

CITY OF ARMADALE

MINUTES

OF SPECIAL CITY STRATEGY COMMITTEE HELD IN THE COMMITTEE ROOM, ADMINISTRATION CENTRE, 7 ORCHARD AVENUE, ARMADALE ON TUESDAY, 23 JULY 2002, AT 7.00 PM.

PRESENT:

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

APOLOGIES:

Cr G M Hodges	Leave of absence
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OBSERVERS:

Cr R C Stubbs AM	
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IN ATTENDANCE:

Mr R S Tame	- Chief Executive Officer
Mr A F Maxwell	- Executive Director Community & Corporate Services
Mr JHA Adderley	- Executive Director Development Services
Mr A Bruce	- Executive Director Technical Services
Mrs J Dudley	- Executive Manager Business Services
Mrs Y Ward	- Acting 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

BUSINESS OF THE MEETING

To consider the 2002-2003 Draft Council Budget

I N D E X

SPECIAL CITY STRATEGY COMMITTEE

23 JULY 2002

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****2002-2003 COUNCIL DRAFT BUDGET**

WARD All
FILE REF: FIN/7
DATE 18 July 2002
REF TM
RESPONSIBLE MANAGER CEO

In Brief:

- Review of the consolidated 2002-03 Draft Budget involving:
 - consideration of the public submissions received in response to the Principal Activity Plan, Proposed Rates, and proposed Budget;
 - consideration of those matters identified for further report at the Council meeting of 17 June 2002 and those matters arising since that meeting.
- Recommendation to the 6 August 2002 Council Meeting to:-
 - accept the Principal Activity Plan;
 - receive the public submissions received in regard to the proposed rates and Budget;
 - endorse the proposed rates for inclusion in the Annual Budget;
 - endorse the proposed list of carried forwards for inclusion in the Annual Budget;
 - adopt the 2002-03 Annual Budget

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 2002-03 Annual Budget.

Consultation

The Budget has been subject of extensive internal consultation. The proposed rates and Principal Activity Plan and Draft Budget have been advertised for public comment.

INTRODUCTION

The objective of this report is to facilitate a final recommendation on the 2002-03 Annual Council Budget thus enabling its adoption at the August 6th Ordinary Council Meeting.

The proposed Budget equation when last Council considered this matter (17 June 2002), showed an unfunded balance of \$107,000, i.e.:

Directorates	Revenue \$	Expenditures \$	Funds Required \$
Community & Corporate Services	1,470,500	8,791,100	7,320,600
Development Services	555,800	2,176,700	1,620,900
Technical Services	9,275,200	18,738,400	9,463,200
Corporate Revenues & Expenditures	18,176,000	103,500	-18,072,500
Sub Total	29,477,500	29,809,700	332,300
Plus Budget matters resolved for consideration of inclusion in the Annual Budget (refer Part (1) of the resolution below)			107,000
Sub Total			439,300
Less Deficit funding available as identified in the 5 Year Plan			332,300
Unfunded Balance			107,000

Since the 17 June 2002 meeting, Council has received confirmation of its 2002-03 Grants Commission funding and closed off its "end of year" 2001-02. These have realised an additional \$23,000 and \$115,000, respectively. However, Council has also been advised of additional Budget imposts for 2002/03, i.e.

Aquatic Centre	\$30,000
South City Housing Rates	\$18,950
Residential Rural Rating	\$7,900

The net Budget shortfall at the end of these considerations is \$25,000.

It has been recommended that this be added to the current annual deficit and be recovered from the projected deficit within the next two years.

Consequently, a consolidated 2002-03 Budget is recommended which includes all those items recommended by the three Standing Committees and Council at its June 17th 2002 meeting, plus matters considered by Council and the Rating Review Working Party on 15 July 2002.

BACKGROUND

This report is presented in response to Council Resolution CS59/02 of 17 June 2002.

A proposed 2002-03 Annual Budget (as advertised following the 17 June 2002 meeting) and 2001-02 Detailed Trial Balance have been distributed under separate cover for information.

