

CITY OF ARMADALE

MINUTES

OF CITY STRATEGY COMMITTEE HELD IN THE COMMITTEE ROOM,
ADMINISTRATION CENTRE, 7 ORCHARD AVENUE, ARMADALE ON TUESDAY,
10 JUNE 2003, AT 7.00 PM.

PRESENT:

Cr G M Hodges (Chair)
Cr V L Clowes-Hollins
Cr A L Cominelli JP
Cr D L Hopper JP
Cr J H Munn JP CMC
Cr L Reynolds JP
Cr H A Zelones JP

APOLOGIES:

Nil

OBSERVERS:

Cr P J Hart
Cr J Knezevich
Cr G T Wallace

IN ATTENDANCE:

Mr R S Tame - Chief Executive Officer
Mr A F Maxwell - Executive Director Corporate Services
Mr W A Bruce - Executive Director Technical Services
Mr I MacRae - Executive Director Development Services
Mrs P Walker - Acting Director Community Services
Mr N Cain - Executive Manager Business Services
Mrs S D'Souza - CEO's Executive Assistant

Public - Nil

DISCLAIMER

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

DECLARATION OF MEMBERS' INTERESTS

Nil

QUESTION TIME

Nil

DEPUTATION

Nil

CONFIRMATION OF MINUTES

RESOLVED

**Minutes of the City Strategy Committee Meeting held on 13 May 2003,
be confirmed.**

ITEMS REFERRED FROM INFORMATION BULLETIN

INFORMATION BULLETIN – ISSUE NO.11/2003

The following items were included for information in the “City Strategy section”

- Progress Report on Contingency, Operational and Strategic Projects
- Report on Outstanding Matters

Committee noted the information. No items were raised for further report

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CITY STRATEGY COMMITTEE

10 JUNE 2003

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STRATEGIC PLAN REVIEW

WARD : All
FILE REF : MAN/3
DATE : 4 Jun 2003
REF : RST
RESPONSIBLE : Chief Executive
MANAGER : Officer

In Brief:-

- In 2001 a review of the 1998 Strategic Plan was undertaken.
- Various members of the community, staff and councillor forums have been held.
- Resultant Draft “Working Document” considered too “wordy” but formed the basis for two substantial reviews of the 5 Year Plan.
- In January 2003 Council’s consultant reviewed the Draft and there are currently three versions of the Plan – 33 page “full” version, 20-page “abbreviated” version and a reader-friendly public version.
- The next step is to update the estimates and timeframes with the most recent Budget and Five Year Plan decisions.
- It is recommended that following the final review the Strategic Plan be released early in the Financial Year.

Tabled Items

Nil.

Officer Interest Declaration

Nil.

Strategic Implications

Council’s Strategic Plan provides the framework for the City’s direction and new initiatives.

Legislative Implications

Nil.

Council Policy / Local Law Implications

Changes to Strategic direction may involve amendments to policy and local laws.

Budget / Financial Implications

The 2002-2003 Annual Budget includes an amount of \$12,000 for this project

Consultation

Liz Pattison (consultant)
Councillors
Community
Staff

BACKGROUND

The City's Strategic Plan was drafted in 1998 then reviewed in 2001. In late 2001 a substantial review was undertaken and a new Draft Strategic Plan prepared. This Draft considered too detailed and "wordy" for a public version, was used as the basis for two substantial reviews of the Five Year Financial Plan. Council had been concerned that the Strategic Plan as drafted may indicate a public expectation that can't be met by the Five Year Plan.

COMMENT

In January 2003 Council's consultant reviewed the Draft. It was considered that the new Five Year Plan had to be completed and that the new Strategic Plan would be considered for release following the May 2003 election.

There are 2 current "forms" of the Strategic Plan that should be used as the spring-board for a new published version.

- Version-1 The 33 page "full" version which, once \$ estimates and dates are updated in accord with the latest Five Year Plan, should become the Corporate Plan, to be used by Council and staff in reporting, discussion and decision-making.
- Version-2 The 20-page "Abbreviated" version, without \$ estimates, to be used by editorial/publisher to provide a reader-friendly public version.
- Version-3 A graphic draft provided by Key-2 Design showing the form the reader-friendly public version could take.

The next steps proposed are:-

- Step-1 Confirm dates and figures in the "full" Corporate version against the most recent Five Year Plan and other adopted strategies (Recreation, Community, Five Year Works Programme).
- Step-2 Condense the abbreviated version into a presentation public version of 8-16 pages using our style-guide format.
- Step-3 Use the South Perth process of publishing a black & white draft for brief public comment and then final colour publication.

The "full" Corporate draft (32 pages) of the Strategic Plan and the "abbreviated" version (20 pages) have been distributed under separate cover.

Examples of a colour format for publishing will be tabled. It now remains to implement a final review and progress the Strategic Plan to publication early in the new Financial year.

The Chief Executive Officer reiterated the history of the current Strategic Plan and the need for Council and staff to re-address its objectives. Management will need at least 4 weeks to update action plans and estimates in accordance with the Five Year Plan and Budget.

Committee determined that the draft Strategic Plan document required further review by elected members as considerable time had passed since last discussed and many matters have advanced or been superseded by recent Budget decisions. It was suggested that the Plan be discussed at a workshop with councillors and officers to determine directions from here.

CS27/6/03 RECOMMEND

That Council

- 1. note the Draft Strategic Plan and proposed abbreviated form;**
- 2. reconsider the Draft “Corporate Version” following a workshop and subsequent update of estimates and timeframes in accordance with most recent Budget and Five Year Plan decisions;**
- 3. reconsider the Draft public presentation version following appropriate editorial work and adaptation to the City’s new style format.**

Moved Cr Reynolds
Motion Carried (7-0)

2003-2004 COUNCIL DRAFT BUDGET

WARD All
FILE REF: FIN/7
DATE 17 June 2003
REF TM
RESPONSIBLE Acting CEO
MANAGER

In Brief:

- Review of the consolidated 2003-04 Draft Budget following consideration and recommendation by all three Standing Committees.
- Recommendation is that the 2003-04 Council Draft Budget inclusive of the schedule of proposed rates be advertised for public comment.

Tabled Items

2003-04 Proposed Rates Schedule [Refer Attachment A-1 to this Report]

Officer Interest Declaration

Nil

Strategic Implications

Corporate Services - The sound financial management of Council will be measured by:-

- Level of excellence in financial audit reports
- Level of contribution of rates to total revenue
- Affordability of rating levels
- The Council's debt ratio
- The long term financial viability of Council
- Adequate funding of City facilities and services

Legislation Implications

Section 6.2 of the Local Government Act 1995

Part-3, Regulations 22 to 33 of the Local Government (Financial Management) Regulations 1996

Council Policy/Local Law Implications

Nil

Budget/Financial Implications

This Committee will make a recommendation to Council on the adoption of the 2003-2004 Annual Budget.

