program to see the large number of projects that have not been completed. The same applies to the operating budget. A trawl through the Community Development budgets on pages 16 and 17 shows programs that have significantly underspent yet are funded to a similar level next year (e.g. Recreation Programs, Arts Workshops, Community Arts Program).

Where these projects are funded by municipal funds or reserves (that are funded by rates) it represents an unnecessary impost on ratepayers.

Officer's comment:

The Capital Projects that have been carried forward fall into two categories; The ones that are in progress but not complete at the end of the year, the second category are the ones that have not commenced in the year for a variety of reasons.

This year there have been some significant road works that have had to be delayed as a result of delays in approvals from the determining agencies such as PTA, Main Roads and City of Perth. However several further projects have been identified as not requiring

to be carried forward and they may be subject to a budget amendment

Lack of Visibility of Carryovers

There is no clear indication of what is being carried over or not. It is hard to work out what projects have been dropped and whether projects have been expanded or reduced. For example: is the Mount Hawthorn Area Wide Traffic Calming Pilot (\$50,000) being dropped; is the \$10,000 for Parklets in addition to the money not spent in 2013/14; are the funds for the North Perth and Leederville artworks (\$50,000 each) in addition to the funds already on budget; Mt Hawthorn Streetscape (page 1.2) says funds are carried forward without indicating how much.

It is only when the final budget is published that any visibility is gained about what is carried over, and then it is too late.

Officer's comment:

The Draft Budget for a new financial year shows the funds required for the next financial year so that the rates income required can be calculated on the new projects as the carried forward projects are funded from the previous year.

The list of preliminary carried forwards for 2013/14 is shown on Page 5.1 these are also estimates as the final carry forwards are finalised at the end of the year.

Overly Optimistic Beatty park Revenue

At the 22 April 2014 council meeting a four year financial forecast for Beatty park was accepted. The forecast showed a projected cash surplus of \$760,000 for 2013/14 and \$1.1 million for 2014/15. The 2014/15 Budget figures are similar to the amounts in the April forecast.

The cash surplus at the end of March, which was on the same agenda as the forecast, was \$358,000 under budget. The cash surplus at the end of May, with only a month to go in the financial year, was \$745,000 under budget. It would appear that the estimates are significantly different to the actuals and it therefore the magnitude of the projected surplus is very doubtful.

Officer's comment:

The actual surplus for the year was impacted by increased energy costs due to the Geothermal plant not operating to the required capacity for the indoor pool. It has taken a considerable amount of time to rectify the issues which is now being addressed.

In addition there have been additional employee costs associated with the requirements for servicing the additional memberships of the gymnasium.

The increased membership numbers are not reflected for the full year. Many members joined during the year and therefore revenue figures does not reflect the full year of membership.

These items have been reflected in the 2014/15,budget and with a full year of the increased membership numbers the budgeted results for the 2014/15 should be achieved

Staffing in the Planning Department

Development applications are taking far too long to process. Attempts have been made to improve the process but the delays are still far too long.

This is an area where the City provides a service at a fee. A private business would put on more staff to address the backlog, or face customers going elsewhere. The City should not rely on its monopoly position and should look at employing more staff or outsourcing some processing.

Officer's comment:

Noted; The Planning Services area has suffered from a number of departures of senior and other staff during this last year, which has impacted on the turn around time for DA's

However the recent additional some experienced planning and some more accountable work kpi's have seen an improving trend in the processing time in the last few months.

There is a now a full complement of staff and with a planning officer has been assigned to the DAC the appointment of the new Director, and CEO with his Planning expertise is anticipated that this improvement will continue.

In addition there is the flexibility to engage contract / temporary staff to cover any additional workloads or catch up if required.

Individual Items

There are a large number of individual items that are worthy of scrutiny however I will only list a few.

- 1.6 *Faraday St parking \$25,000 – why is the City ripping up a verge (contrary to greening principles) when there is an underutilised public car park in the street?*

Officer's comment:

This was a specific Council member request. However an amendment has been prepared which may remove this item from the Budget.

- 1.6 *Charles Veryard parking (\$65,000) – why put more parking in (contrary to greening principles) when there is a large underutilised car park to the east?*

Officer's comment:

The rationale for the inclusion of this item was that there would be a requirement for additional parking due to the increase usage of Charles Veryard Reserve with Cardinal Football Club using to the reserve for games. It was included to address residents concerns about parking with this additional use.

However an amendment has been prepared which may remove this item from the Budget.

- 1.8 *Parklets (\$10,000) – is the amount in addition to the 2013/14 carryover*

Officer's comment:

Yes

- 2.1 *Artwork legal fees (\$20,000) – why couldn't a simple pro-forma suffice? Is the expectation that more art projects will go pear-shaped (a la Beaufort St sign)*

Officer's comment:

There are a number of significant Artworks on this year's budget and this amount was included to ensure that we had the funds to ensure that the documentation would be watertight and advice if required.

