

CITY OF ARMADALE

MINUTES

OF SPECIAL TECHNICAL SERVICES COMMITTEE HELD IN THE COMMITTEE ROOM, ADMINISTRATION CENTRE, 7 ORCHARD AVENUE, ARMADALE ON WEDNESDAY, 8 JUNE 2016 AT 7:00PM.

PRESENT:

| | |
|--------------------|--------------------|
| Cr C Frost (Chair) | |
| Cr K Busby | |
| Cr R Butterfield | |
| Cr L Sargeson | |
| Cr J A Stewart | |
| Cr C M Wielinga | Deputy to Cr Nixon |

APOLOGIES:

| | |
|-------------------------------|---------------------------|
| Cr G Nixon (Leave of Absence) | |
| Cr G Best | |
| Mr M Vermeulen | Manager Assets Management |

OBSERVERS:

| | |
|-------------|--|
| Cr M Silver | |
|-------------|--|

IN ATTENDANCE:

| | |
|------------------|---------------------------------------|
| Mr R Tame | CEO |
| Mr K Ketterer | Executive Director Technical Services |
| Mr G Davies | Executive Manager Technical Services |
| Mr T Maxwell | Executive Director Corporate Services |
| Mr C Wansbrough | Manager Subdivisions |
| Mr J Le Roux | Manager Waste Services |
| Mrs M Foster-Key | Manager Civil Works |
| Mr N Burbridge | Manager Environmental Services |
| Mr P Lanternier | Manager Parks |
| Mr P Penter | Manager Property Services |
| Mr S Asmus | Manager Engineering & Design |
| Mr M Hnatojko | Coordinator Finance & Administration |
| Mrs A Owen-Brown | Minute Secretary |

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.”

DISCLAIMER

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

DECLARATION OF MEMBERS' INTERESTS

Nil.

QUESTION TIME

Nil.

DEPUTATION

Nil.

BUSINESS OF THE MEETING

- 1. Technical Services Directorate 2016/17 Draft Budget**

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SPECIAL TECHNICAL SERVICES COMMITTEE

8 JUNE 2016

1. BUDGET

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1.1 - TECHNICAL SERVICES DIRECTORATE 2016/17 DRAFT BUDGET

WARD : ALL
FILE No. : M/281/16
DATE : 25 May 2016
REF : MH/KK
RESPONSIBLE : Executive Director
MANAGER : Technical Services

In Brief:

- This Report presents the 2016/17 Draft Budget for the Technical Services Directorate.
- The Report recommends that the Draft 2016/17 Budget Report as presented (with or without modifications made by Committee/Council) be referred to the Special meeting of the City Strategy Committee to be held on 28 June 2016 (the business of that meeting being to recommend to Council the 2016/17 Annual Budget), for consideration and inclusion in Council's 2016/17 Annual Budget.

Tabled Items

Nil.

Officer Interest Declaration

Nil.

Strategic Implications

4. Good Governance and Management

4.6 Financial sustainability and accountability for performance.

4.6.1 Provide financial services to support cost effective Council operations and service delivery.

4.6.3 Develop and maintain long term financial planning, management and reporting, to ensure resources are provided to deliver services and manage Council's assets.

Legislation Implications

Section 6.2 of the *Local Government Act 1995* refers, ie.

6.2. Local government to prepare annual budget

- (1) *During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt*, in the form and manner prescribed, a*

budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.

- (2) *In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56 and to prepare a detailed estimate for the current year of—*
- (a) *the expenditure by the local government;*
 - (b) *the revenue and income, independent of general rates, of the local government; and*
 - (c) *the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.*
- (3) *For the purposes of subsections (2) (a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.*

Council Policy/Local Law Implications

Nil.

Budget/Financial Implications

In accordance with the agreed 2016/17 Budget Adoption Timetable, this Report presents the 2016/17 Draft Budget for the Technical Services Directorate for Committee's consideration and recommendation.

Consultation

This report is informed by:

1. Councillor Workshops held over the last (2) months relating to the City's Strategic Community Plan, Corporate Business Plan, Long Term Financial Plan, Workforce Plan and Asset Management Plan;
2. A meeting of the Rating Review Working Party; and
3. Meetings of the Management Executive.

DETAILS OF PROPOSAL AND COMMENT

Committee is referred to the Draft 2016/17 Budget Report as attached. (Refer to Attachment circulated separately.)

Committee's task in considering the attached Draft Budget Report is:

- To consider and confirm the key actions as reported for implementation during 2016/17;
- To consider and confirm the reasonableness of the revenue and expenditure estimates as relating to each of the services and programs proposed for the 2016/17 year;
- To consider/identify whether there are any other budget matters arising, that Committee would recommend as a priority for inclusion in the draft budget, should funding levels subsequently allow.