Consultation

The Budget has been subject of extensive internal consultation.

The Principal Activity Plan has been advertised for public comment.

Draft Directorate Budgets have been the subject of consideration by the respective Committees.

INTRODUCTION

The purpose of this report is to provide Committee with an overview of the consolidated 2003-04 Draft Budget and to recommend to Council a Draft Council Budget for public comment purposes. Each of the Standing Committees have now made recommendation on their respective draft budgets.

Final consideration of the Budget will occur at the special City Strategy Committee meeting scheduled for the week commencing 21 July 2003 from which final recommendation will be made to the August 5th Council Meeting. The public notice/comment requirements of the Act for both the Principal Activities Plan and Proposed Rates will have been completed by the week commencing 21 July 2002.

Committee's primary task is to consider and review the components of the consolidated draft budget, in particular the **key revenue components** such as rates and the deficit, and the **net expenditure fund allocations** to the Directorates.

BACKGROUND

The Budget Process to Date

The Draft Budget as presented in this report brings together the following deliberations of Committees and Council,

- workshop for members held on 16th April 2003 and 8th May 2003 regarding the 5 Year Forward Plan,
- Consideration and approval of a 5 Year Forward Plan (May 2003) from which the Principal Activity Plan has been prepared and advertised for public comment. The 5 Year Forward Plan has been the guiding reference for Committees when formulating their draft budgets. It is to be noted that when resolving the Five Year Plan financial estimates, one of the many underpinning elements of the Plan is a proposed 6% rate increase which has (2) components to it namely:
 - A "real" increase of 3.0% to address and fund a number of key strategic initiatives including a 0.5% factor to return to a balanced budget in 2005-06; and
 - An increase of 3% to meet general cost increases – consistent with the current consumer price index (CPI) factor.
- In May, using the 2003-04 directorate funding allocations from the agreed Five Year Plan as the primary reference, the Community, Development and Technical Services Committees considered and made recommendation on their respective draft budgets. The resolutions/outcomes from each of the Standing Committees on their respective draft budgets are summarised and explained as follows:

Strategic Initiative Cost Estimates						
Details	Estimates - \$'000					
	03-04	04-05	05-06	06-07	07-08	Total
Marketing & Promotions	50	50	50	50	50	250
Leased Buildings Maintenance	30	30	30	30	30	150
City Centre Development (incl. Cinema proposal)	185	325	370	110	80	1070
Computer Systems	80	137	137	137	442	933
Community Develop't Needs Framework	10	10	10	10	10	50
Neighbourhood Improvement Project	50	50				100
Environmental Projects	100	40	50	40	50	280
Total	505	642	647	377	662	2833

Strategic Development Rate Revenue Estimates						
Details	Estimates - \$'000					
	03-04	04-05	05-06	06-07	07-08	Total
Armadale Shopping City Redevelopment			108	220	226	554
Forrestdale Business Park			54	55	56	165
City Centre Developments	82	95	137	140	153	607
Residential Estates (Brookdale & Forrestdale)	51	105	161	220	282	819
Total	133	200	460	635	717	2145

REPORT AND COMMENTS

1 Consolidation of Committee Draft Budgets

- Aggregating the Committee Draft budgets and comparing this result to the Five Year Plan estimates reveals **an overall funding shortfall of \$77,000** – the following Table refers.

Particulars	5 Year Plan Target Figures \$ '000	Committee Draft Budget Figures \$ '000	Variance \$ '000
Opening Deficit Balance 1-7-03	1,222	1,222	0
Plus Net Corporate Funding	19,889	19,889	0
<i>Sub-total</i>	18,667	18,667	0
Less Net Committee/Directorate Funding			
- Community Services	7,698	7,694	4
- Development Services	1,758	1,822	(64)
- Technical Services	10,368	10,385	(17)
EQUALS Closing			
Deficit Balance 30-6-04	1,157	1,234	(77)

- Presented as a separate attachment to this report for Committee's reference is the consolidated draft budget estimates as recommended by the Committees.

2 Other Draft Budget Matters Requiring Consideration

In reviewing all deliberations to date and aside from the above reported \$77,000 variance that needs to be addressed, a number of other matters have been identified that are either to be noted and/or considered for inclusion in the draft budget. These other matters are explained as follows:

a) **Previously Reported List of Unfunded Proposals**

- Presented at Attachment A-1 to the Agenda is the list of unfunded projects and proposals that was reported to the City Strategy Committee meeting on 13 May 2003.
- It is suggested that Committee further consider this list for there are some matters which if not addressed in the draft budget, will in all likelihood either pose subsequent problems and/or limit Council's options in determining acceptable outcomes. Indeed, some of the matters have already been addressed by Committees in their draft budgets as explained earlier in this report.

Therefore having further reviewed this list, those matters **recommended** for inclusion in the draft budget on account of their imperative/priority nature are as follows:

Contingency - Pool lining repairs	\$ 50,000
Sundry Debtor Provisioning	\$ 80,000
Internal Audit Services	\$ 25,000
*Additional Planning resources	\$ 41,600
Brookdale/Forrestdale Drainage Study	\$ 17,000
*Community Safety Program	\$ 45,000
*Cultural Program	\$ 10,000
*Records Management Plan	\$ 36,000
*Additional Info. Technology Resources	<u>\$ 40,000</u>
	<u>\$344,600</u>

(NB: (*) These estimates **are** included in Committee Draft Budgets)

The Chief Executive Officer corrected the agenda document at this point by including the asterisks() and note above.*

b) **Rating Revenues – Proposed Rates**

- Due to delays in receiving new versions of computer programs (received only late last week) and property valuation data (the week before) associated with the billing/collection of the new Emergency Service Levy, it has not been possible to finalise in time for this report details of the proposed rates. A report on the proposed rates will be tabled at the Committee meeting.
- On account of the above delays there has also been an inability to quantify the net rates impact of Council's earlier decision (April 2003) to seek

Minister's approval to shift some 500 properties from the unimproved value area to the gross rental value area. In this regard and based on a small random sample of (15) properties that shows a net rates loss of approx. \$1,000, **it is recommended** that it would be prudent at this stage of the budget process to allow for a rates revenue shortfall of \$30,000.

