

# CITY OF ARMADALE

## MINUTES

OF TECHNICAL SERVICES COMMITTEE HELD IN THE COMMITTEE ROOM,  
ADMINISTRATION CENTRE, 7 ORCHARD AVENUE, ARMADALE ON MONDAY,  
2 JULY 2012 AT 7.00 PM.

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**PRESENT:** Cr R Butterfield (Chair)  
Cr D M Shaw  
Cr G A Best  
Cr K Busby  
Cr J H Munn JP CMC  
Cr G Nixon  
Cr L Sargeson

**APOLOGIES:** Nil.

**OBSERVERS:** Cr H A Zelones JP  
Cr J A Stewart

**IN ATTENDANCE:** Mr R S Tame Chief Executive Officer  
Mr K Ketterer Executive Director Technical Services  
Mr G Davies Executive Manager Technical Services  
Mr P Lanternier Manager Parks  
Mr S Asmus Manager Civil works  
Mr C Burne Coordinator Technical Services  
Mr B Sutton Coordinator Waste Services  
Mr N Burbridge Environmental Coordinator  
Ms L Gyomrei Executive Assistant Technical Services  
Ms Y Longridge Administration Support Officer  
Ms S Gasior Minute Secretary  
Ms K Norrish Communications Manager  
Ms F Cleak Media and Communications Officer

**PUBLIC:** Nil.

*“For details of Councillor Membership on this Committee, please refer to the City’s website  
– [www.armadale.wa.gov.au/your\\_council/councillors](http://www.armadale.wa.gov.au/your_council/councillors).”*

## **DISCLAIMER**

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The Disclaimer for protecting Councillors and staff from liability of information and advice given at Committee meetings was not read as there were no members of the public in attendance.

## **DECLARATION OF MEMBERS' INTERESTS**

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Nil.

## **QUESTION TIME**

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Nil.

## **DEPUTATION**

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Nil.

## **CONFIRMATION OF MINUTES**

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### **RECOMMEND**

**Minutes of the Technical Services Committee Meeting held on 6 June 2012 be confirmed.**

**Moved Cr D M Shaw  
MOTION CARRIED (7/0)**

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## TECHNICAL SERVICES COMMITTEE

2 JULY 2012

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***1.1 - TECHNICAL SERVICES DIRECTORATE DRAFT BUDGET 2012-2013***

WARD : ALL  
FILE No. : M/436/12  
DATE : 27 June 2012  
REF : KK  
RESPONSIBLE : Executive Director  
MANAGER : Technical Services

**In Brief:**

- Consideration of the 2012-2013 Draft Budget for the Technical Services Directorate, as presented to and amended by Committee, be referred to the City Strategy Committee for consideration.
- **Recommend:**  
That Council approves the Technical Services Directorate Draft Budget, and refers this to the Special City Strategy Committee Meeting to be held on 31 July 2012 (the business of that meeting being to make recommendation to Council on the 2012-2013 Annual Budget and Plan for the Future). This Draft Budget to be considered for inclusion in Council's 2012-2013 Annual Budget, as presented and distributed separately to this report.

**Tabled Items**

Nil.

**Officer Interest Declaration**

Nil.

**Strategic Implications**

- 4.6 Financial sustainability and accountability for performance.
- 4.6.1 Provide financial services to support cost effective Council operations and service delivery.
  - 4.6.2 Actively pursue alternative sources of revenue for Council's assets and operations.
  - 4.6.3 Develop and maintain long term financial planning, management, and reporting, to ensure resources are provided to deliver services and manage Council's assets.
  - 4.6.4 Investigate opportunities for efficiency gains and cost savings across the organisation.

**Legislation Implications**

General assessment of relevant legislation (eg Local Government Act) has not revealed any restrictions).

### **Council Policy/Local Law Implications**

General assessment has not revealed any applicable Policies/Local Laws.

### **Budget/Financial Implications**

2012-2013 Draft Budget, as directed by the 15 Year Financial Plan.

### **Consultation**

This report follows on from the work undertaken at previous MANEX meetings, and prior Councillor workshops, relating to the City's Strategic and 15 year Financial Plans.

## **DETAILS OF PROPOSAL AND COMMENT**

Committee is referred to the 2012-2013 Draft Budget Report for the Technical Services Directorate and supporting documentation relating to the responsibilities of this Committee (refer Technical Services Draft Budget circulated separately).

### **Budget**

The task of the Committee is to:

- Be satisfied that the directions reflected by the range of the services and programs to be provided in 2012-2013 are both warranted and acceptable.
- Evaluate and confirm the reasonableness of the revenue and expenditure estimates relating to each of the services and programmes proposed for the 2012-2013 Financial Year.
- Consider the list of currently unfunded proposals with a view to determining which, if any, of these proposals should be recommended to the City Strategy Committee for prioritisation with the Draft Budget.

