

Summary Minutes

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1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS:

The President, Cr Girando, welcomed those present and opened the meeting at 10.15 am.

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE/DECLARATION OF INTEREST:

Councillor M J Girando
Councillor A K Williams
Councillor M R Bothe
Councillor G George
Councillor B J McDonald
Councillor D A Rackemann
Councillor J K Waite

President
Deputy President

Mr M J Hook
Mr P D Gillis
Ms S Donohue

Chief Executive Officer
Manager Works and Services
Minutes Clerk

Visitors

Ms Linda Thompson

Declarations of Interest

Nil.

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE:

Nil.

4. PUBLIC QUESTION TIME:

Nil.

5. APPLICATIONS FOR LEAVE OF ABSENCE:

Nil.

6. PETITIONS/DEPUTATIONS/PRESENTATIONS:

Nil.

7. CONFIRMATION OF MINUTES:

Nil.

8. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION:

The President informed and reminded Councillors of the formalities of a budget meeting and outlined the process for the meeting for Councillors that have not been at a budget meeting.

9. MATTERS FOR WHICH MEETING MAY BE CLOSED:

For the convenience of members of the public Council may identify, by decision, early in the meeting any matter on the agenda to be discussed behind closed doors and that matter is to be deferred for consideration as the last item of the meeting.

Items for which the meeting will be closed include:

Financially sensitive matters.

13. MATTERS BEHIND CLOSED DOORS:

Council met behind closed doors at 10.20am to discuss items of a financially sensitive nature.

Council came out from behind closed doors at 10.30am.

Cr McTaggart entered the meeting at 10.55am.

Council adjourned at 12.35pm

Council resumed at 1.10pm.

10. REPORTS:

10.1 MANAGER FINANCE & ADMINISTRATION'S REPORT:

10.1.1 REVIEW OF DRAFT 2008/09 BUDGET

AUTHOR	Dacre Alcock
DISCLOSURE OF INTEREST	Nil
DATE OF REPORT	3 June 2008
ATTACHMENT	Draft Budget 2008/09
FILE	B4.08

SUMMARY:

Consideration of matters to be included in Council's 2008/09 Budget.

BACKGROUND:

Council is to discuss Council's 2008/09 Draft Budget with a view to finalising the priority of those matters to be included in the document. The finalised Council 2008/09 Budget will be adopted at a Special Meeting of Council expected to be held Wednesday 2 July 2008.

Council will review the latest draft budget calculations to be provided by staff at the meeting. The information included in the Draft Budget is continuing to be fine tuned by staff. This will continue right up to formal adoption by Council in July 2008.

In reviewing the 2008/09 Draft Budget, Council should note that:

1. The Draft Budget is presented as a deficit budget with nearly every activity discussed by Council at some time included in the Draft Budget. Therefore currently a total of \$92,444 is required to be cut from expenditure programs and/or increased in revenue collections to balance the Draft Budget;
2. A 5% rate increase has already been presumed and included in calculations; and
3. Two loans have been included in the draft budget:
 - a. a loan of \$155,000 has been included for the purchase of a grader; and
 - b. a loan of \$600,000 has been included to purchase/build a CEO residence in Leeman or Green Head.

ISSUES

Specified Area Rate for Repayment of Maley Park Changerooms – Community Contribution

Background

Council's 2007/08 Budget included a loan of \$143,933 to fund the Coorow Community contribution to the Maley Park Changeroom construction.

The term of the loan is proposed to be 5 years.

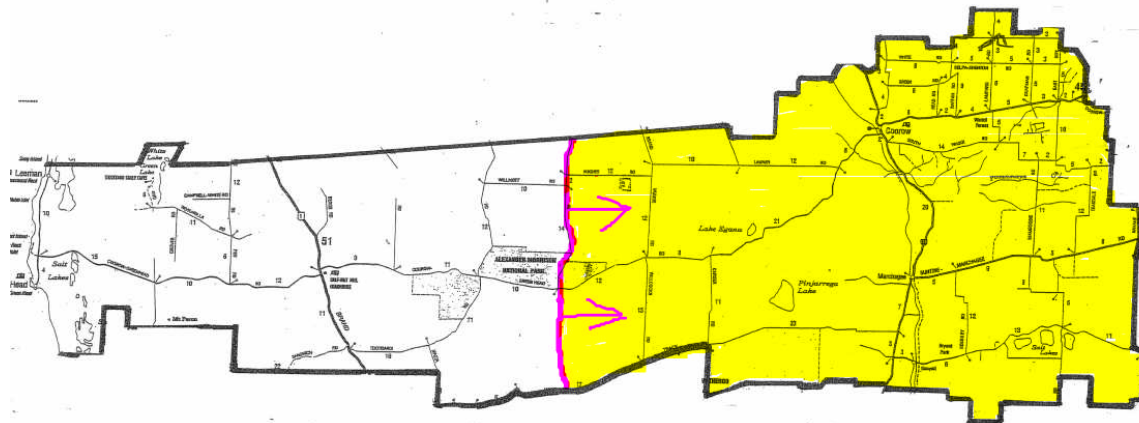
The annual loan repayments at the current interest rate of 7.4% will be \$34,963. The annual repayment is to be repaid as follows: These repayments will start in the 2008/09 financial year.

