



**MINUTES  
FOR  
ORDINARY MEETING OF COUNCIL  
Wednesday 20<sup>th</sup> March 2019**

**Council Chambers  
Lot 66 Railway Street  
Trayning WA 6488**

**Commencement: 4.14pm**





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Signed



Paul Sheedy  
Acting Chief Executive Officer



## PREFACE

When the Acting Chief Executive Officer approves these Minutes for distribution they are in essence “Unconfirmed” until the following Council Meeting, where the Minutes will be confirmed subject to any amendments made by the members of the Committee

The “Confirmed” Minutes are then signed off by the Presiding Person.

## UNCONFIRMED MINUTES

These minutes were approved for distribution on 21 March 2019.

Paul Sheedy  
**ACTING CHIEF EXECUTIVE OFFICER**

## CONFIRMED MINUTES

These minutes were confirmed at a meeting held on 17 April 2019.

Signed:

*Note: The Presiding Member at the meeting at which the minutes were confirmed is the person who signs above.*



**SHIRE OF  
TRAYNING**  
*Rock Solid*

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## MINUTES

Ordinary Meeting of the Trayning Shire Council,  
held in the Council Chambers, Lot 66 Railway Street, Trayning,  
on Wednesday 20<sup>th</sup> March 2019, commencing at 4:14pm.

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## UNCONFIRMED MINUTES

These minutes were approved for distribution on 22<sup>nd</sup> March 2019

*P. Sheedy.*

Paul Sheedy  
**ACTING CHIEF EXECUTIVE OFFICER**

## CONFIRMED MINUTES

These minutes were confirmed at a meeting held on .....

Signed: .....

*Note: The Presiding Member at the meeting at which the minutes were confirmed is the person who signs above.*



## **1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Shire President Cr MA Brown welcomed all Councillors and Staff declaring the meeting open at 4:14pm.

## **2 ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE**

### MEMBERS:

Cr Melanie Brown (Shire President)  
Cr Geoff Waters (Deputy Shire President)  
Cr Freda Tarr  
Cr Michelle McHugh  
Cr Greg Yates  
Cr Marlon Hudson  
Cr Jim Wilkins

### STAFF:

Mr Paul Sheedy (Acting Chief Executive Officer)  
Mrs Jacqui Cook (Manager of Financial Services)  
Miss Belinda Taylor (Manager of Corporate Services)

### APOLOGIES:

Nil

### ON APPROVED LEAVE(S) OF ABSENCE:

Nil

### ABSENT:

Nil

### VISITORS:

Nil

## **3 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**

Nil

## **4 PUBLIC QUESTION TIME**

Nil



## 5 APPLICATIONS FOR, AND PREVIOUSLY APPROVED, LEAVE OF ABSENCE AND DISCLOSURES OF INTEREST

### 5.1 Applications Previously Approved

Nil

### 5.2 Leave of Absence

Nil

### 5.3 Disclosure of Interest

<i>Councillor / Officer</i>	<i>Item No</i>	<i>Nature of Interest</i>	<i>Extent of Interest</i>
Cr GI Yates	11.1.3	Impartiality	Related to Tenderer

## 6 PETITIONS/DEPUTATIONS/PRESENTATIONS

### 6.1 Petitions

Nil

### 6.2 Deputations

Nil

### 6.3 Presentations

Nil

## 7 CONFIRMATION OF MINUTES

### 7.1 Ordinary Meeting of Council

#### Officer's Recommendation/Council Decision

**Moved: Cr GF Waters**

**Seconded: Cr ML McHugh**

That the minutes of the Ordinary Meeting of Council held on 20<sup>th</sup> February 2019 be confirmed as a true and correct record of the proceedings.

**Resolution: 03-2019.12**

**Carried: 7/0**





## 7.2 Audit Committee Meeting

### Officer's Recommendation/Council Decision

**Moved: Cr GF Waters**

**Seconded: Cr GI Yates**

That the minutes of the Audit Committee Meeting held on 20<sup>th</sup> March 2019 be confirmed as a true and correct record of the proceedings.

**Resolution: 03-2019.13**

**Carried:7/0**

## 8 ANNOUNCEMENT BY PRESIDING MEMBER WITHOUT DISCUSSIONS

### 9 REPORTS OF OFFICERS

#### 9.1 REGULATORY SERVICES

There are no reports this month.