In summary, matters currently not funded but recommended for inclusion in the draft budget are therefore as follows:

▪ Contingency - Pool lining repairs	\$ 50,000
▪ Sundry Debtor Provisioning	\$ 80,000
▪ Internal Audit Services	\$ 25,000
▪ Brookdale/Forrestdale Drainage Study	\$ 17,000
▪ Rates Revenue Shortfall	<u>\$ 30,000</u>
	<u>\$202,000</u>

Therefore, adding the \$202,000 figure to the additional funds requested via the Committee draft budgets of \$77,000 **equals an overall funding shortfall of \$279,000**

Funding Proposals

Should Committee/Council determine to include all or some of the above additional items, its funding consideration might include the following options:-

- 1) **Increase the current deficit funding** – this option is not recommended given Council's position as determined only last month to return to a balanced budget position in 2005-06.
- 2) **A review** (reduce and/or defer) of the **Strategic Initiative cost estimates** (refer to Table earlier in this report) – again this option is not recommended on the basis that the majority of the estimates are effectively already committed.
- 3) **The use of loan funds** with the proviso being that there be a business case to support any such proposition. The draft budget already includes the use of \$800,000 loan funds in connection with the replacement of core computer software systems. Again, this option is not recommended on the basis that other than the computer project, there are no other significant expenditure proposals considered appropriate for loan funding.
- 4) **Funding opportunities** arising from possible **private works** - not recommended at this time due to the uncertainty factor however if such opportunities arise during the year, then "one-off" type expenditures not included in the budget could be considered.
- 5) **Year end position** for the current year – based on indicative year end estimates completed in the last week, there is a reasonable likelihood of the year end position being approx. \$210,000 better than budget. It is recommended that this estimated \$210,000 be included in the draft budget to fund currently unfunded items on the understanding that the amount may subsequently differ resulting (in the event of the amount being less) in the deferral of some expenditure projects/proposals.

In summary, of the funding options examined, it is recommended that the estimated better than budget year end position of \$210,000 be included in the draft budget.

CONCLUSION

Assuming Committee/Council is supportive of the foregoing recommended options, then there still remains a funding shortfall of \$69,000 to balance the draft budget to the Five Year Plan, i.e.

Additional funds requested as per committee draft budgets and other matters as recommended totalling	\$279,000
Less	
Additional funding from an estimated better than budget year end position totalling	\$210,000
	<hr/>
Remaining Funding shortfall	\$ 69,000

The suggested options for advancing the draft budget to its next stage of public advertising given the \$69,000 variance are:

Option-1 Proceed to advertising on the basis that Directorates will, prior to advertising occurring, revise their estimates to accommodate the \$69,000 variance

Or

Option-2 Review the earlier recommendation in this report regarding the inclusion in the draft budget of previously reported unfunded proposals with a view to reducing that expenditure by \$69,000.

The suggested preferred option is Option-2.

The CEO drew Committee's attention to an omission on page 11 (see note).

A presentation was made to Committee outlining the budget process to date and those matters requiring further consideration by Committee prior to approving the Draft Council Budget for advertising.

For purposes of clarification, the CEO advised as follows:-

*The following items were recommended by Committees and **are in the Draft Budget document**:-*

▪ Additional Planning Resources	\$ 41,600
▪ Community Safety Program	\$ 45,000
▪ Cultural Program	\$ 10,000
▪ Records Management Plan	\$ 36,000
▪ Additional IT Resources	<u>\$ 40,000</u>
	<u>\$172,000</u>

At this point the Draft Budget exceeds the proposed Five Year Plan 2003/04 deficit by \$77,000.

*Matters recommended for funding but **not** included yet are:-*

▪ Contingency - Pool lining repairs	\$ 50,000
▪ Sundry Debtor Provisioning	\$ 80,000
▪ Internal Audit Services	\$ 25,000
▪ Brookdale/Forrestdale Drainage Study	\$ 17,000
▪ Rates Revenue Shortfall	<u>\$ 30,000</u>
	<u>\$202,000</u>

i.e. Total funding required to meet all of these proposals will exceed the deficit by \$279,000

However, the year end position for the current year is \$210,000 better than anticipated - see page 12) Council may choose to use these funds, with the result that the deficit is now exceeded by \$69,000.

The CEO then drew attention to three of the projects recommended for inclusion in the 2003-04 Budget but which had on-going ramifications and were not in the current Five Year Plan. This aspect had not been considered in earlier Budget discussions.

▪ Additional Planning Resources	\$41,600
▪ Internal Audit Services	\$25,000
▪ Brookdale/Forrestdale Drainage Study	\$17,000

Additional Planning Resources (\$41,600)

*There was considerable discussion as to whether this should be a priority for this year's Budget given that it had a recurring cost of approximately \$60,000 per annum. Committee agreed that this **not** be included in the 03-04 Budget.*

Internal Audit Services (\$25,000)

*Though this was recommended by the City Audit Committee and supported by Manex, it was considered necessary to defer this proposal until the changeover of Council's IT system. Committee agreed that this **not** be included in the 03-04 Budget.*

Brookdale/Forrestdale Drainage Study (\$17,000)

Council had made a commitment to the ARA to take part in this Study which is attracting 3 to 1 alternative funding. Committee agreed that this be funded from the allocation made for Town Planning Studies (Account 1552720), noting that this account may need further funding throughout the financial year.

Hence, with regard to the "new proposals", the following were recommended for inclusion:-

▪ Contingency – Pool lining repairs	\$50,000
▪ Sundry Debtor Provisioning	\$80,000
▪ Rates Revenue Shortfall	\$30,000

and the following are recommended not to be included:-

▪ Additional Planning Resources	\$41,600
▪ Internal Audit Services	\$25,000

Note that Brookdale/Forrestdale Drainage Study is funded from Account 1552720

Committee also addressed the management schedules and specifically raised the following for clarification:-

- Page 7 Vehicle Operating – With actuals @ April 2003 being \$14,207 the budgeted figure of \$19,300 for 03-04 was queried.*
- Page 9 Vehicle Operating – In response to a query with regard to the 03-04 budgeted figure of \$25,800 it was clarified that the lesser budget figure was due to the Emergency Services Levy.*
- Page 9 Salaries – Budget figure queried based on actuals to date suggesting a lesser figure - to be clarified.*
- Page 16 School Admissions – Aquatic Centre Revenue generated @ April 2003 shows \$28,405 whilst forecast for 03-04 indicates \$70,100 – clarification was sought on reasons for the increase.*
- Page 16 Pool Heating Gas – The 03-04 budget of 35,000 as compared to actuals of \$62,324 this year was queried*
- Page 18 Kelmscott Pool – explained that pursuant to Council’s recent decision on aquatic services, the funding previously identified had been transferred to Schedule M47 Recreation Administration – Consultation \$10,000; Needs Assessment \$20,000, Transfer to Reserve \$50,300 – pages 13 & 14 refer.*
- Page 21 Fines and Penalties – In response to a query with the \$5000 revenue budgeted for 03-04, Committee was advised that Council resolved to introduce the fines system for unreturned books in the new financial year.*
- Page 23 Sponsorship Pipe Band – It was understood that this sponsorship was discontinued – to be clarified.*
- Page 27 Youth Advisory Council Events – This line item was queried and it was clarified that the 02-03 budget included a carried forward amount of \$29,000. The \$14,000 allocation was consistent with Council’s annual budget each year for such events.*
- Page 27 Community Justice Programme – It was clarified that this was now included under Council’s Community Safety Plan Initiatives for which an allocation of \$45,000 has been made [refer Page 28]*
- Page 40 Economic Development – It was clarified that the \$60,000 allocation was to advance economic development initiatives in conjunction with the ARA.*

MOVED Cr Hodges that the meeting be adjourned.