Committee is also referred to the Kelmscott Hall Upgrade report in the Technical Services Committee Meeting Agenda of 30 May 2016. The minutes of the 30 May meeting on this matter will report the following recommendation to the June 13 Council Meeting, i.e.

That Council:

1. *Accepts the Report re: proposal to upgrade the Kelmscott Hall.*
2. *Pursuant to section 6.8 of the Local Government Act 1995,*
 - (a) *Authorises* the following expenditure, ie.*
 - *Kelmscott Hall Upgrade \$880,900; and*
 - (b) *Accordingly, amends the 2015/16 Annual Budget as follows:*
 - *Increase Kelmscott Hall Upgrade expenditure budget from \$380,900 to \$880,900; and*
 - *Decrease Master Planning Implementation expenditure budget from \$500,000 to \$0.*

**Absolute Majority Resolution Required*

3. *Approves the proposed funding of \$453,000 in 2016/17 for Master Planning Implementation purposes being allocated to the Kelmscott Hall Upgrade project, and that this matter be considered at the Special Technical Services Committee on 8th June 2016 when Committee makes recommendation to Council on the Draft 2016/17 Technical Services Directorate Budget.*

CONCLUSION

That Committee recommends the 2016/17 Draft Budget Report as presented, with one modification, for referral to the Special meeting of the City Strategy Committee to be held on 28 June 2016.

Committee Discussion

Executive Director Technical Services (EDTS) presented an overview of the Report. This presentation provided an overview of the financial details of the Budget Report as well as an overview of each of the departmental responsibilities, programs and activities. Directorate Managers provided responses to general questions on their departmental activities.

The Committee proceeded to work through the Draft Budget booklet where a number of general queries were raised by the Committee with responses provided by Officers as follows:

Page 10 – Inclusions from the Councillor Workshop Feedback

Clarification was provided on the inclusion of the table on page 10 which detailed all additional projects to be included in the 2016/17 Technical Services Budget as discussed by Council during the Budget Workshop processes. It was clarified that the funding for these projects had already been included in the Long Term Financial Plan and that additional funding for these projects was not being sought.

Page 12 – Civil Works – Projects/Works:

A question was raised as to the make up of the \$4,200,300 expense for Projects/Work.

Manager Civil Works responded by outlining the breakdown of the works carried out that made up the \$4.2M figure including fix/replace/renew/sweep/clean City infrastructure assets.

Page 12 – Civil Works – Capital Expense – Inclusion of Additional Project

The EDTS requested that the Committee include in the Draft Budget the following project which is funded from the Development Contribution Scheme (DCS).

Expense:

Nicholson Road Upgrade Stage 4 - \$5,500,000

Income:

DCS Nicholson Road Upgrade Stage 4 - \$5,500,000

Page 14 – Parks – Projects/Works:

A question was raised regarding the requirement for an amount of \$8,200,000 for this purpose.

The Manager Parks responded in detail that this funding was required for the operation and maintenance activities of all parks and reserves.

Page 15 – Property – Facilities

A question was raised regarding the breakdown of the expenditure of approximately \$4.8M for this purpose.

The Manager Property Services referred to the details as provided earlier in a separate communication to Councillors but undertook to provide additional information with a breakdown detailing expenditure on the various categories of buildings in the Property Services portfolio.

Page 15 – Property – Other Expenses

The EDTS pointed out a misallocation of an amount of \$222,000 under this category of expense which should have been allocated to Parks under Parks – Project/Works.

Page 16 – Depot Management – Other Expenses

A query was raised regarding allocation of \$2.2M for this purpose.

The EDTS explained that these were cost mainly related to the mechanical workshop for fuel, tyres, servicing, etc.

Page 17 – Waste – Project/Works

A query was raised regarding allocation of \$11.8M for this purpose.

The details were unavailable at the meeting and the EDTS undertook to provide a breakdown of the various activities such as collection, recycling, disposal, etc.

Page 18 – Roads Intersection Upgrade – Canning Mills Road/Chevin Road

A question was raised on this matter as to the requirement for this work.

The Manager Engineering & Design responded that the intersection street furniture was regularly damaged mainly by large vehicles being unable to take the tight turn. The work required would improve the geometry of the intersection as well as improved sight lines to improve safety.

Page 19 – Bush Shelters New

A query was raised as to why some bus shelters were listed for a cost of \$7,500 and others for \$15,000.

The Manager Engineering & Design explained that the Public Transport Authority provided 50% of the cost of approved bus shelters requiring the City to provide the other 50%. The normal full cost of a bus shelter is \$15,000.