CS59/02 reads:

“That Council:

- approve the 2002-03 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.*

<i>Expenditures</i>	
<i>Development Services – Place Manager Contract Extension</i>	<i>29,000</i>
<i>Parks & Reserves Development – Skate Facilities Forrestdale</i>	<i>14,000</i>
<i>Parks & Reserves Development – Kelmscott BMX Facility Upgrade</i>	<i>1,000</i>
<i>Recreation & leisure Services – Aquatic Centre</i>	<i>30,000</i>
<i>Property Management – Administration Office Accommodation</i>	<i>43,000</i>
<i>Workers Compensation Insurance</i>	<i>20,000</i>
<i>Ranger & Emergency Services – Fire Hydrant Programme</i>	<i>10,000</i>
<i>Corporate Revenues</i>	
<i>Interest on Investments, grants</i>	<i>(40,000)</i>
TOTAL	107,000

- pursuant to Section 6.36 of the Local Government Act 1995, approve the following schedule of proposed rates for the 2002-03 Year for public for local public notice purposes, i.e.*

RATE GROUP	CURRENT 2001-02		PROPOSED 2002-03	
	Rate in \$ (cents)	Min. Rate \$	Rate in \$ (cents)	Min. Rate \$
<u><i>Gross Rental Value Area</i></u>				
<i>Residential Vacant</i>	<i>9.8200</i>	<i>542.00</i>	<i>9.5550</i>	<i>572.00</i>
<i>Residential Improved</i>	<i>9.8200</i>	<i>470.00</i>	<i>9.5550</i>	<i>495.00</i>
<i>Residential Rural Vacant</i>	<i>-</i>	<i>-</i>	<i>10.2942</i>	<i>690.00</i>
<i>Residential Rural Improved</i>	<i>-</i>	<i>-</i>	<i>10.2942</i>	<i>615.00</i>
<i>Residential Rural 1 Vacant</i>	<i>10.5641</i>	<i>593.00</i>	<i>-</i>	<i>-</i>
<i>Residential Rural 1 Improved</i>	<i>10.5641</i>	<i>578.00</i>	<i>-</i>	<i>-</i>
<i>Residential Rural 2 Vacant</i>	<i>12.1749</i>	<i>801.00</i>	<i>-</i>	<i>-</i>
<i>Residential Rural 2 Improved</i>	<i>12.1749</i>	<i>650.00</i>	<i>-</i>	<i>-</i>
<i>Business 1 Vacant</i>	<i>8.4651</i>	<i>880.00</i>	<i>9.0545</i>	<i>928.00</i>
<i>Business 1 Improved</i>	<i>8.4651</i>	<i>745.00</i>	<i>9.0545</i>	<i>786.00</i>
<i>Business 2 Vacant</i>	<i>9.4048</i>	<i>1084.00</i>	<i>9.1785</i>	<i>1144.00</i>
<i>Business 2 Improved</i>	<i>9.4048</i>	<i>947.00</i>	<i>9.1785</i>	<i>999.00</i>
<u><i>Unimproved Value Area</i></u>				
<i>Rural General</i>	<i>0.5768</i>	<i>578.00</i>	<i>0.5671</i>	<i>610.00</i>

3. *vary the 2002-03 Budget Timetable by rescheduling the Special City Strategy Committee Meeting proposed to be held on 24th July 2002 to Tuesday 23rd July 2002 and accordingly reschedule the July 2002 ordinary meeting of the Community Services Committee meeting to Monday 22nd July 2002.*
4. *recommit the matter of the 2002-03 Draft Budget (as amended) to the Special Meeting of the City Strategy Committee to be held on 23rd July 2002 for recommendation to Council following consideration of:*
 - *public submissions received on the Principal Activities Plan,*
 - *public submissions of the 2002-03 Draft Budget,*
 - *public submissions received on the Proposed Rates,*
 - *Council's 30th June 2002 Year End position, and*
 - *any other matters subsequently arising having budgetary implications"*

PROPOSED 2002-03 ANNUAL BUDGET

A PUBLIC SUBMISSIONS

The closing date for receipt of public submissions is 19 July 2002.

At the time of preparing this report (18 July 2002), (1) public submission has been received. A copy of that submission and the officer response is presented at **Attachment "A-1" – Summary of Attachments – lilac page.**

A late public submission received on 19 July 2002 was tabled at the meeting and is presented at Attachment "A-2" – Summary of Attachments. – lilac page.

It is recommended that after giving consideration to the submissions, Council note the submissions and officer's response and then proceed with the proposed Budget without modification, with the submittees being provided with a copy of Council's response.