- 4.1 *Cash in lieu Reserve – why is \$200,000 transferred to the reserve but nothing spent from it?*

Officer's comment:

The \$200,000 is the estimated amount that is to be received from the imposition of Cash in Lieu payments in development applications this year, however there no projects listed on this year's budget that these funds could be used for which met the definition requirements of this Reserve Fund.

- 5.1 *Birdwood Square lighting (\$60,000) – why a carryover when the item was scratched from the 2013/14 budget.*

Officer's comment:

This item is merged with the lights for Charles Veryard Reserve item.

- 5.1 *will Mt Hawthorn Area Wide Traffic Calming Pilot (\$50,000), and funding for consultants to look at alternate funding models for underground power (\$30,000) be carried forward?*

Officer's comment:

Mt Hawthorn Area Wide Traffic Calming this project is not proceeding.

Underground power consultants should be carried forward.

- 5.1 *Whys so little Community Development carryover when a large number of programs have been significantly underspent this year?*

Officer's comment:

This year Operating budgets carry over were kept to a minimum.

As a result some of the Community Development programs were not carried forward. It was also anticipated that a significant amount of these programmes would be spent.

Comprehensive Income – what is the \$483,330 under Education and Welfare from?"

Officer's comment:

This is the budgeted profit on the sale of the rear of 81 Angove Street.

Differential Rate

The introduction of a Differential Rate for Vacant Commercial land was advertised, and submissions closed on 18 June 2014. One submission was received as stated below;

Colin Fogarty - 38 Woodville Street, NORTH PERTH

"I support a change to encourage development, but not in this proposed form.

Perhaps the Council would consider my proposal below for more carrot, less stick.

The Council approvals process is a bottleneck which inhibits development. The Council process is seen as inefficient, time consuming and costly, factors which deter developers. If the Council is prepared to waive rates altogether for the period in which development applications are with council, perhaps kicking in after a reasonable period of 1 or 2 months, this would probably stimulate and speed up development through speeding up the DA process.

My own experience late last year is that my development application wasn't even looked at for an extended period while the assigned officer was on leave; when I rang to ask that another officer please be assigned, I was given the curt response that it is what it is. So in my view it's not enough for the Council to lay the problem of vacant land squarely at the feet of developers.

If this proposal is not about revenue raising, and Council purely wants to stimulate development, then Council should come to the party with a rates holiday that kicks in once a DA is with Council and dragging out too long, i.e. beyond say 1 or 2 months".

Officer's comment:

It should be noted that the property this rate payer owns is Vacant Residential land and therefore the Differential Rate will not apply to his property.

LEGAL/POLICY:

The Local Government Act 1995 Section 6.2 requires each local government to prepare and adopt, in the prescribed form and manner, an Annual Budget, prior to 31 August of each year.

STRATEGIC IMPLICATIONS:

The preparation and adoption of the Annual Budget is in keeping with the Council's Plan for the Future - Strategic Plan 2011-2016 - Key Result Area 4.1 *"Provide Good Strategic Decision-Making, Governance, Leadership and Professional Management"*;

4.1.2 – *Manage the organisation in a responsible, efficient and accountable manner.*

"(a) Continue to adopt best practise to ensure the financial resources and assets of the City are responsibly managed and the quality of services, performance procedures and processes is improved and enhanced."

RISK MANAGEMENT IMPLICATIONS:

When setting the Annual Budget, the City is exposed to financial risk over the long term if little regard is given to both revenue and expenditure implications beyond the budget period. The City has a long term Strategic Financial Plan, which helps to mitigate the long term risks.

SUSTAINABILITY IMPLICATIONS:

The Budget 2014/2015 includes a number of significant sustainability projects during the new financial year.

FINANCIAL/BUDGET IMPLICATIONS:

The Annual Budget outlines the funding for works and services in the City for the financial year ending 30 June 2015.

COMMENTS:

The Annual Budget 2014/15 provides a comprehensive programme of works and operations which will allow the City to continue to maintain the existing service levels required. Accordingly, it is recommended that Council adopt the Annual Budget 2014/15.

8. CLOSURE

There being no further business, the Presiding Member, John Carey, declared the meeting closed at 6.30pm with the following persons present:

Mayor John Carey	Presiding Member
Cr Roslyn Harley (<i>Deputy Mayor</i>)	North Ward
Cr Matt Buckels	North Ward
Cr Emma Cole	North Ward
Cr Laine McDonald	South Ward
Cr James Peart	South Ward
Cr John Pintabona	South Ward
Cr Joshua Topelberg	South Ward
Mike Rootsey	Acting Chief Executive Officer
Craig Wilson	Director Technical Services
Gabriela Poezyn	Director Planning Services
Jacinta Anthony	Acting Director Community Services
Bee Choo Tan	Acting Director Corporate Services

These Minutes were confirmed by the Council as a true and accurate record of the Special Meeting of the Council held on 1 July 2014.

Signed:Presiding Member John Carey.

Dated this day of 2014.