### **Committee Discussion**

*The Executive Director Technical Services provided an overview of the Technical Services Directorate Draft Budget for 2012/2013. The Committee then proceeded through the Draft Budget document page by page, with the following matters discussed.*

1. *The table on page 5 of the Draft Budget document was updated to represent the latest figures as at 2 July 2012.*
2. *Clarification was required in relation to the costs, as presented in the tables of the Draft Budget document, namely:*

- *The Executive Director explained that the costs listed under “Accounting” were related to internal cost allocations assigned to the on-costs within departments.*

*These costs are charged as an “on-cost” to the labour costs, and are generally in the order of 90% of labour costs. These costs represent indirect cost of the operations, and are associated with management costs, office operating expenditure, training, etc.*

- *Further clarification was provided in relation to costs within the category of “Projects/Works”, with the Executive Director explaining that these costs were related to the maintenance operations and normal works associated with each specific department.*
- *There were a range of queries relating to “Employment” costs, with the Executive Director advising that these sometimes varied from previous years due to the internal restructuring of the Technical Services Directorate, as described in the introductory pages of the Draft Budget document. In this regard, there was a specific query relating to the employment figures for Property Services, where a subsequent error was found.*
- *Following queries in relation to the “Income” figures presented for the engineering departments, the Executive Director advised that these related to income generated through charges made for the time of professional staff working on projects which are funded from external funds or from grant funding. This in effect placed a lesser burden on municipal funding demands.*
- *In relation to funding for a footpath on Ranford Road, the Executive Director advised that this was funding allocated through the Perth Bike Network (PBN) funding grant, and was to be used for the construction of a footpath on Ranford Road. However, should the funding for the dualling of Ranford Road not realise in the 2012/2013 Financial Year, and it becomes impractical to construct the footpath, then this funding would be either returned to PBN, or preferably a request lodged to reallocate the funds to another project in Armadale.*

*Cr J H Munn left the Meeting between 8:05pm and 8:08pm, with Cr D M Shaw leaving between 8:08pm and 8:11pm.*

*Clarification in relation to the costs, as presented in the tables of the Draft Budget document continued as follows:*

- *The large increase in “Accounting” for Support Services was queried, with the Executive Director undertaking to investigate. It has been resolved that this amount represents the “non-cash” expense item of depreciation, which is yet to be included in this Draft Budget, and which represents the cash requirements at this stage.*

*The Draft Budget to be finally presented to Council will include the depreciation allocation, and it is anticipated that the final figure will be more aligned to previous years' figures.*

- *Queries were raised as to the costs included under "Other Expenses". The Executive Director provided the following explanations for the various categories and departments:*

***Operational Department***

*(Civil Works, Parks, Property, Waste)*

- *Material Cartage*
- *Expendable Material*
- *Support Service Allocation*

***Client Services***

*(Administration, Asset Management, Engineering Design, Subdivisions)*

- *Street Lighting Works*
- *CCTV Operations and Maintenance*
- *Crossover Subsidies*
- *Graffiti Management*
- *Software/Hardware*

***Support Services***

- *Insurances*
- *Fuel, Oils, and Tyres*
- *Replacement Parts/Repairs*
- *Expendable Material*
- *Support Service Allocation*

*Cr J A Stewart retired from the Meeting at 8:35pm.*

*Committee discussion continued in relation to the following matters:*

- 3 The Committee queried the recommended additional charge for the management of greenwaste collections in the Hills areas, as detailed under "Fees and Charges" on page 9 of the Draft Budget. The Committee expressed their concern with the zones for the application of additional charges. A range of options were discussed, and the Executive Director undertook to present some alternatives to facilitating this recommended additional greenwaste charge.*
- 4. The "Unfunded Proposals" list was discussed, with the Committee recommending amendments to priorities and inclusions. The Executive Director undertook to reflect these amendments in the final document to be presented to Council on 9 July 2012.*

5. *A range of minor wording amendments were recommended by the Committee, with the Executive Director also undertaking to incorporate these in the document to be considered by Council on 9 July 2012.*

#### **ATTACHMENTS**

1. Technical Services - Draft Budget Report. Available in separate enclosure document

#### **T39/7/12 RECOMMEND**

**That Council approves the Technical Services Directorate Draft Budget, as amended, and this be referred to the Special City Strategy Committee Meeting to be held on 31 July 2012 (the business of that meeting being to make recommendation to Council on the 2012-2013 Annual Budget). This Draft Budget to be considered for inclusion in Council's 2012-2013 Annual Budget, as presented and distributed separately to this report.**

**Moved Cr D M Shaw  
MOTION CARRIED (7/0)**



***COUNCILLORS' ITEMS***

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Nil

***EXECUTIVE DIRECTOR TECHNICAL SERVICES REPORT***

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Nil

**MEETING DECLARED CLOSED AT 9:03pm**