B BUDGET MATTERS ARISING REQUIRING CONSIDERATION

1. Year End 30th June 2002 Position

The final year end position shows a better budget result by an amount of \$183,889. It is to be noted that this figure:

- (i) allows for a proposed carried forward amount of \$3,160,731, the details of which are presented at **Attachment "A-3" – Summary of Attachments – lilac page;**
- (ii) includes unbudgeted CSRFF grant revenues which had to be brought to account in 2001-02 and, therefore, must now be deleted from Budget

2002-03. This will have nil affect on the proposed Budget's "bottom line".

The following table shows in summary form the financial position for 2001-02:

Opening Balance – 1 July 2001	2,298,242
Plus Total Revenues	27,863,376
	30,161,618
Less Total Expenditures	27,706,498
Closing Balance – 30 June 2002	2,455,120
Plus Budgeted Deficit Funding	889,500
	3,344,620
Less Proposed Carried Forwards	3,160,731
Adjusted Year End Surplus	183,889

N.B.: Circulated under separate cover is a detailed end of year trial balance for information/reference purposes.

2. Carried Forward Items

The City's Annual Budget represents a 12 month operating period out of the Five Year Plan of rolling projects and programs.

At the end of each year there is always an amount of work in progress which must be carried forward into the new financial year.

Over recent years, this has been approximately \$2.6M, or less than 10% of the Annual Budget. These works in progress often form the main program for the July – August period of expenditure, prior to the incoming cash flow of the September/October rating period.

It would be intended to maintain a consistent level of carry forward, which means a consistent level of resources to expend on the City's 12 month program. However, variations of up to \$1M can readily occur without major human resource implications, particularly where projects employ outside resources or have high materials components.

The carried forward amount invariably contains one or two large projects plus a series of smaller accounts (e.g. crossovers, grant projects, studies) where income may have been received but works simply cannot be commenced prior to July 1.

As mentioned in the preceding section, the schedule of the proposed revenue and expenditure carried forward items for inclusion in the 2002-03 Budget are presented at Attachment "A-3".

Matters to note about the proposed carried forwards are:

- (i) they have been categorised in the schedule as either:
- works in progress physically started
 - commitments – matching revenues received e.g. grants
 - programs deferred by Council
 - programs deferred administratively
- (ii) in comparison to previous years, this year's total carried forward amount of \$3.16M is higher, but not inordinately so. Most of the additional items relate to community services grant projects and initiatives where funding is in place but programs are just commencing.

A summary which shows comparison to the past two years is as follows:

Directorate	2000-01	2001-02	2002-03	Increase Between 2001-02 & 2002-03
Community Services	142,500	122,018	452,315	330,297
Development Services	90,850	77,910	110,272	32,362
Technical Services	2,372,967	2,438,711	2,598,144	159,433
Total	2,606,317	2,638,639	3,160,731	522,092

Significant items that have contributed to the carried forward amount for 2002-03 include:

Community Services

- The grant funded Aboriginal Family Support Program \$137,000
- The grant funded Seniors' Program \$56,000
- The grant funded NIP Program \$21,000
- Strategic initiatives \$49,000
- Youth and community security initiatives \$40,000

Development Services

- Various Planning Studies in progress, including:
 - Forrestdale Business Park
 - Commercial Centre Design
 - Heritage Precinct Study/Design

\$32,000

Technical Services

This area invariably makes up the bulk of works in progress and this year is again around the \$2.5M mark. As reported to the Technical Services Committee, the amount includes:-

• Lake Road project and Town Centre works	\$1,276,500
• Road projects –final seal	\$43,000
• Canning Mills Road project – payment to Gosnells	\$25,000
• Footpath works matching recent grant approval (works delayed pending application)	\$62,000
• Rushton Park/Kelmscott Scouts	\$99,078
• Armadale Recreation Centre/PCYC	\$60,000
• Armadale Seniors' Building Design	\$30,000
• Parks improvements delayed – playgrounds	\$35,000
• Local reserve groups – works not completed	\$36,000
• Golf Course Concept Plan	\$79,000
• Crossovers, in progress	\$123,000

NB: The Lake Road project was scheduled for expenditure prior to June 30th but delayed due to land acquisition problems. The Town Centre works await finalisation with the Harvey Norman project.