Motion carried (7-0)

Meeting adjourned 8.55pm

Meeting reconvened 9.00pm

Page 65 Cross Park – The \$0 revenue figure was queried – to be clarified

Page 94 Litter Bins – Advertising – The expenditure of \$5700 was queried. It was

advised that in response to a request from the Ark Roadwise Committee it was decided to support advertising of the 50 kph speed limit on litter bins located on local roads.

Page 95

Salaries – In response to a query regarding the increase in allocation for Salaries it was advised that this included a return to a full-time design officer, off-set by a reduction in the allocation to contract staff.

Proposed Rates

In response to Committee enquiry, it was confirmed that significant cost increases experienced over recent Budgets (such as insurance), the increased “cost of doing business”, and Council’s new initiatives would have led to a 2003/04 rate increase of 8%. However, this had been ameliorated by the relief provided by new arrangements associated with the Emergency Services Levy, resulting in a rate saving of 2%.

Committee then considered the tabled report dealing with the proposed rates for 2003-04 (Attachment A-1 to this Report refers).

The Executive Director Corporate Services spoke to the report explaining that:-

- *The rating categories and relativities remain unchanged;*
- *The proposed rates in the \$ and minimum payments include the previously agreed inflation and growth index factors of 3% for each;*
- *Approval had been received (6 June 2003) from the Department of Local Government to change the valuation base of 516 properties from unimproved to gross rental value. This approval is subject to affected property owners being informed of the change prior to the 2003-04 rates billing*

Committee having considered the report were of the view that:-

- (i) *the business rates in the \$ should effectively be the same as the general residential rate on the basis that the rationale for the current lesser rates is no longer considered applicable, i.e. the lesser rates which have been in use for several years have not served to encourage business growth and development.*
- (ii) *The additional revenue (estimated at \$140,000) generated from (i) above be set aside in the Draft Budget and allocated to “Strategic Initiatives”.*

CS28/603 RECOMMEND

That Council:

- 1. approve the 2003-04 Draft Council Budget as presented to and amended by the City Strategy Committee – the following dot points refer to the agreed amendments – and that it be advertised for public comment for a period commensurate with the public advertising of the proposed schedule of rates.**

To be included:

- **Pool Lining Repairs** \$50,000
- **Sundry Debtor Provisioning** \$80,000
- **Rates Revenue Shortfall** \$30,000
- **Strategic Initiatives** \$140,000

Not to be included:

- **Additional Planning Resources** \$41,600
- **Internal Audit Services** \$25,000

(NB: Brookdale/Forrestdale Drainage Study - \$17,000 funded from Account 1552720)

2. pursuant to Section 6.36 of the Local Government Act 1995, approve the following schedule of proposed rates for the 2003-04 Year for public comment.

RATE GROUP	CURRENT 2002-03		PROPOSED 2003-04	
	Rate in \$ (cents)	Min. Rate \$	Rate in \$ (cents)	Min. Rate \$
<u>Gross Rental Value Area</u>				
Residential Improved	9.5550	495.00	10.1283	525.00
Residential Vacant	9.5551	572.00	10.1284	606.00
Residential Rural Improved	10.2942	615.00	10.9118	652.00
Residential Rural Vacant	10.2943	690.00	10.9119	732.00
Business 1 Improved	9.0545	786.00	10.1285	833.00
Business 1 Vacant	9.0546	928.00	10.1286	983.00
Business 2 Improved	9.1785	999.00	10.1287	1059.00
Business 2 Vacant	9.1786	1144.00	10.1288	1212.00
<u>Unimproved Value Area</u>				
Rural General	0.5671	610.00	0.6011	647.00

3. recommit the matter of the 2003-04 Draft Budget (as amended) to the Special Meeting of the City Strategy Committee to be held the week commencing 21 July 2003 for recommendation to Council following consideration of:

- public submissions received on the Principal Activities Plan,
- public submissions of the 2003-04 Draft Budget,
- public submissions received on the Proposed Rates,
- Council's 30th June 2003 Year End position, and
- any other matters subsequently arising having budgetary implications.

STAFF ESTABLISHMENT LEVELS

WARD : All
FILE REF : STF/23
DATE : 6 Jun 2003
REF : TM
RESPONSIBLE : Acting CEO
MANAGER

In Brief:-

- The Staff Establishment level is a “snapshot” of the City’s number of full-time employees (FTEs) at any point in time.
- Report shows trends over past years and compares wages/salary costs to expenditure levels.
- Number of FTEs per capita (population) is compared to other Local Governments, and a regional and State average.
- The City is below metro and State “average” for staff, reflecting constraints and close assessment of all resource demands.
- Staff establishment indicators closely reflect Armadale’s limited revenue capacity.
- Recommend that the report be received.

Tabled Items

Nil

Officer Interest Declaration

Nil

Strategic Implications

Strategic Plan:

- to foster an effective professional environment for the governance and administration of the City’s services;
- to achieve maximum community benefit from effective use of resources (staff, finances, and information technology);
- to create a workplace where staff are innovative, confident and continue to learn

Legislation Implications

Local Government Act 1995:

- Sect. 2. 7(2)(a):
“The role of the council:
(2) Without limited subsection (1), the council is to:-
(a) oversee the allocation of the local government’s finances and resources.
- Sect. 5.51(a)&(g):
“The CEO’s functions are to:
(a) advise the council in relation to the functions of a local government under this Act and other written laws:
(g) be responsible for the employment, management supervision, direction and dismissal of other employees (subject to 5.37(2) in relation to senior employees);

Council Policy / Local Law Implications

Council’s Policy ADM-5 – Staff Establishment Levels

Budget / Financial Implications

The City’s Budget includes funding for full-time staff, part-time and casual staff, as well as contract employees both short and long term, for the implementation of the City’s funded programmes. In any annual Budget the use of permanent positions and contract employment may be interchangeable. This report provides a snapshot of the current situation with regard to full-time employees, compared to other points in time, and to other Authorities.

BACKGROUND

This report is presented in accordance with Council Policy ADM-5 which states:

“Staff Establishment Levels are to be reported annually, as part of the budgetary process”

Its purpose is primarily to provide an insight and awareness, from both an internal and external perspective of the extent to which staff resources are used in the delivery of Council’s many services.