Community Fundraising	5,000
CCLI contribution	5,000
Specified Area Rate	24,626
Total	34,626

The specified area rate will commence in the 2008/09 financial year and will be in place for the term of the loan – 5 years.

Council needs to move to define what area will be charged the specified area rate.

At Council’s September Forum Session this issued was discussed. Staff provided, for the purposes of an example, that rateable land east of Clarke Rd will be charged this specified area rate. The rationale that the land on the east boundary of Clarke Road is a similar distance (line of sight) from Coorow as land parcels in the south eastern section of the shire.



The three options considered as the basis of the specified area rates were a comparison of:

1. Valuations
2. Conceptual Rate - rates raised with no minimum rate
3. Actual Rate - rates raised with no minimum rate.

Rate Code	1. Valuations 06/07	%	Spec. Area Rates \$	2. Conceptual Rate 06/07	%	Spec. Area Rates \$	3. Actual Rate 06/07	%	Spec. Area Rates \$
GRV	487,396	1.15%	288	66,827	8.27%	2,065	75,562	9.25%	2,309
UV	41,739,400	98.85%	24,675	740,916	91.73%	22,898	741,431	90.75%	22,654
Total	42,226,796	100.00%	24,963	807,743	100.00%	24,963	816,994	100.00%	24,963

The above table displays the percentage raised from each rate code and the resulting rates to be raised from the specified area rate. Staff have evaluated the three options as follows;

1. Valuations

To use the GRV and UV Valuations as the basis to raise the specified area rate results in the rural properties paying nearly 99% of the total specified area rate. There is also no correlation between the two valuation types. This is the least desirable option. Using this method would equate to a 3.33% rate increase for rural properties and 0.43% for town site properties.

2. Conceptual Rate

The conceptual rate does not include minimum rates. The Coorow town site has 36 of 102 properties rated on the minimum rate. A minimum rate is charged when the rate in the dollar multiplied by the GRV Valuation is less than the minimum rate. There are 3 of 148 UV Valued properties on the minimum rate. Due to this when the rates are worked out on a conceptual basis the Coorow town site rates reduce at a larger percentage when compared to the rural rates. This option has merit as the proportions of the specified area rate on the combination of the valuation and the rate in the dollar only – not distorted by minimums. Using this method would equate to a 3.09% increase for both rural and town site properties.

3. Actual Rates

Actual rates are the actual rates raised including minimums. Compared to the conceptual rate option the Coorow town site contribution will increase due to the higher amount of minimum rated properties. This is the preferred option as it is consistent with Council's current rating methodology. Using this method would equate to a 3.06% increase for rural properties and 3.45% for town site properties.

Comment

Feedback on this issue from Councillors, required that the rates figures for the following options be presented in a future forum session:

1. Using original example area set the GRV rates to pay 30% and the UV rates 70%;
2. Extend the western boundary to the Brand Highway, using the actual rates methodology;
3. Extend the boundary to include all rural rates, i.e. all ratepayers except the Green Head and Leeman Town sites using the actual rates methodology.

	Scenario 1 East of Clarke Rd			Scenario 2 East of Clarke Rd 30%GRV/ 70%UV			Scenario 3 East of Brand Highway			Scenario 4 All Rural Rates included		
	Rates Raised	% of Total Rate	% Increase on 07/08 Rates	Rates Raised	% of Total Rate	% Increase on 07/08 Rates	Rates Raised	% of Total Rate	% Increase on 07/08 Rates	Rates Raised	% of Total Rate	% Increase on 07/08 Rates
GRV	2,309	9.2%	3.45%	7,489	30.0%	9.91%	1,865	7.5%	2.47%	1,603	6.4%	2.12%
UV	22,654	90.8%	3.06%	17,474	70.0%	2.36%	23,098	92.5%	2.47%	23,360	93.6%	2.12%
	24,963	100%		24,963	100%		24,963	100%		24,963	100%	

Note: These minutes have yet to be confirmed.

Scenario 1 East of Clarke Rd

This scenario was chosen as the eastern and western boundaries are similar distance from the Coorow town site.

Scenario 2 East of Clarke Rd 30%GRV/ 70%UV

This scenario will see the Coorow town site paying 20% more than the rural properties. This scenario goes against Council's current rating rationale and is considered inequitable.

Scenario 3 East of Brand Highway

Council needs to consider at what point the western boundary of the specified area rate goes past the catchment area of people who use the Maley Park facilities.