It is recommended that the proposed Schedule of Carried Forwards, as presented at Attachment “A-3”, be included in the Annual Budget.

3. June City Strategy Committee Meeting

Presented hereunder are the additional expenditures and revenues as identified at the June Meeting of the City Strategy Committee Meeting for consideration of inclusion in the Annual Budget.

Details	Amount
<u>Revenues</u>	
• Interests on Investments	20,000
• Grants Commission	20,000
Sub Total	40,000
<u>Expenditures</u>	
• Place Manager Contract Extension	29,000
• Skate Facilities Forrestdale	14,000
• Kelmscott BMX Facility Upgrade	1,000
• Aquatic Centres – Essential Works	30,000
• Administration Office Modifications	43,000
• Workers' Compensation Insurance	20,000
• Fire Hydrant Program	10,000
Sub Total	147,000
Net Total Expenditure	107,000

To assist the Committee's recall on the background to the above budget additions, presented at Attachment “A-4” – as circulated with the Agenda is the report (relevant parts only) from the June Meeting. This attachment also includes, where applicable, additional supporting information.

It is recommended that the above listing of additional expenditures and revenues be included in the Annual Budget.

4. Other Budget Matters

Matters arising since the June Meeting requiring budget consideration include:

(i) Grants Commission Funding

Advice is now to hand on Council's notional grant for 2002-03. **Compared to the estimates currently in the proposed Budget**, the advice indicates:

- an additional \$23,400 for general purpose funding;
- an additional \$21,550 for local road funding (committed);
- an additional \$100,000 for special road projects (committed).

It is recommended that this additional grant revenue of \$144,950, together with the associated additional matching road expenditure of \$121,550, be included in the Annual Budget.

(ii) Direct Management of Aquatic Centres

As resolved at the Ordinary Meeting of Council on 15th July 2002, Council will resume management of its Aquatic Facilities. In doing so, it is recognised that there will be additional costs in relation to that resumption, specifically:

- Administrative/Management set up costs (March 2002 RLSS safety report, staff recruitment & selection, uniforms etc.)
- Employee salary/wages costs (LGA Award is different to current RANS rates)
(Note: depending upon the length of contracts considered it may be that in order to attract and retain the services of an experienced Facilities Manager at relatively short notice there may be a need to "pay a premium" in terms of base plus performance incentive)
- Initial set up costs including equipment/materials/chemicals.
(Note: RANS leased the majority of its pool equipment)

While yet to be fully costed, it is anticipated that the total cost of the above issues will be in the order of \$30,000, more than the contract fee currently allowed in the Budget estimates.

It is recommended that this additional expenditure of \$30,000 for Council to resume direct management responsibilities for its pools be included in the Annual Budget.

(iii) South City Housing – Rates

Prior Council resolution on 15 July 2002 refers, i.e.

“That Council:

- a) advise South City Housing (SCH) that it is willing to consent to orders in the Land Valuation Tribunal which in effect allow the appeal by SCH to be granted;*
- b) authorise its lawyers, in consultation with the CEO, to negotiate the most favourable costs outcome possible;*
- c) amend its rate record to grant a rate exemption to SCH for the 15 relevant properties;*
- d) in due course refund the receipted rate revenue for those 15 properties to SCH.”*

The Budget implication of the above resolution is a rates revenue loss totalling \$19,950, i.e. a refund of the 2001-02 rates paid of \$9,295 and foregone budgeted rates in 2002-03 of \$9,647.

It is recommended that a rates revenue loss of \$18,950 be included in the Annual Budget.

(iv) Rates Concession

The matter of whether the Residential Rural 2 rating concession (as has been in use for the last 5 years) should be continued for the 2002-03 year, was a subject for discussion at the Rating Review Working Party (RRWP) Meeting held on 15 July 2002.

Having considered the case for and against the continuation of the concession, the recommendation of the RRWP is for it to be continued for only one more year and that as part of the phasing out process, the concession, value by comparison to the 2001-02 year level, be reduced by 50%.

The RRWP was of the view that to withdraw the concession without advance notice would be contrary to the position held by Council of providing ratepayers with some degree of certainty and predictability of rate movements from one year to another.

The cost of the recommended concession, which is \$7,900, has not been allowed for in the proposed Budget.

