

# **CITY OF COCKBURN**



## **SPECIAL COUNCIL**

## **AGENDA PAPER**

**FOR**

**THURSDAY, 18 JUNE 2009**

# CITY OF COCKBURN

## SUMMARY OF AGENDA TO BE PRESENTED TO THE SPECIAL COUNCIL MEETING TO BE HELD ON THURSDAY, 18 JUNE 2009 AT 7:00 PM

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## **CITY OF COCKBURN**

### **AGENDA TO BE PRESENTED TO THE SPECIAL COUNCIL MEETING TO BE HELD ON THURSDAY, 18 JUNE 2009 AT 7:00 PM**

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- 1. DECLARATION OF MEETING**
  
- 2. APPOINTMENT OF PRESIDING MEMBER (If required)**
  
- 3. DISCLAIMER (To be read aloud by Presiding Member)**

Members of the public, who attend Council Meetings, should not act immediately on anything they hear at the Meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.
  
- 4. ACKNOWLEDGEMENT OF RECEIPT OF WRITTEN DECLARATIONS OF FINANCIAL INTERESTS AND CONFLICT OF INTEREST (by Presiding Member)**
  
- 5. APOLOGIES & LEAVE OF ABSENCE**
  
- 6. PUBLIC QUESTION TIME**
  
- 7. DECLARATION BY COUNCILLORS WHO HAVE NOT GIVEN DUE CONSIDERATION TO MATTERS CONTAINED IN THE BUSINESS**

**8 (SCM 18/06/2009) - PURPOSE OF MEETING**

The purpose of the meeting is to adopt:

- (1) the Differential Rates for 2009/10;
- (2) the Business Plan for 2009/10; and
- (3) the Municipal Budget for 2009/10.

**9. COUNCIL MATTERS****9.1 (SCM 18/06/2009) - DIFFERENTIAL RATES FOR 2009/10 - MUNICIPAL BUDGET 2009/10 (5402) (S DOWNING) (ATTACH)**

<b>RECOMMENDATION</b>		
That Council:		
(1) adopt the following table of rates and charges for 2009/10:		
<b>Category</b>	<b>Minimum Rate \$</b>	<b>Rate in \$</b>
Residential Improved/Building WIP	550.00	0.058692
Residential/Vacant	550.00	0.077250
Commercial/Industrial Improved	818.00	0.070288
Commercial/Industrial Vacant	818.00	0.111563
Large Commercial/Industrial Improved	818.00	0.080588
UFL Residential Improved	568.00	0.060339
UFL Residential Vacant	568.00	0.095366
Resources – General	569.00	0.001612
Rural – General	569.00	0.001612
Rural/Resources – Commercial / Industrial	818.00	0.001612
Rural/Resources – Large Commercial/Industrial	818.00	0.001790
Rural/Resources – Vacant Land	827.00	0.002700
UFL Rural	818.00	0.001612
UFL Rural Specified Area Rate - Port Coogee Special Maintenance	100.00	0.010000
(2) the charges for rubbish services be as follows:		
1. The Rubbish Collection Charge be levied at \$325.00 per assessed collection service for a weekly rubbish collection.		
2. The Rubbish Collection Charges be levied for non-rateable properties at an annual rate of \$400.00 per		

assessed service for a weekly collection.

3. The new rubbish services commencing during the year 2009/10 be levied a mobile bin service charge of \$27.00 and a pro-rata charge based on \$325.00 p.a.
  4. Provision of a second MSW MGB Service at \$185 p.a..
  5. Provision of a second recycling service at \$80 p.a..
  6. Six monthly hire of MSW MGB at \$100.
  7. Six monthly hire of Recycling MGB at \$50.
  8. Monthly hire of MSW MGB at \$25.
  9. Monthly hire of Recycling MGB at \$15.
- (3) offer payment options for Rates and Service Charges of:
1. Pay in full.
  2. Pay in two instalments.
  3. Pay in four instalments.
- provided that in all cases the first payment must be received within thirty-five(35) days of the issue date of the annual Rate Notice;
- (4) sets the following payment dates for instalment options:
1. Two instalments
    - first payment due 18 August 2009.
    - second payment due 15 December 2009.
  2. Four instalments
    - first payment due 18 August 2009.
    - second payment due 13 October 2009.
    - third payment due 15 December 2009.
    - fourth payment due 16 February 2010.
- (5) charge an administration fee of \$5.00 for the second and subsequent instalments;
- (6) charge an interest rate on instalments of 4.0% p.a.;
- (7) charge an interest rate on late payments of 8% p.a.;
- (8) allow once-off extensions of up to sixty(60) days, where in the

opinion of Council Staff it is reasonable to do so;

