

## **ITEM 13.2**

**SHIRE OF QUAIRADING  
SPECIAL MEETING OF COUNCIL  
HELD ON MONDAY 31<sup>ST</sup> AUGUST 2016  
COMMENCING AT 5.02PM**

### **ITEM 1 ATTENDANCE AND APOLOGIES**

|                        |                                      |
|------------------------|--------------------------------------|
| Cr B K Caporn          | Shire President                      |
| Cr WMF Davies          |                                      |
| Cr L R Brown           |                                      |
| Cr J N Haythornthwaite |                                      |
| Cr B McGuinness        |                                      |
| Cr G B Taylor          |                                      |
| Mr G A Fardon          | Chief Executive Officer              |
| Mr A J Merillo         | Deputy Chief Executive Officer       |
| Mr R M Bleakley        | Economic Development Project Officer |

#### **Observer**

Mr J W Haythornthwaite

#### **Apologies**

|                |                  |
|----------------|------------------|
| Cr W E Shenton | Leave of Absence |
| Cr G J McRae   |                  |

### **ITEM 2 ANNOUNCEMENTS BY THE SHIRE PRESIDENT**

Cr Caporn welcomed Councillors, Staff and Observers to the Special Meeting of Council.

“Before we start our meeting, I would like to acknowledge that we are meeting on Noongar land and we pay respect to the original custodians...past, present and future and welcome you all here today for this meeting”.

### **ITEM 3 PUBLIC QUESTION TIME**

No Questions were asked.

### **ITEM 4.1 ADOPTION OF COUNCIL’S BUDGET FOR THE 2016 / 2017 FINANCIAL YEAR**

The Shire President commended the Chief Executive Officer and Senior Staff for the body of work to prepare the Budget Manual.

The Chief Executive Officer spoke to his report and in particular advising Councillors of the need to make an adjustment of \$23,646.00 to the Opening Position as a result of accrued wages for the 2015 / 2016 year being brought to account.

He commented on the adjustment made to Reserves both with the Interest component being reassessed and the variation to the Transfer to the Building Reserve Fund being reduced to counter the Reduced and Confirmed Opening Balance.

The overall effect to Reserves was a reduction in the Closing balance of \$8,515.00.

The Chief Executive Officer also advised Council that both Council’s Accountant Contractor and Mr Russell Barnes from Moore Stephens had indicated that the depreciation rate used on Council’s Road Infrastructure assets was too excessive and should be reviewed to more accurately reflect the Expected Life of the Road Asset and to allow for the Residual Value.

Based on this information, the Depreciation Expense on GL 3762 of \$3,896,503.00 was reduced by \$1,157,603 to \$2,738,900.

Total Depreciation (Schedule 2 and Statutory Budget) was correspondingly reduced from \$4,721,913 to \$3,564,310.

The Chief Executive Officer stated that the reduction in the depreciation figure shown in schedule 12 had no effect on the budget as this was a non cash item and that the only implication the change would have was on the Asset Consumption Ratio as it meant the life of the asset was being extended.

Cr Davies commented on the Minimum Rate being used.

The Chief Executive Officer confirmed that this matter had been discussed at the Draft Budget Meeting where it was resolved to increase the Minimum Rate to \$570.00 this year with a review to be undertaken again next year.

Cr Davies enquired on the proposed loan of \$600,000.00 and if it was subject to any penalties if Council chose to Pay Out the loan early.

The Chief Executive Officer confirmed that the Loan Debenture was for a fixed term and at a fixed rate.

Cr Haythornthwaite commented on the penalty interest charge of 11%pa on Outstanding Rates.

The Chief Executive Officer confirmed that the Interest Rate applied was a Prescribed Maximum Interest Rate.

Cr Haythornthwaite sought clarification on the CBH Rate Exemption.

The Chief Executive Officer advised that CBH were subject to an Ex Gratia Payment Agreement which was based on the holding capacity of the storage facilities both in Quairading and Yoting and annual increases were made in line with Council's Rate Increases.

Cr Davies commented on the need for incentives to encourage early payment of rates.

The Chief Executive Officer advised that a range of Incentive Prizes were again on offer and that they included Vouchers from local Businesses and a 3 month Membership to the Community Gym, also a Family Pass to the Quairading Swimming Pool and was offered to ratepayers if they cleared their rates within the first repayment option being 35 days from the issue date.