It is recommended that a Residential Rural Rating – Concession Expense of \$7,900 be included in the Annual Budget.

(v) Summary of Matters Arising

If all of the foregoing recommended variations to the proposed Budget are supported, then the budgeted deficit will be exceeded by \$25,526.

The budget equation inclusive of the recommended variations is as follows:

Details	Amount \$	Amount \$
Year Start 1.7.02 Surplus Position		2,455,120
<u>Plus</u>		
- 2002-03 Budgeted Revenues	29,477,467	
- Additional Interest	20,000	
- Additional Grants Commission Funds	164,950	
- 2002-03 Deficit Funding	1,221,800	
Sub Total	30,884,217	
<u>Less</u>		
- CSRFF Funds	69,000	
- South City Housing Rates	18,950	30,796,267
Total Funds Available		33,251,387
<u>Less</u>		
- 2002-03 Budgeted Expenditures	29,809,732	
- Place Manager Contract Extension	29,000	
- Skate Facilities Forrestdale	14,000	
- Kelmscott BMX Facility Upgrade	1,000	
- Aquatic Centre Essential Works	30,000	
- Administration Office Modifications	43,000	
- Workers' Compensation Insurance	20,000	
- Fire Hydrant Program	10,000	
- Grants Commission Road Works	121,550	
- Direct Management of Pools	30,000	
- Rates Concession	7,900	30,116,182
<u>Less</u>		
- Schedule of Carried Forwards		3,160,731
		(25,526)

Of the various options available to balance the budget, i.e.

- reduce expenditures;
- increase revenues;
- increase the deficit;
- a combination of all or some of the above

the option of increasing the deficit by \$25,526 to balance the proposed Budget is recommended. The reasons for this are twofold:

- (i) it is, in relative overall Budget terms, a nominal amount; and

- (ii) part of the additional expenditure, in particular the pool capital works of \$30,000, is allowed for in subsequent years of the (5) Year Plan and the net deficit will therefore be the same.

PROPOSED 2002-03 RATES

At its Meeting held on 17 June 2002, Council approved the 2002-03 proposed rates for public notice and submission.

In accordance with the Act, Council is required to consider all submissions received before imposing the rates with or without modification. Further, that if the adopted rates differ from the proposed rates then the Budget Document must detail the difference in the rates proposed versus adopted, with supporting reasons.

At the submission close date of 17 July 2002, (1) submission has been received – a copy of that submission, and the Officer response is presented at **Attachment “A-4” – Summary of Attachments – lilac page.**

A late public submission received on 19 July was tabled at the meeting and is presented at Attachment “A-2” – Summary of Attachments – lilac page.

It is recommended that Council:

- (a) note the submissions received and endorse the officer responses
- (b) proceed to adopt the proposed rates as advertised without modification:
- (c) Provide the submittees with advice of (a) and (b) above.

PRINCIPAL ACTIVITY PLAN

At its meeting held on 2 April 2002, Council approved the Principal Activity Plan for public comment. The Plan was prepared in accordance with the Five Year Forward Plan endorsed by the City Strategy Committee as a guide to 2002-03 Budget deliberations.

In accordance with the Act, Council is required to consider submissions received from the public and accept the Plan with or without modification.

At the submission close date of 8 July 2002, there were no submissions received and accordingly **it is recommended** that the Plan be accepted without modification.

It is recommended that the Principal Activity Plan for the (4) year period ending 30th June 2006, as presented at **Attachment “A-5” – Summary of Attachments – lilac page** be accepted.

ADOPTION OF THE 2002-03 ANNUAL BUDGET – PROCEDURAL MATTERS TO NOTE

- All decisions made by Council in adopting the Annual Budget require an absolute majority Council Resolution.
- Previous Council practice in adopting the Annual Budget at full Council has proven effective and is proposed as follows:

- To separately resolve by absolute majority resolution those matters arising for inclusion in the Budget, which are not already included in the Draft Budget Estimates.
- To separately resolve by absolute majority resolution those expenditures and/or revenues contained in the Budget document in which a Councillor has a financial interest to declare.

The wording of such resolutions have been typically as follows:

*“the budgeted expenditure/revenue of \$? as relating to be included
in the 2002-03 Annual Budget.*

- To separately and finally resolve by absolute majority resolution the Annual Council Budget document, as presented to the Council Meeting, i.e.:

“That the 2002-03 Annual Council Budget document, as presented, excepting those budget matters having already been dealt with, be accepted.”