Internal Perspective

Chart-1

Staff Establishment Levels - FTE's

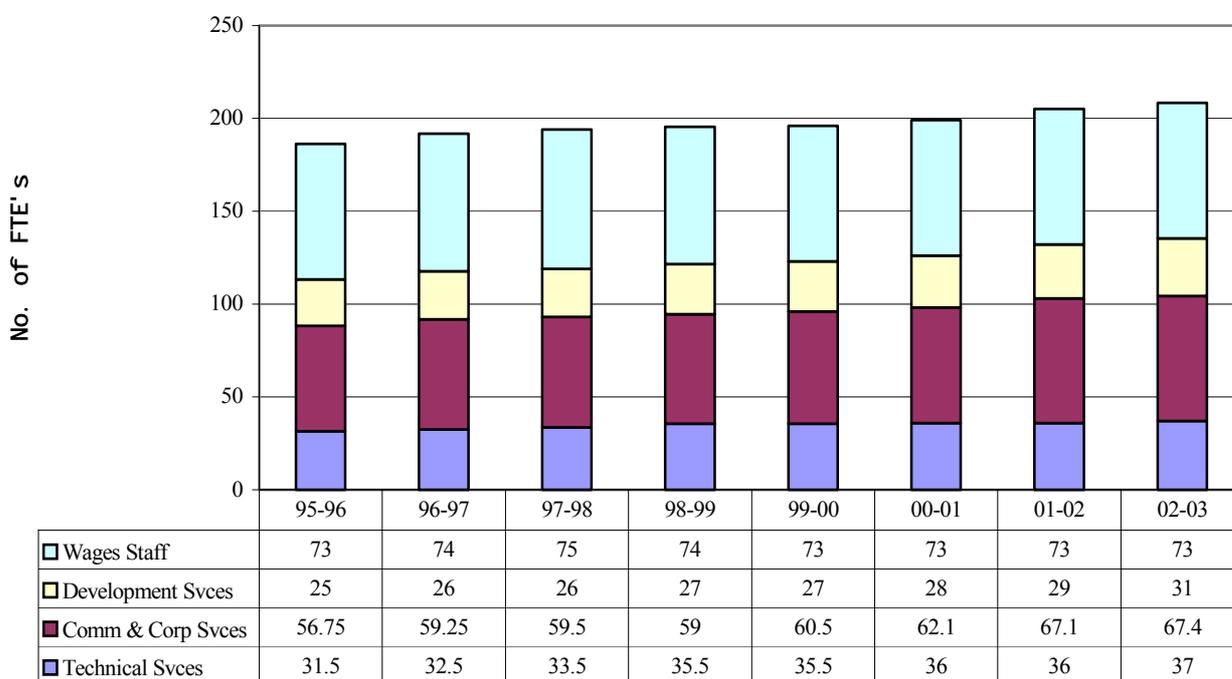
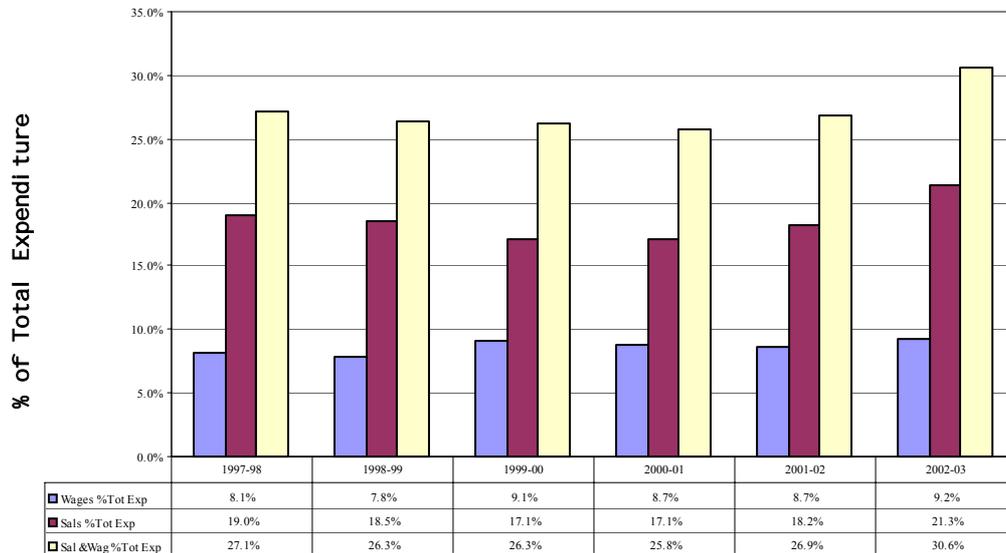


Chart-2

Salaries & Wages Actually Paid Expressed as a % of Total Budgeted Expenditure



NB: The primary reasons for the increase in the 2002-03 year are:

- direct management of the pools and recreation centre;
- abnormal payments e.g. retirements, redundancy and other payouts

External/Comparative Perspective

Note: The source information for the following series of charts is from the WALGA 2002-03 Directory – metropolitan local governments only.