## 10.1 MANAGER OF FINANCE

### 10.1.1 Monthly Financial Report– February 2019

Date of Report:	12 <sup>th</sup> March 2019
File Ref:	N/A
Officer:	Jacqui Cook – Manager of Financial Services
Senior Officer:	Paul Sheedy – Acting CEO
Officer's Disclosure of Interest:	Nil
Attachments:	10.1.1 Statement of Financial Activity February 2019
Voting Requirements:	Simple Majority

#### Introduction

This report presents for consideration the Monthly Financial Report, for the period ending 28<sup>th</sup> February 2019.

#### Background

All financial reports are required to be presented to Council within two meetings following the end of the month that they relate to.

These reports are prepared after all the end of month payments and receipts have been processed.

#### Consultation

There has been consultation with the Acting Chief Executive Officer.

#### Statutory Environment

##### Local Government Act 1995 -

##### 6.4. Financial report

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.

##### Local Government (Financial Management) Regulations 1996 -

##### 34. Financial activity statement required each month (Act s. 6.4)

- (1A) In this regulation —

**committed assets** means revenue unspent but set aside under the annual budget for a specific purpose.



- (1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail —
  - (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and
  - (b) budget estimates to the end of the month to which the statement relates; and
  - (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates; and
  - (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
  - (e) the net current assets at the end of the month to which the statement relates.
- (2) Each statement of financial activity is to be accompanied by documents containing —
  - (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and
  - (b) an explanation of each of the material variances referred to in sub regulation (1)(d); and
  - (c) such other supporting information as is considered relevant by the local government.
- (3) The information in a statement of financial activity may be shown —
  - (a) according to nature and type classification; or
  - (b) by program; or
  - (c) by business unit.
- (4) A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be —
  - (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
  - (b) recorded in the minutes of the meeting at which it is presented.
- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.

The recommendation that follows is consistent with the legislative requirements.



### **Policy Implications**

This proposal incorporates the requirements of policy 7.11 – Investment of Surplus Funds, specifically the requirement to report on Councils investments within the Monthly Financial Report.

### **Financial Implications**

A copy of the Monthly Financial Report for the period ending 28<sup>th</sup> February 2019, including the report on significant variances, Investment of Councils reserve and surplus funds and the reconciliation of Councils bank accounts, has been provided to Council via attachment to this report.

### **Strategic Implications**

There are no strategic implications.

### **Environmental Implications**

There are no environmental implications.

### **Social Implications**

There are no social implications.

### **Officer's Comment**

Nil

### **Officer's Recommendation/Council Decision**

**Moved: Cr FA Tarr**

**Seconded: Cr MS Hudson**

It is recommended that:  
Council accepts the Monthly Financial Report for the period ending 28<sup>th</sup>  
February 2019 as presented.

**Resolution: 03-2019.14**

**Carried: 7/0**



### 10.1.2 Monthly Payment List February 2019

Date of Report:	12 <sup>th</sup> March 2019
Proponent:	N/A
File Ref:	3.2.2.3 – Accounts Payable (Creditors)
Officer:	Jacqui Cook – Manager of Financial Services
Senior Officer:	Paul Sheedy – Acting CEO
Officer's Disclosure of Interest:	Nil
Attachments:	Nil
Voting Requirements:	Simple Majority

#### **Introduction**

The cheques and electronic payments that have been raised during the month of February 2019 are reproduced in list form for Council's endorsement.

#### **Background**

Creditor's invoices are processed as they arrive and at regular intervals cheques and electronic funds transfers are raised for payment.

#### **Consultation**

There has been consultation with the Acting Chief Executive Officer.

#### **Statutory Environment**

##### Local Government (Financial Management) Regulations 1996 -

13. Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.
  - (1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —
    - (a) the payee's name; and
    - (b) the amount of the payment; and
    - (c) the date of the payment; and
    - (d) sufficient information to identify the transaction.
  - (2) A list of accounts for approval to be paid is to be prepared each month showing —
    - (a) for each account which requires council authorisation in that month —
      - (i) the payee's name; and



- (ii) the amount of the payment; and
  - (iii) sufficient information to identify the transaction; and
- (b) the date of the meeting of the council to which the list is to be presented.
- (3) A list prepared under sub regulation (1) or (2) is to be —
  - (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and
  - (b) recorded in the minutes of that meeting.