- Following this Committee Meeting, all of the approved Budget estimates will be converted to the Statutory Budget format thereby enabling adoption of the 2002-03 Annual Budget in its required format at the August 6th Council Meeting.

The Chief Executive Officer advised corrections to the Agenda were required on:

Page 4 – by the addition of text following the Table relating to the Unfunded Balance:

“However, Council has also been advised of additional Budget imposts for 2002/03, i.e.

<i>Aquatic Centre</i>	<i>\$30,000</i>
<i>South City Housing Rates</i>	<i>\$18,950</i>
<i>Residential Rural Rating</i>	<i>\$7,900</i>

The net Budget shortfall at the end of these considerations is \$25,000.

It has been recommended that this be added to the current annual deficit and be recovered from the projected deficit within the next two years.”

Page 9 – amendments to the following item amounts, being:

- *Rushton Park/Kelmscott Scouts* *\$99,078*
- *Crossovers in progress* *\$123,000*

The Chief Executive Office summarised section 4 of the report “Other Budget Matters” and advised that if recommended variations to the proposed Budget are supported, then the budgeted deficit will be exceeded by \$25,526. This extension of the deficit was not a major departure and would be recovered within the next two years of the Five Year Plan when Aquatic Centre Works (brought forward to this year) were originally scheduled.

Committee deliberated at length on the documentation provided, with clarification being sought in regard to the following matters, i.e.:

- *General issue of principle in the summary of carried forwards – last year it was \$2M, this year it is \$3M. Council now proposes to increase the deficit by \$25,000, is Council budgeting beyond its capacity to implement programs? The Chief Executive Officer referred to item 2 of the report and advised that Council’s carried forward amount had been consistent at \$2.6M for the past two years and the increase to \$3.2M for 2002/03 was due to an unusual number of large projects delayed at the conclusion of the year. There were also a number of programmes in the Community Services area which had to be brought forward to 2002-03. It was agreed the carried forward amount should not be allowed to grow inordinately. While it remains consistent, Council is spending a consistent amount each year, and not allocating beyond its capability.*
- *Queries in relation to the Proposed 2002-03 Annual Budget Schedules were raised as follows:*
 - *Schedule M1 – 50852 – Members’ Administration - Conferences –this is incorrectly titled as it relates to Elected Members Training.*
 - *Schedule M5 – 36212 - Human Resources – Staff Uniforms – are these costs allocated to other cost centres? (Advised not at this time, this is a corporate cost.)*
 - *Schedule M11 – 38752 – Chief Executive’s Office –Training – Executive Development – item for executive development \$10,000 and professional development \$5,000. Advised \$10,000 for corporate executive training, while \$5,000 is for Chief Executive Officer’s professional development.*
 - *M11 – 50412 – Chief Executive’s Office – Subscriptions – what are the subscriptions for? Advised that these are for the City’s subscription to the WA Local Government Association.*
 - *Schedule M12 – Property Leases & Rentals – 04373 – Lot 100 Jarrah Road, Roleystone. The use of this property needs to be identified in the Budget.*
 - *Schedule M7 – Stock (Animal) Control Services – 52152 – Mobile Phone. Queried the cost of mobile phones for Ranger Services when vehicles have two-way radios.*
 - *Schedule M9 – Other Law & Order – 55292 – Autocite – Council collected less in fines than it cost to hire the automatic ticketing issuing machine. The EDCCS advised that the Autocite machines are leased for another 12 months and while the benefit was in saving time rather than fines, benefits were not as high as had been hoped.*

Cr Reynolds disclosed that he has a non-financial interest in a footpath in Ravenscroft Way, Westfield, (appearing on page 47 (Schedule M88) of the Proposed 2002-03 Annual Budget), that runs past a family member’s house. Cr Reynolds advised that there may be a perception, given the family interest, that his impartiality may be affected but declared that he would set aside that association, consider the matter on its merits and vote accordingly.

CS66/02 RECOMMEND

1. Principal Activity Plan

That the City's Proposed Principal Activity Plan for the (4) year period ending 30th June 2006, as presented at Attachment "A-5" to this report, be accepted.