**SCM4-16/17 MOVED Cr McGuinness seconded Cr Davies that Council adopt the following Rates, Fees and Concessions:**

**1. Minimum Rates**

**That the Minimum Rate of \$570 apply in respect of all properties throughout the Shire of Quairading for the 2016/2017 year.**

*Options for Payment*

**That Council offers the following options for the payment of Rates in accordance S6.45 (1)(b) of the Local Government Act;**

**Option 1. Payment in Full on or before Friday 14<sup>th</sup> October 2016 before 5.00pm.**

**Option 2. Four Equal Instalments at intervals of two calendar months. Instalment due dates to be: -**

**Friday 14<sup>th</sup> October 2016**

**Wednesday 14<sup>th</sup> December 2016**

**Tuesday 14<sup>th</sup> February 2017**

**Tuesday 18<sup>th</sup> April 2017**

**Option 3. Alternative payment arrangements as agreed to by the Chief Executive Officer and Ratepayer.**

Instalment Interest Charges

**That a 5.5% interest rate be imposed on instalments to apply to the second, third and fourth instalments \$6.45(3).**

Rate Instalment Administration Fee

**That an Administration Fee of \$5.00 be charged for Instalment numbers 2, 3 and 4 under Payment Option No. 2.**

Alternative Payment Option Administration Fee

**Where Option 3 is selected and agreed to, an Administration Fee of \$25.00 be applied to that assessment to recover Administration and Management Costs.**

Interest Charges

**That a Penalty Interest Rate of 11% be imposed on Overdue Rates, Sundry Debtors and Legal Fees (excluding Rubbish Charges), where instalment Option 2 (Rates only) has not been taken up.**

Rubbish Charges

**The following Waste and Recycling Charges apply for the 2016/2017 year:**

- a) **\$245.00 per annum per Rubbish Service which incorporates a weekly removal of one 240 litre Mobile Garbage Bin and fortnightly removal of one 240 litre Recycling Bin.**
- b) **\$245.00 per annum Waste and Recycling Charge for Commercial Properties not serviced with a Mobile Garbage Bin.**
2. **Council adopt the Schedule of Fees and Charges as attached.**
3. **That Council adopt the Annual Budget for the Shire of Quairading for the year ending 30<sup>th</sup> June 2017 incorporating all Rates, Fees, Charges and Penalties be adopted with the raising of the following rates in the Dollar: -**
  - **\$2,044,195 to be raised from Gross Rates Levied in the 2016/2017 Year, being a 5.0% Increase in the Gross Rates Levied in the 2015/2016 Year.**
  - **Gross Rental Values: 14.7354 cents in the dollar.**
  - **Unimproved Values: 1.3262 cents in the dollar.**
4. **That only Variations to Council's 2016 / 2017 Budget by 10% or greater and \$10,000 or more as noted in the Monthly Financial Statements be reported to Council.**

**CARRIED 6/0**

**ITEM 4.2 SALARIES AND WAGES FOR THE 2016/2017 YEAR**

Cr McGuinness queried on the requirement for Council to pass on the 2.4% Fair Pay Decision increase to the Staff.

Cr Caporn advised Council that he had discussed the matter with Council's HR Advisory Service and although there was no requirement by Council to honour the Minimum Wage increase and that it was Common Practice in most Local Governments, the payment of the Wage Decision would account as a Staff Retention Strategy and especially in light of the high cost of Recruitment and the Value of Workforce Stability.

Cr McGuinness sought clarification on the Base Salary offered to the Chief Executive Officer and how it related to the Total Reward Package as defined in the Banding established by the Salaries and Allowances Tribunal.

Further discussion held on Executive Staff Performance based Salary Increases and Comparatives with similar Regional Local Governments.

**SCM5-16/17 MOVED Cr McGuinness seconded Cr Brown that Council, as part of the 2016/2017 Budget, provide the following Salaries and Wages effective 1<sup>st</sup> July 2016:**

- 1. That the Chief Executive Officer, Mr Graeme Fardon, be offered a Gross Annual Salary of \$162,109 per Annum (being Previous Salary of \$158,310 plus 2.4% Increase which includes the Fair Work Commission's Determination) from the 1<sup>st</sup> July 2016. All other current Terms and Conditions of Employment remain unaltered.**
- 2. That the Deputy Chief Executive Officer, Mr Anthony Merillo, be offered a Gross Annual Salary of \$104,150 per Annum (being Previous Salary of \$101,707 plus 2.4% Increase which includes the Fair Work Commission's Determination) from the 1<sup>st</sup> July 2016. All other current Terms and Conditions of Employment remain unaltered.**
- 3. That the Manager of Works and Services, Mr Troy Newick, be offered a Gross Annual Salary of \$103,391 per Annum (being Previous Salary of \$100,968 plus 2.4% Increase which includes the Fair Work Commission's Determination) from the 15<sup>th</sup> October 2016. All other current Terms and Conditions of Employment remain unaltered.**
- 4. That a 2.4% Salaries and Wages Increase (which includes the Fair Work Commission's Determination) be paid to all Council Staff (excluding Executive Staff) to be effective and back paid to the 1<sup>st</sup> July 2016.**

**CARRIED 6/0**

The Chief Executive Officer thanked the Councillors and Committees and fellow Staff Members for the collective effort in preparing and considering the 2016/2017 Budget.

Cr Haythornthwaite requested that next year's Draft Budget discussions commence at 2.00pm and that a Draft Manual be made available at least 6 days prior to the meeting to give Councillors sufficient time to make themselves familiar with its content.

**ITEM 4 CLOSURE**

There being no further business to discuss, the Chairperson thanked Councillors and Staff for their participation in the Special Budget Meeting and declared the meeting closed at 6.11pm.

Confirmed ..... 29/9/16