Chart-3

FTE's as compared to Population

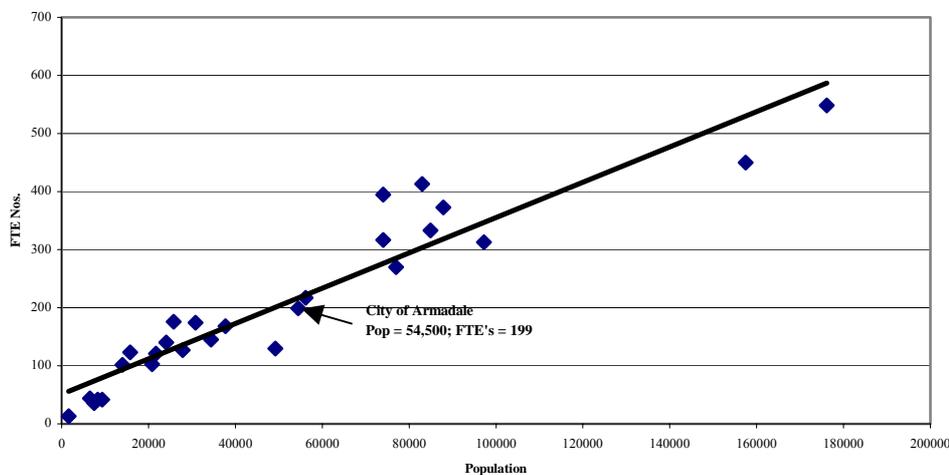
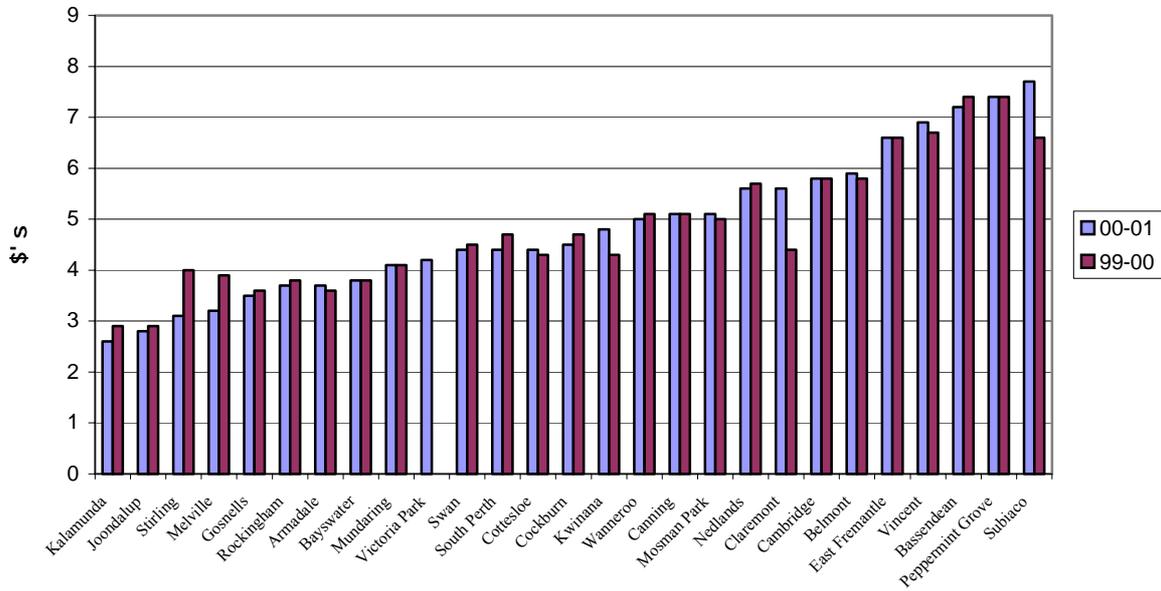


Chart-4

FTE's per 1000 Population - 2000/01 versus 1999/00



Note: Whereas the City has a staff resource of 3.7 per 1000 population, the Region and State figures are 4.6 and 5.8 respectively.

Chart-5

Operating Revenue as compared to Population

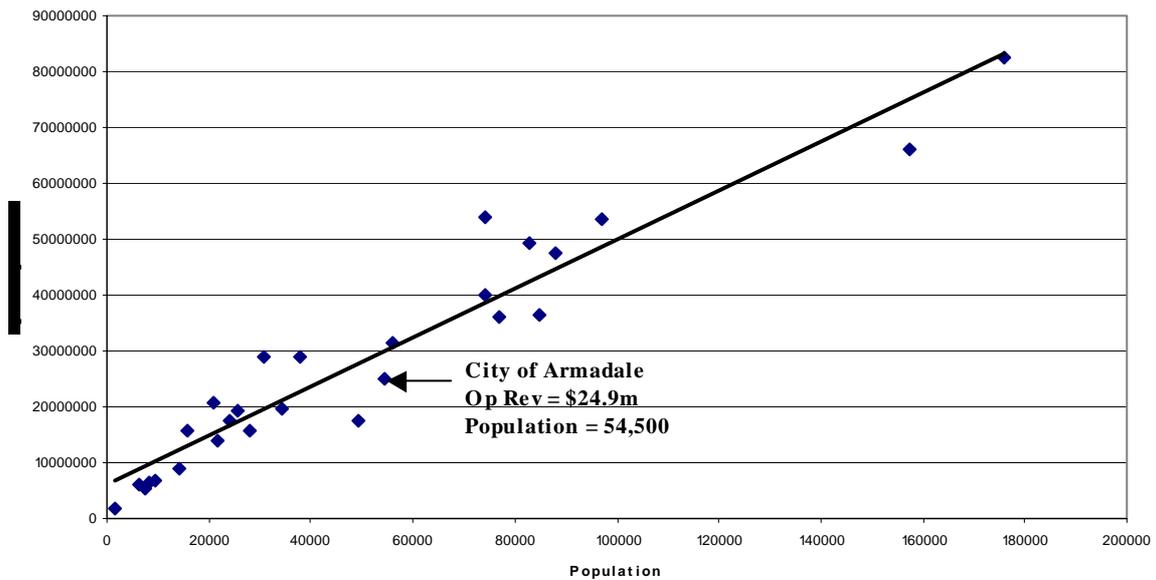


Chart-6

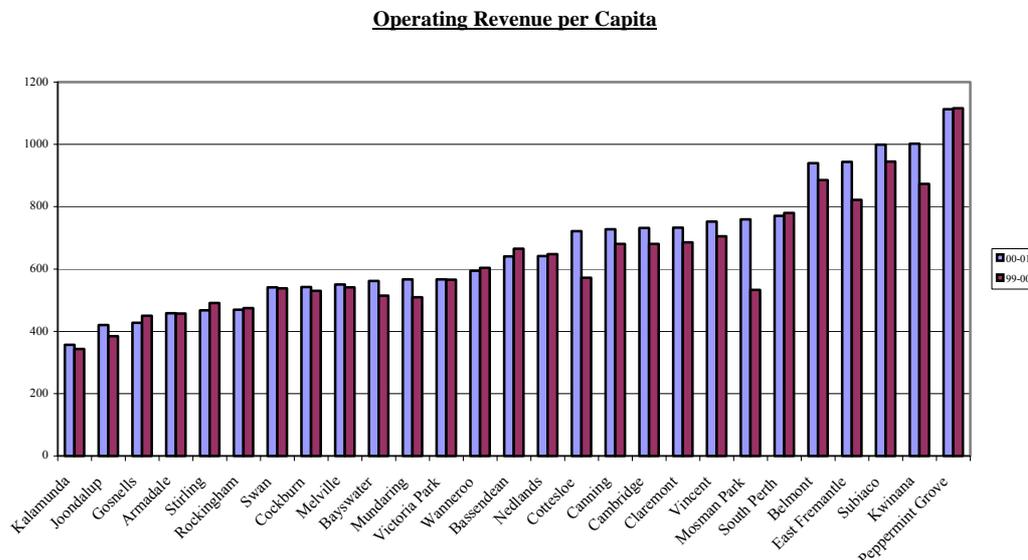
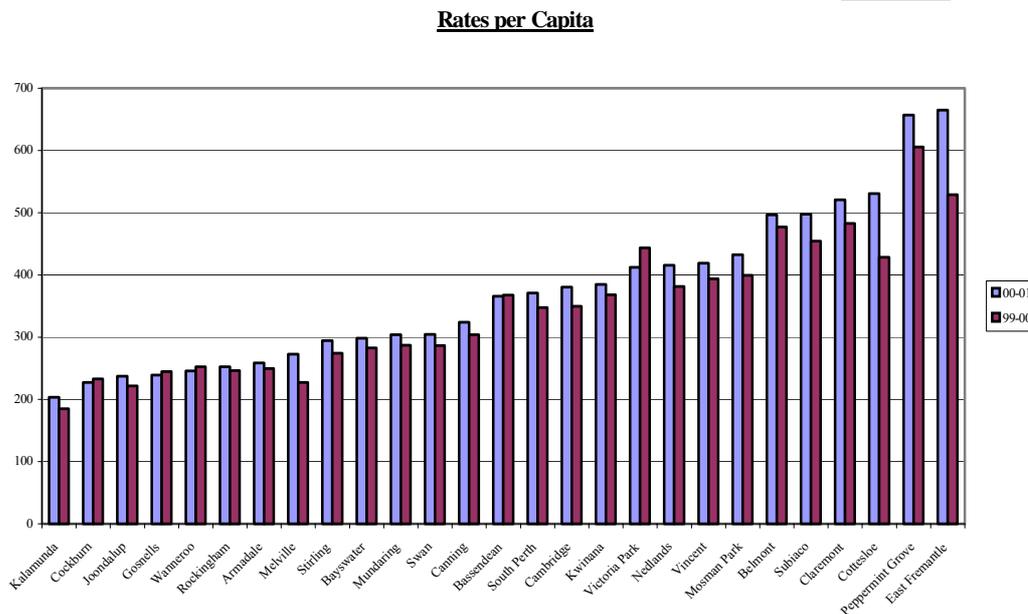