****ABSOLUTE MAJORITY RESOLUTION REQUIRED**

2. Proposed Rates

(a) That subject to the Minister's approval being received, the following Schedule of Proposed Rates for 2002-03 be accepted.

Rate Category	Rate in \$ (cents)	Minimum Payment \$	Number of Properties	Total Revenue \$	% of Total
Residential Vacant	9.5551	572.00	720	431,773	2.8
Residential Improved	9.5550	495.00	16,322	10,107,808	64.9
Residential Rural Vacant	10.2943	690.00	411	321,963	2.1
Residential Rural Improved	10.2942	615.00	1,366	1,177,716	7.6
Business 1 Vacant	9.0546	928.00	56	75,263	0.5
Business 1 Improved	9.0545	786.00	547	1,406,634	9.1
Business 2 Vacant	9.1786	1,144.00	2	2,980	0.0
Business 2 Improved	9.1785	999.00	109	948,638	6.1
Rural General	0.5671	610.00	742	1,074,770	6.9
Total			20,257	\$15,547,545	100%

(b) That the public submissions and officer responses, as presented at Attachments "A-2" and "A-4" to this report, be noted.

(c) That the submittees be provided with a copy of this part recommendation and the Officer response.

****ABSOLUTE MAJORITY RESOLUTION REQUIRED**

3. Matters Arising for Inclusion in the 2002-03 Annual Budget

- (a) That the Schedule of Carry Forwards from the 2001-02 year, as presented at Attachment “A-3” to this report, be included in the 2002-03 Annual Budget.

****ABSOLUTE MAJORITY RESOLUTION REQUIRED**

- (b) That the following Schedule of Budget Matters Arising, be included in the 2002-03 Annual Budget:

Details	Amount \$
<u>Revenues</u>	
• Additional Grants Commission Funds	164,950
• Additional Interest on Investments	20,000
• South City Housing Rates	(18,950)
• CSRFF Funds	(69,000)
Sub Total	97,000
<u>Expenditures</u>	
• Place Manager Contract Extension	29,000
• Skate Facilities Forrestdale	14,000
• Kelmscott BMX Facility Upgrade	1,000
• Aquatic Centre Facilities Upgrade	30,000
• Administration Office Works	43,000
• Workers’ Compensation Insurance	20,000
• Fire Hydrant Program	10,000
• Grants Commission Roadworks	121,550
• Council Management of Pool Facilities	30,000
• Rates Concession	7,900
Sub Total	306,450
Net Total Expenditure	209,450

****ABSOLUTE MAJORITY RESOLUTION REQUIRED**

4. Public Submission on the Proposed 2002-03 Budget

That the public submissions and Officer response, as presented at Attachments “A-1” and “A-2” to this report, be noted and submittees be provided with a copy of the Officer response.

****ABSOLUTE MAJORITY RESOLUTION REQUIRED**

5. 2002-03 Annual Council Budget

That subject to the Minister's approval being received, the 2002-03 Annual Council Budget presented at Attachment "A-6" to this report, excepting those Budget matters already dealt with, be accepted.

****ABSOLUTE MAJORITY RESOLUTION REQUIRED**

Moved Cr Reynolds
Motion Carried (7/0)

MEETING DECLARED CLOSED AT 7.45 PM

SPECIAL CITY STRATEGY COMMITTEE

SUMMARY OF "A" ATTACHMENTS

23 JULY 2002

Attachment No.	Subject	Page
A-1	PUBLIC SUBMISSION & OFFICER RESPONSE TO PROPOSED 2002-03 ANNUAL BUDGET	19 – 24
A-2	LATE PUBLIC SUBMISSION & OFFICER REPOSENSE TO PROPOSED 2002-03 ANNUAL BUDGET & PROPOSED 2002-03 RATES	25 – 30
A-3	SCHEDULE OF PROPOSED CARRIED FORWARDS FOR INCLUSION IN THE 2002-03 ANNUAL BUDGET	31 – 35
A-4	PUBLIC SUBMISSION TO THE PROPOSED 2002-03 RATES	36 – 40
A-5	PRINCIPAL ACTIVITY PLAN FOR THE (4) YEAR PERIOD ENDING 30 TH JUNE 2006	41 - 56
A-6	2002-03 ANNUAL COUNCIL BUDGET	Separate Document