- (9) charge instalment interest from the due date, and the administration fee, on once-off extensions;
- (10) impose a Service Charge of \$50.00 per property under Section 6.38(1) of the Local Government Act 1995 on each property owner in the City of Cockburn (except for non-rateable government owned properties) to meet the cost of providing a community Surveillance Service to cover the entire Cockburn district;
- (11) impose a private Pool Inspection Levy of \$19.65 per pool owner under Section 245A of the Local Government (Miscellaneous Provisions) Act 1960.

**TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL**

#### **COUNCIL DECISION**

#### **Background**

Council is required to adopt an annual Budget by 31 August each year.

#### **Submission**

N/A

#### **Report**

The recommendations shown above relate to the rate in the dollar to be charged, rubbish service charges, discount, payment options and penalty interest rates in the proposed Budget for 2009/10, as well as Service Charges in respect of the Community Surveillance Service and Pool Inspection Levy.

#### **Waste Service Levy**

The City has adopted a range of fees and charges for its waste services to provide additional flexibility to its users as a means of improving waste recovery and minimizing waste to landfill. The range of fees enables users to structure their service delivery to meet the demands of their waste generation whilst minimizing costs.

### Advertising of Differential Rates

The City advertised the Differential Rates on 21 April 2009, with submissions closing on 12 May 2009.

The City advertised differential rates with a proposed increase for all rating categories of 3.5%. The rates to be adopted through this budget are for a 3% rate increase across all rating categories.

A lower rate was believed to be in the interests of all ratepayers and as such the early payment discount has been recommended so that a lower rate could be achieved for all ratepayers.

The City received one submission. A copy of the submission is contained within the attachments as is the City's response.

### Advertising Specified Area Rate

The City advertised the Specified Area Rate for Port Coogee on 21 April 2009, with submissions closing on 12 May 2009.

No responses were received.

## **Strategic Plan/Policy Implications**

### ***Governance Excellence***

- To conduct Council business in open public forums and to manage Council affairs by employing publicly accountable practices.

## **Budget/Financial Implications**

The Budget provides funds for Council's activities in 2009/10. The above recommendations are included in the proposed Budget for 2009/10.

## **Legal Implications**

Section 6.2 of the Local Government Act 1995 requires Council to prepare an annual budget.

## **Community Consultation**

Notice of Intention to levy differential rates and the proposed rubbish collection charge was advertised in the Cockburn Gazette on 21 April 2009 inviting submissions in respect of the proposed rates and charges. One submission was received by the closing date for submissions of 12 May 2009.

**Attachment(s)**

N/A

**Advice to Proponent(s)/Submissioners**

N/A

**Implications of Section 3.18(3) Local Government Act, 1995**

Nil.

**9.2 (SCM 18/06/2009) - CITY OF COCKBURN BUSINESS PLAN 2009/10 (1409) (S DOWNING) (ATTACH)**

**RECOMMENDATION**

That Council adopt the City of Cockburn Business Plan 2009/10, as attached to the Agenda.

**COUNCIL DECISION**

**Background**

Council at its Meeting on 12 June 2008 adopted the Draft Plan for the District 2008 – 2018. The purpose of adopting an annual Business Plan allows for each financial year to be based on the broader Plan for the District. This is done so as to allow ratepayers to have certainty that the Plan for the District is the guiding document governing the financial planning for the City.

**Submission**

Proposed City of Cockburn Business Plan 2009/10.

**Report**

After adoption of the Draft Plan for the District 2008 – 2018, Council is in a position to adopt an updated City of Cockburn Business Plan 2009/10. The Draft Plan sets out the future for the district over the next ten years. The Business Plan concentrates on the activities over the next twelve months, ie. the 2009/10 financial year.



The Business Plan (the Plan) sets out a summary of the activities to be undertaken by Council during the year. The Plan sets out by Division and Service Unit, projects to be undertaken, key performance measures and budgets for income and expenditure. The Annual Report for 2008/09 will report on the actual achievements for the year compared to these project lists, measures and budgets.

### **Strategic Plan/Policy Implications**

#### ***Governance Excellence***

- To conduct Council business in open public forums and to manage Council affairs by employing publicly accountable practices.