Chart-7



Note: All the above Charts show that the City, in terms of its FTE numbers, compares favourably with other metropolitan local governments whether that comparison is by way of population, ordinary revenue or rates.

The CEO confirmed that the Draft Budget $\frac{3}{4}$ as recommended earlier in these Minutes, includes the addition of 2 FTEs from March 2004.

CS29/6/03 RECOMMEND
That the Staff Establishment Report be received.

Moved Cr Hopper
Motion Carried (7-0)

CHAMPION LAKES RECREATIONAL PARK – FUNDING OF ARCHAEOLOGICAL WORK

WARD : Westfield; Seville
FILE REF : PSC/18
DATE : 6-3-03
REF : GC
RESPONSIBLE : EDDS
MANAGER
LAND OWNER : WAPC
City Of Armadale
SUBJECT LAND : Lots Pt700, 701, 702 & 194 Lake
Rd, Westfield
Property size 122 ha; Map 21-07,
21-08, 22-08
ZONING : Parks & Reserve / Parks &
MRS / TPS No 2 : Recreation (Region)

In Brief:-

- At the request of the ARA the City is funding archaeological work to the order of \$44,000 that will be refunded by the ARA or WAPC.
- This may appear in the 03-04 Budget under M31 with a net out come of nil impact.

Officer Interest Declaration

Nil.

Strategic Implications

Long Term Strategic Planning Initiative 1.7

- ♦ In partnership with State Government, the Region and Private Enterprise, develop a management and funding strategy for a major recreational facility at Wright Lake (Champion Lakes).

Legislation Implications

Champion Lakes is one of the areas that have come under the control of the Armadale Redevelopment Authority.

Council Policy / Local Law Implications

Nil.

Budget / Financial Implications

Funding for consultancy studies and infrastructure is being provided by the WAPC from the Metropolitan Region Improvement Fund.

Consultation

ARA representatives, consultants, Viv Hanson, EDCSD.

BACKGROUND

A condition on the S18 clearance by the Minister for Indigenous Affairs for the development of the Aboriginal Site, Wright Lake, is that an Aboriginal Plan be developed prior to the commencement of site works. The work involves a suitably qualified and experienced archaeologist obtaining a S16 clearance from the Department for Indigenous Affairs (DIA),

undertaking additional site investigations, and preparing an Aboriginal Heritage Plan. This involves:

- Guidance for the archaeological resource of the site,
- Protocols for staff and contractors working on the site,
- Guidelines for the interpretation and display of salvage material, and
- Details of Aboriginal community consultation.

The City has representatives on the Champion Lakes Project Management Coordination Group that undertakes day-to-day management of the project. In that forum the Armadale Redevelopment Authority (ARA) has requested that the City organise, manage and pay for the required archaeological work. The ARA has given an undertaking that the cost of this work will be refunded from the WAPC or the ARA.

This work is critical to obtaining clearances before excavation works can commence.

COMMENT and CONCLUSION

There is limited risk in Council funding this study as it will be refunded by the ARA / WAPC. Accordingly, there are no implications for Council's 2003/2004 Annual Budget.

It is appropriate for Council to assist in pre-funding this work as it coordinated the original archaeological work to obtain the S18 clearances, and has a current and future ongoing role in the successful development of the Aboriginal Centre (another S18 condition).

The Budget will be varied to show a contribution from the ARA and an expense item for the same amount called Aboriginal Management Plan Champion Lakes.

CS30/6/03 RECOMMEND

That Council amend its 2002-03 Annual Budget in the following manner, ie.

Schedule M31 – Town Planning			
Particulars	Adopted Budget \$	Variation \$	Amended Budget \$
Revenue - Contribution from ARA / WAPC	0	+44,000	44,000
Expense - Aboriginal Management Plan – Champion Lakes	0	+44,000	44,000
Net Effect		0	

Moved Cr Hopper
Motion Carried (7-0)

PUBLIC QUESTION TIME – COST OF REPEATED/MULTIPLE QUESTIONS TO COUNCIL OVER THE LAST 12 MONTHS

At Council's meeting on 19th May 2003, Cr Clowes-Hollins referred the following:-

That the matter of the cost of repeated/multiple questions asked of Council over the last 12 months be referred to the City Strategy Committee.

The following comments have been provided by Cr Clowes-Hollins for consideration by Committee:

Officers to investigate the cost to council of multiple questions being asked at full council (many of them repeats), over the past 12 months.

This includes officers times spent compiling answers, and visits to sites to investigate complaints resulting from questions.

Committee agreed that a broad estimate of the cost be investigated for information.

CS31/6/03 RECOMMEND

Officers to investigate and report the cost to council of multiple questions being asked at full council (many of them repeats), over the past 12 months.

Moved Cr Clowes-Hollins
Motion Carried (7-0)

COST SAVINGS – FIVE YEAR PLAN

At Council's meeting on 3rd June 2003, Cr Knezevich referred the following:-

That the matter of cost savings during consideration of the 5 Year Plan be referred to the City Strategy Committee.

The following comments have been provided by Cr Knezevich for consideration by Committee:

It has come to my notice that the five-year plan does not include any saving initiatives as suggested below:

Underground Power

What would be the cost savings or expenditure if Council initiated the undergrounding of power down Forrest Road say Eighth Road to the Railway Crossing. The costing could be done with contributions from residents and businesses along the road. The cost of pruning trees along Forrest Road would be greatly reduced and thus save costs, this needs to be costed over a five year plan or longer to gauge any benefit to the community savings wise.