Page 20 – Civil Works – Pathways:

Committee discussed the pathways works at length regarding a proposal to increase the allocation to the Brookton Highway to complete the works in the 2016/17 financial year between Soldiers Road and Croydon Road. It was further suggested that four other pathways in the same Ward be deleted in order to free up the funding for this increased allocation.

After discussion and as all the pathways scored approximately the same, this proposal was accepted by the Committee.

Page 21 – Parks – Champion Lakes Public Beach – Playgrounds

Cr Stewart raised the matter that this location was sometimes subject to high levels of vandalism and requested that any play equipment installed be of a more durable construction.

Cr Jim Stewart left the meeting, the time being 08:21 PM

Cr Jim Stewart returned to the meeting, the time being 08:23 PM

Page 22 – Parks – Flora New

A question was raised as to whether the allocation for landscaping Warton Road to an amount of \$450,000 was the final allocation to this project.

This was responded to in the affirmative.

A further question was raised clarifying the \$50,000 for Entry Statements.

The EDTS responded in that a report would be submitted to Council on Entry Statements as to style and form. Clarification would be thereafter be gained as to the form of Entry Statements and the possible inclusion of structures, signage and landscaping. This allocation of \$50,000 would be combined with the carried forward amount of \$50,000 from 2015/16 and would be considered for implementation following the consideration of the above report.

Page 22 – Parks – Fixtures and Structures Renewal

In response to a question as to whether Council should be responsible for the renewal of the Palomino Equestrian facility boundary fence, the Manager Parks clarified that this was part of the City's asset portfolio and the reasonability of the City to renew.

Page 22 – Lighting Renewal John Dunn

Clarification was sought as to whether the provision of \$625,000 for this project could be withdrawn or possibly provided through loan funding in order to reduce the impost on rates in the 2016/17 financial year.

The EDCS explained that the funding for this project was already through a loan and that the funding impost was limited to the loan repayments over a five year loan period. The ability to reduce rates was therefore limited.

In addition this project was to be partially funded through a Department of Sport and Recreation Grant to an amount of \$367,000 which further limited the ability to lower the rates.

Page 23 – Property – Pavilions New

In response to a question on the necessity for the retaining wall on the pathway at Lance Morgan Pavilion, the Manger Property Services explained that this was dictated to by OHS requirements.

Page 23 – Property – Education and Historic New

In response to a question as to the additional storage facilities at Seville Grove Library, the manager Property Services detailed the requirements and scope of the project.

Page 24 – Property –Operational Facilities Renewal

In response to a question on the replacement on the air conditioning in the Administration Centre, the Manager Property Services detailed the risk that the City is currently operating under with the air conditioning system approaching 20 years old, should breakdowns occur, leaves a high probability that the required spare parts would be unavailable and that the system could be out of operation for up to four months at a time. This was deemed to be an unacceptable risk.

Page 24 – Property – Public Halls Renewal

In response to the necessity to replace the timber floors in Bakers House, the Manager Property Services explained that the house had been constructed with second hand

floorboards which had been planed to below optimal thickness causing puncturing of the surface by high heels and chairs and could in the future cause an OHS risk.

Page 25 – Property – Pavilions Upgrade

In response to a question as to the additional storage facilities at Creyk Pavilion, the Manager Property Services detailed the requirements and scope of the project.

Page 25 – Sporting Facilities Upgrade

In response to a question as to whether the pool tiles had not recently been replaced, the Manager Property Services confirmed that the tiles had been replaced approximately two years ago but that no expansion joint had been provided in the floor of the pool which is causing further damage to the tiles. This work proposed would hopefully rectify this situation.

Pages 17 & 30 – Waste – Fees and Charges

There was extensive discussion regarding the Residential Waste Charge increase of \$25 per annum with a proposal that this be decreased by \$5.

The impact of this proposal was provided by the EDTS in that this would result in a reduction in revenue for Waste Services of \$150,000 (30,000 service points) and a subsequent reduction in capital expenditure of \$150,000 as well.

The Chair recessed the meeting at 9:15 PM in order for the recommendations to be drafted.

Meeting resumed at 9:20 PM

The recommended modifications to the draft budget document are explained as follows:

Modification 1

This modification recommends an increase in funding to the Kelmscott Hall Upgrade Project through the allocation of the funding provision of Master Planning implementation as provided for in the long term financial plan. This was considered at the Technical Services Committee meeting held on 30 May 2016 where this recommendation was supported.

Modification 2

As informed by the EDTS, the Nicholson Road project was inadvertently omitted from the Draft Technical Services budget and is recommended for inclusion. This project is funded through the DCS and inclusion will have no impact on municipal funding.