Section 2(a) of Policy SC34 – ‘Annual Budget Preparation’ requires the preparation of a Business Plan for the financial year.

### **Budget/Financial Implications**

The Business Plan sets out summary of the budget for 2009/10.

### **Legal Implications**

N/A

### **Community Consultation**

N/A

### **Attachment(s)**

City of Cockburn Business Plan 2009/10.

### **Advice to Proponent(s)/Submissioners**

N/A

### **Implications of Section 3.18(3) Local Government Act, 1995**

Nil.

## **9.3 (SCM 18/06/2009) - ADOPTION OF MUNICIPAL BUDGET 2009/10 (5402) (S DOWNING/N MAURICIO) (ATTACH)**

#### **RECOMMENDATION**

That Council adopt the Municipal Budget for 2009/10, as attached to the Agenda.

**TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL**

**COUNCIL DECISION**

**Background**

Council is required to adopt an annual Budget by 31 August each year. To this end the City generally adopts its budget in June of each year.

**Submission**

N/A

**Report**

The Municipal Budget, in the prescribed format, is attached to the Agenda.

The Municipal Budget for the financial year 2009/10 is proposed to be adopted on 18 June 2009. In addition to the Statutory Budget as required by the Local Government Act 1995 are Schedules covering the Capital Works and Operating Job programs together with the Schedule of Fees and Charges for the new financial year.

The Proposed Budget for 2009/10 is based on the following set of parameters:

Rates

The proposed 2009/10 Budget has been prepared with an increase of 3% in rates for all classes of property in the Municipality.

The early payment rates discount of 5% will not be retained for any class of property because of budgetary constraints and the move by most ratepayers to instalments as a means of paying their rates.

Levies and Service Charges

The Waste Management Service Charge will increase from \$256 to \$325 to offset the higher costs incurred in providing the service. The City has incurred substantial cost increases in its waste program as detailed below:

- A 300% increase in the State Government imposed landfill levy which increases from \$7/tonne to \$28/tonne. This increase equates to a \$10 increase in the service charge.

- an increase in MSW Gate Fees at the SMRC from \$107/tonne to \$155/tonne to accommodate the increases to the State Government imposed landfill levy, a 28% increase in the electricity tariffs. This increase equates to a \$40 increase in the service charge;
- an increase in Gate Fees for recyclables from \$39/tonne to \$100/tonne due to the recent fire and downturn in recyclable commodity prices. This increase equates to \$20 increase in the service charge.

The City intended to introduce a weekly recycling collection, however due to the uncertainty with the recent fire at the SMRC Plant the introduction of this service has now been delayed. The City will continue to provide a fortnightly service to its residents and will ensure that the City maximise recyclables being recovered.

The Community Surveillance Levy is being decreased from \$59 to \$50 a reduction of 15.2%. In addition to providing a security service, the City is reviewing the use of CCTV to complement the service, which is the subject of a report to Council.

The Emergency Services Levy is collected by Council on behalf of the State Government Fire and Emergency Services Authority. The rate in the dollar will rise by an estimated 5.5%, which in turn funds the 8% increase in ESL revenue sought by FESA in the State Government's Budget.

The City is maintaining a Specified Area Rate for the Port Coogee area to cover the additional maintenance required in future years at the 2008/09 rate in the dollar. The rate in the dollar will be 1¢.

The Pool Inspection levy will increase from \$16.50 to \$19.65. This increase will mean that the inspection program will only be funded by owners with pools and not all ratepayers.

All fees raised for levies and service charges are used solely for the purposes they are raised. Any surplus funds are quarantined and placed in an appropriate reserve or restricted fund account at the end of the year.

### Fees and Charges

The City is proposing to increase the majority of fees controlled by Council by CPI, these range from swimming pool fees to halls and community facilities.

The Tip Fees for Henderson Resource Recovery Facility will rise by approximately 28% primarily to accommodate the State Government imposed landfill levy increase of \$21/t for putrescibles waste and \$9/t for inert material (from \$3/t to \$12/t). Based on projected waste

volumes the City will raise in excess of \$4m for the State Government. General operating cost increases have been absorbed to limit the extent of the gate fee increase beyond that imposed by the State Government despite falling commodity prices for recovered products (particularly steel) which will impact on revenue and general increases in operating costs.

The City has a number of fees which will not rise in 2009/10 as a result of the heads of power to amend the fees residing with the State Government who has not authorised any increase in 2009/10. These are statutory fees such as planning, building and health fees and charges.