Scenario 4 All Rural Rates included

This scenario includes all rate payers excluding the town sites of Leeman and Green Head. This scenario would then result in all rateable properties would then be paying a specified area rate as Council introduced a specified area rate to Leeman and Green Head properties this financial year for the community contribution to the Leeman Rec Centre Loan. At this point Council should consider not having any specified area rates and raise rates by 1.8% above any rate increase for the 2008/09 financial year.

The effect on rateable properties for each scenario is summarised below.

	Rates 2007/08	Scenario 1	Increase	Scenario 2	Increase	Scenario 3	Increase	Scenario 4	Increase
Large Coorow House	563	580	17	619	56	577	14	575	12
Coorow Business	4,179	4,307	128	4,593	414	4,282	103	4,268	89
Medium Rural Property	9,363	9,650	287	9,584	221	9,594	231	9,561	198
Small Rural Property	965	995	30	988	23	989	24	985	20
Large Rural Property	20,288	20,909	621	20,767	479	20,789	501	20,718	430
Rural Property - East Brand Hwy	8,041					8,240	199	8,211	170
Rural Property - West Brand Hwy	8,094							8,266	172

Because the specified area rate will be placed on both UV and GRV rates, Council will need to apply this rate in an equitable way between the Unimproved Valuations (rural properties) and Gross Rental Value (town site Properties).

Staff Comment

Staff would like to receive direction from Council on:

1. the area to be included for the Specified Area Rate; and
2. the basis that the Specified Area Rate be applied.

RESOLUTION: 2008-079

Moved: Cr McDonald Seconded: Cr Williams

That Council adopt Scenario 4 using Actual Rates to raise the Area Rate for the Maley Park Changerooms with the inclusion of the Coorow townsite.

CARRIED 7/1

Housing Allowance

Council provides a housing allowance to employees who provide their own housing. This is an incentive to employees to own their housing, rather than being reliant on Council to provide housing. The 2008/09 Draft Budget provides for a \$10 week increase in the housing allowance.

Year	Allowance Per Week
2004/05	\$ 30
2005/06	\$ 40
2006/07	\$ 60
2007/08	\$ 70
2008/09	\$ 80

CEO Residence

The budget provides for the purchase/building of a CEO residence in Leeman or Green Head.

Donations

A list of donations has been included in the 2008/09 Draft Budget.

Organisation	Amount
North Midlands Ag Society	\$ 150
Coorow School	\$ 100
Leeman School	\$ 100
Leeman Playgroup	\$ 500
Midwest Group Affiliated Ag Societies	\$ 150
Christmas Lights Prizes	\$ 300
RSL Quiet Lion Tour	\$ 400
Coorow Seniors Expo	\$ 200
Leeman Progress Assoc - Citizen of the year function	\$ 200
Green Head Anzac Day Service	\$ 300
Leeman Anzac Day Service	\$ 300

Note: These minutes have yet to be confirmed.

St John Ambulance - Leeman	\$ 500
Green Head Bowling Club	\$ 2,500
Other	\$ 1,000
Total	\$ 6,700

VOTING REQUIREMENT

Simple Majority

OFFICER RECOMENDATION:

That Council considers the Draft Budget 2008/09.

RESOLUTION: 2008-080

Moved: Cr Waite

Seconded: Cr Rackemann

That:

1. the CEO present to Council an amended draft budget with the following amendments; and

<u>Take out Items</u>	
Ride on Mower	\$ 25,500.00
Wann Park Tanks - Reduce to liner	\$ 10,000.00
Grader Utility	\$ 18,000.00
Grader - Loan Funded	
Dee Street Sub Division Drainage	\$ 21,000.00
Additional Town Crew	\$ 55,469.00
Truck Repayments	\$ 29,876.00
CEDO Position	\$ 51,188.00
Deficit / Surplus	\$ 118,589.00
	-\$ 118,589.00
<u>Add back in</u>	
Truck purchase	\$ 144,350.00
Other Donations	\$ 4,000.00
Coorow District Hall Re-roofing	\$ 44,000.00
Deficit / Surplus	\$ 73,761.00
<u>Additional Income</u>	
Additional FAGS	-\$ 22,028.00
Extra Interest on SSL	-\$ 7,338.00
Cliff Park Power and Reticulation	-\$ 20,000.00
Deficit / Surplus 2008/09 Budget	\$ 24,395.00

2. Council hold a special budget meeting on 2 July 2008 at the Coorow District Hall commencing at 6.30pm to adopt the 2008/09 Budget.

CARRIED 8/0

11. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN:

Nil.

12. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION:

Nil.

14. DATE OF NEXT MEETING:

14.1 SPECIAL BUDGET MEETING

Wednesday 2 July 2008 at the Coorow District Hall from 6.30pm.

14.2 ORDINARY MEETING OF COUNCIL

Wednesday 16 July 2008 at the Coorow District Hall from 3.00pm.

15. CLOSURE:

There being no further business the President, Councillor Girando closed the meeting at 2.40pm.