Modification 3

The proposal to construct the pathway along Brookton Highway between Soldiers Road and Croydon Road as a continuous project has merit and is supported. The deletion of projects in the Jarrah Ward to provide the opportunity to reallocate funds for this continuous construction is supported. As a result the funding of the Brookton Highway footpath is to be increased to \$321,300 and the footpaths on Chevin Road, Northward Road, Russelia Way and Urch Road are to be deleted.

Modification 4

In response to a Councillor question, an inadvertent misallocation of operation funding was determined which required rectification. An amount of \$222,000 is recommended for removal from Property – Other Expenses and reassigned to Parks – Projects/Works.

Modification 5

In response to a desire to reduce the cost impost on residents for waste charges a recommendation for reduction of the rate by \$5 was proposed.

This would have an impact of reduction in revenue for waste services of approx. \$150,000 and would also require the deletion of capital projects to an amount of \$150,000 as well.

T34/6/16 RECOMMEND

That Council refers the Draft 2016/17 Technical Services Directorate Budget Report as presented with the following modifications, to the Special meeting of the City Strategy Committee to be held on 28 June 2016 (the business of that meeting being to recommend to Council the 2016-2021 Corporate Business Plan and Annual Budget), for consideration and inclusion in Council's 2016/17 Annual Budget.

Modification 1 – Page 10

- **Delete Master Planning Implementation - \$453,000**
- **Add Kelmscott Hall Upgrade - \$453,000**

**Moved Cr C Wielinga
MOTION CARRIED (6/0)**

T35/6/16 Modification 2 – Page 12

- **Increase Capital Expense Roads by \$5,500,000, ie. Nicholson Road (from \$9,023,315 to \$14,523,315)**
- **Increase Revenue Grants/Contributions by \$5,500,000, ie. Developer Contribution Scheme funding (from -\$1,238,000 to -\$6,738,000)**

**Moved Cr C Wielinga
MOTION CARRIED (6/0)**

T36/6/16 Modification 3 – Page 18 - Civil Works

- **Increase Capital Expense Pathway Brookton Highway (Soldiers Rd to Croyden Rd) by \$220,500, ie. from \$100,800 to \$321,300**
- **Delete the following Capital Expense Pathways works in lieu of the Brookton Highway Pathway increase, ie.**
 - **Chevin Road (existing Books Rd to Holden Rd) - \$75,600**
 - **Northward Road (Westborne Rd to Kurrajong) - \$34,650**
 - **Russelia Way (existing to opposite 19 Hawkstone Rd) - \$39,375**
 - **Urch Road (existing contour to house no. 92) - \$70,875**

**Moved Cr C Wielinga
MOTION CARRIED (6/0)**

T37/6/16 Modification 4 – Pages 14 & 15

- **Property – Other Expenses – reduce by \$222,000, ie. from \$243,200 to \$21,200**
- **Parks – Projects/Works – increase by \$222,000, ie. from \$8,241,800 to \$8,463,800**

**Moved Cr C Wielinga
MOTION CARRIED (6/0)**

T38/6/16 Modification 5 – Pages 30 and 17 – Waste

- **Page 30 - Reduce the proposed Residential Domestic Recycling & Waste charge by \$5, ie. from \$363 to \$358, and accordingly,**
- **Page 17 – reduce Fees & Charges revenue by \$150,000, ie. from \$13,805,850 to \$13,655,850, and**
- **Page 17 – reduce Capital Expense by \$150,000, ie. from \$910,000 to \$760,000 (Page 28 - Asphaltting of internal roads at the Hopkinson Rd Waste Facility - \$150,000)**

**Moved Cr C Wielinga
Seconded Cr Butterfield
Opposed Cr Busby**

There was an equality of votes (3/3). In accordance with Section 5.21 of the *Local Government Act 1995*, the Chair then cast their second vote opposing the motion.

MOTION LOST (3/4)

Cr Butterfield requested that her name be minuted as being opposed to the Modification 5 Committee Recommendation.

ATTACHMENTS

1. See Separate Attachment.

MEETING DECLARED CLOSED AT 9:31 PM

| SPECIAL TECHNICAL SERVICES COMMITTEE | | |
|--|--------------------------|-------------|
| SUMMARY OF "A" ATTACHMENTS | | |
| 8 JUNE 2016 | | |
| ATT NO. | SUBJECT | PAGE |
| 1.1 TECHNICAL SERVICES DIRECTORATE 2016/17 DRAFT BUDGET | | |
| 1.1.1 | See Separate Attachment. | 15 |

Technical Services Directorate 2016/17 Draft Annual Budget

See Separate Attachment