### Capital Works

The City is proposing to spend \$28.9m on capital works in 2009/10. The new financial year is significant as it will see a number of significant projects commence after extensive planning and design. These projects are:

- Regional Recreational Facility at Success (Year 2)
- Aubin Grove Community Centre and Sporting Facility
- Coolbellup Hub/Community Facility – Refurbishment
- Henderson Material Recovery Facility
- Continued halls and community facilities refurbishment program
- Poore Grove community facilities (with Federal Govt funds)
- Land development

### Carried Forward Expenditure

A number of unfinished works will be carried forward totalling \$10.9m with an estimated \$3.0m works not yet started to also be carried forward. A full list of carried forward works is provided in the Proposed Budget.

### Non-Capital Operating Jobs

The City also funds work on non-capital operating jobs totalling \$1.32m. A schedule of these jobs is attached to the Proposed Budget. This budget has been substantially cut for 2009/10 in a response to falling revenues.

### Payroll

The largest recurring operating cost incurred by the City is the salaries budget. 2009/10 will see an increase in line with the Union Collective Agreement of 4.25%. Coupled with the latter increase, grade increases and new staff the proposed budget for salaries will increase by 6.75%. New staff will include employees for the Interim Seniors Centre, Henderson MRF – Recycle Shop, Landfill and drivers for the new weekly recycling service.

### Loan Funds

The City is proposing to raise a loan of \$4m over two years to fund the expedited construction program of the Regional Recreational Facility at Success. The loan was originally planned for 2008/09 but has been deferred to 2009/10. An application will be submitted to WA Treasury Corporation when the proposed Budget is adopted.

### Reserves

Transfers totalling \$11.38m will be placed into the Council's reserves with \$18.24m being transferred from reserves to fund capital and operating works. The long term plan is to keep on placing surplus funds into reserves to fund the sizeable community infrastructure program as outlined in the Plan for the District.

### New Reserves

The City needs to create a number of new reserves in order to put aside funds that will be paid to the Council in the future:

#### *Community Infrastructure – Development Contributions Reserve*

The City intends to levy land developers a community infrastructure development levy for all new sub-divisions in accordance with regulations issued by the WA Planning Commission. These funds will be used to only fund community infrastructure.

#### *Carbon Pollution Reduction Scheme Reserve (CPRS)*

The Federal Government will pass legislation enacting a CPRS under the auspices of managing all aspects of climate change, in particular emissions from the Henderson Landfill facility. This reserve will contain funds that are levied for the purpose of CPRS including payments to the Federal Government.

#### *Community Surveillance Levy Reserve*

The City currently levies all ratepayers a levy to fund security patrols. Funds that may accrue during the year and are considered surplus need to be quarantined and placed into a relevant reserve. Any surplus funds contained in the reserve can then be used to fund activities in relation to Community surveillance.

#### *Public Open Space (POS) Cash in Lieu*

The City receives funds from third parties for Public Open Space. These funds need to be quarantined from general municipal funds and only be used for public open space purposes.

Proposed Surplus for 2009/10

The proposed surplus for 2009/10 is currently balanced. This is on the assumption that we have a \$202,000 surplus in 2008/09.

**Strategic Plan/Policy Implications**

***Governance Excellence***

- To conduct Council business in open public forums and to manage Council affairs by employing publicly accountable practices.

**Budget/Financial Implications**

The Budget provides funds for Council's activities in 2009/10. The above recommendation adopts the Budget for 2009/10.

**Legal Implications**

Section 6.2 of the Local Government Act 1995 requires Council to prepare an annual budget.

**Community Consultation**

N/A

**Attachment(s)**

Municipal Budget for 2009/10 and associated Schedules.

**Advice to Proponent(s)/Submissioners**

N/A

**Implications of Section 3.18(3) Local Government Act, 1995**

Nil.

**10. (SCM 18/06/2009) - RESOLUTION OF COMPLIANCE (SECTION 3.18(3), LOCAL GOVERNMENT ACT 1995)**

**RECOMMENDATION**

That Council is satisfied that resolutions carried at this Meeting and applicable to items concerning Council provided services and facilities, are:-

- (1) integrated and co-ordinated, so far as practicable, with any provided by the Commonwealth, the State or any public body;

- (2) not duplicated, to an extent Council considers inappropriate, services or facilities as provided by the Commonwealth, the State or any other body or person, whether public or private; and
- (3) managed efficiently and effectively.

**COUNCIL DECISION**

**11. CLOSURE OF MEETING**