Wind Turbine Generators

Would Council consider erecting turbines at Council's depot to generate power using wind power to sell to Western Power.

Bore Water

Could Council use this for any toilet flushing requirements eg Council Depot, Minnowarra Park public toilets.

Waterless Urinals

I believe this is the way of the future as the average consumption of water in this regard is approximately 15 litres per person per day.

Collection of Rainwater and Use - *Many uses could be applied to this heading.*

Efficient Water Supply Appliances – *e.g. water saver showerheads*

Use of Electricity Derived from non-fossil fuel Sources – *e.g. solar power, and wind turbines.*

High Efficiency Artificial Lighting

Hybrid Passive & Mechanical Ventilation Heating & Cooling Systems

I will talk about these items and others at the meeting when I will have further information. Thank you for your time and I hope this has kindled some thought.

A suggested recommendation on this matter may be to recommit it to the July City Strategy Committee meeting thereby enabling officers to assess and make report on the proposal.

Committee agreed that the matter be investigated by relevant officers for report to the respective Committees.

CS32/6/03 RECOMMEND

Officers investigate the above cost saving suggestions with a view to a report being submitted to the appropriate Committees.

Moved Cr Knezevich
Motion Carried (7-0)

COUNCILLORS' ITEMS

Nil

CHIEF EXECUTIVE OFFICER'S REPORT

The Chief Executive Officer reported on the following matters:

- Cinema Proposal
- ARA Delegation to Canberra
- Mt Eliza Executive Development Program

MEETING DECLARED CLOSED AT 10.05 PM

CITY STRATEGY COMMITTEE

SUMMARY OF "A" ATTACHMENTS

10 JUNE 2003

Attachment No.	Subject	Page
A-1	Proposed Rates 2003-04 Report tabled at City Strategy Committee meeting on 10 June 2003	29

PROPOSED RATES FOR THE 2003-2004 FINANCIAL YEAR

Objects and Reasons for Differential Rates for 2003-2004

Introduction

The City has used differential general rates in its Gross Rental Value Area since 1993-1994 in recognition of the varying levels of services provided to different properties.

The proposed differential general rates for the 2003-2004 financial year are consistent with those of the current year with the one exception being the major review of 516 properties in the unimproved value category with the result of this review being to move these properties from the unimproved value area to the gross rental value area.

Gross Rental Value Area

The proposed differential general rates for the 2003-2004 financial year and their relativities, are as follows:

Rate Category	2003-2004 Rate in \$ (cents)	Relativity to Residential Rate (%)
Residential Vacant	10.2000	100%
Residential Improved	10.1283	100%
Residential Rural Vacant	10.9350	107%
Residential Rural Improved	10.9118	107%
Business 1 Vacant	9.6000	95%
Business 1 Improved	9.5975	95%
Business 2 Vacant	9.7500	96%
Business 2 Improved	9.7292	96%

Residential Rates

The proposed Residential Improved rate of 10.1283 cents is the predominant or standard rate against which other rates are compared.

Residential Rural Rates

The higher proposed rate (as compared to the residential category rate) for Residential Rural properties recognises the higher Council servicing costs of such properties – for example, the maintenance and development of transport and recreation infrastructure – which is occasioned by factors such as distance, topography, terrain and development density relative to economies of scale that may otherwise be possible.

Business 1 and 2 Rates

The lower proposed rate (as compared to the residential category rate) for Business 1 and 2 properties:

- Recognises that for the City to be a major regional centre strong in opportunity, interest and vitality, business development and growth must be encouraged. This will provide employment opportunities and generate higher levels of visitor and shopper activity that contributes positively to the health and well being of the local community. Currently only 3.7% of all rateable properties in the City are of a business/commercial nature which by comparison to other regional centres is very low;
- Acknowledges that the nexus between the many community services and associated costs is not as direct with the business / commercial sector as it is with the residential sectors, ie. the business / commercial sector is not a major user of the many community services provided by the City.

The Business 2 category has a slightly higher proposed rate in the dollar than Business 1 (those properties within the Armadale Central Business District, and subject to Town Planning Scheme No.3) reflecting the higher Council servicing costs associated with such properties. These costs include more regular street cleaning and litter bin collections, regulatory services, tourism related expenditures and increased maintenance costs associated with a higher level of amenity such as bricked pathways and roadways, landscaping and streetscape treatments.

The proposed minimum payments for the 2003-2004 financial year, are as follows:

Rate Category	2003-2004 Minimum Payments
Residential Vacant	\$606
Residential Improved	\$525
Residential Rural Vacant	\$732
Residential Rural Improved	\$652
Business 1 Vacant	\$983
Business 1 Improved	\$833
Business 2 Vacant	\$1,212
Business 2 Improved	\$1,059

The proposed minimum payments are set at levels to ensure that all property owners contribute an equitable amount of rates towards the provision and maintenance of facilities and services provided by the City.

A higher proposed minimum payment is proposed on vacant land promote development of all properties to their full potential thereby stimulating further growth and sustainability in all areas of our community.

The above proposed minimum payment levels are;

- 6.0% greater than the current year minimum payment levels, and
- relative to the rates otherwise payable according to valuation in each of the rate categories.

Unimproved Value Area

A general rate of 0.6011 cents in the dollar and a minimum payment of \$647 are proposed for all properties in the unimproved value area for the 2003-2004 financial year.

Overview of All Proposed Rates for the 2003-2004 Financial Year

The following table provides a summary of all proposed rates for the 2003-2004 financial year:

Rate Category	Rate in \$ (cents)	Minimum Payment \$	Number of Properties	Total Revenue \$	% of Total
Residential Vacant	10.2000	606.00	615	396,352	2.4%
Residential Improved	10.1283	525.00	16,435	10,735,709	65.0%
Residential Rural Vacant	10.9350	732.00	391	306,765	1.9%
Residential Rural Improved	10.9118	652.00	1,899	1,825,750	11.0%
Business 1 Vacant	9.6000	983.00	54	78,968	0.5%
Business 1 Improved	9.5975	833.00	552	1,496,915	9.1%
Business 2 Vacant	9.7500	1,212.00	2	2,424	0.0%
Business 2 Improved	9.7292	1059.00	109	1,096,179	6.6%
Rural General	0.6011	647.00	264	584,797	3.5%
Total			20,321	\$16,523,859	100%

Proposed Rates as Compared to the Current Year Rates

The proposed rates in the dollar and minimum payment (shown above) represent a 6.0% increase on the current year which is based on an inflation factor of 3% and a 3% growth factor associated with new expenditure initiatives considered essential to the City's future economic growth and sustainability.