The recommendation that follows is consistent with the legislative requirements.

### **Policy Implications**

There are no policy implications.

### **Financial Implications**

The following payment listing includes all payments made to third parties from Council's Municipal, Trust as well as transactions made on the Corporate Credit Card.

The payment listing does not included internal transfers between Councils various bank accounts such as transfers from Councils Municipal Cheque Account to and from Municipal At Call High Interest Account.

### **Strategic Implications**

There are no strategic implications.

### **Environmental Implications**

There are no environmental implications.

### **Social Implications**

There are no social implications.

### **Officer's Comment**

There is nothing out of the ordinary in the payments list for February 2019.



**Officer's Recommendation/Council Decision**

**Moved: Cr ML McHugh**

**Seconded: Cr GF Waters**

It is recommended that:

Council accepts the following payments list presented for the period 1st February 2019 – 28<sup>th</sup> February 2019 totalling \$ 242,727.27.

MunicipalCheque	23882	to	23889	totalling	\$15,094.06
Municipal EFT	EFT7486	to	EFT7542	totalling	\$107,621.07
Municipal Direct Debit	DD6679.1	to	DD6751.1	totalling	\$49,494.67
Payroll	WEEK 29	to	WEEK 31	totalling	\$70,011.00
Municipal Bank Fees	Transactions			totalling	\$102.57
	<b>Total Municipal Transactions</b>				<b>\$242,323.37</b>
Trust Cheques	Transactions			totalling	-
Credit Card	Transactions			totalling	\$403.90
	<b>Total Trust, &amp; Credit Card Transactions</b>				<b>\$403.90</b>
	<b>TOTAL PAYMENTS FOR MONTH OF FEBRUARY 2019</b>				<b>\$242,727.27</b>

All payments have been checked and are fully supported by vouchers and invoices which have been duly certified as to the receipt of goods and the rendition of services and as to prices, computations, costings and amounts due for payments.

Cheques have been signed and Electronic Funds Transfers have been authorised in accordance with Councils delegation 2.3 – Creditor Payments.

Under section 5.46 (3) of the Local Government Act 1995 and regulation 19 of the Local Government (Administration) Regulations 1996, this record of the exercise of Delegated Authority is Registered.

Acting Chief Executive Officer

**Resolution: 03-2019.15**

**Carried: 7/0**



## 11.1 CHIEF EXECUTIVE OFFICER

### 11.1.1 Donation - Lions Cancer Institute

Date of Report:	12 <sup>th</sup> March 2019
Proponent:	Shire of Trayning
File Ref:	3.2.7.4
Officer:	Paul Sheedy – A/Chief Executive Officer
Officer's Disclosure of Interest:	Nil
Attachments:	Special Children's Big Day Out Flyer
Voting Requirements:	<b>Absolute Majority</b>

#### **Introduction**

Council is requested to make a donation of \$300 for the Lions Cancer Institute Special Children's Big Day Out on 20<sup>th</sup> April 2019 in Perth.

#### **Background**

The Institute hosts the annual 'Special Children's Big Day Out' event in Perth for local sick (terminally ill), handicapped and severely disabled children from the community throughout Western Australia.

There is no government funding for this event so the Institute relies on donation from the community and organisation to continue this event each year.

#### **Consultation**

The A/CEO was contacted by a representative of the Institute seeking a donation from Council and was advised to put in a written request as the matter would have to be considered by Council as the A/CEO does not have any delegated authority to approve such amounts.

#### **Statutory Environment**

Local Government Act 1995, section 6.8 (1)

6.8 Expenditure from municipal fund not included in annual budget

- (1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —
  - (a) is incurred in a financial year before the adoption of the annual budget by the local government; or
  - (b) is authorised in advance by resolution\*; or
  - (c) is authorised in advance by the mayor or president in an emergency.





*\* Absolute majority required*

### **Policy Implications**

Council Policy 7.7 Donations and Sponsorship is relevant to this item and in particular the following parts of the policy:

#### ***Policy Statement***

1. *As a general practice, Council will restrict making donations of cash, materials and/or works to organisations which benefit the local community.*
2. Sponsorship of individuals will not be considered, unless it is determined by Council that –
  - the person is representing the Shire as a community,
  - is acting for the Shire's benefit to some extent, and
  - is authorised by a non-profit and non-government organisation which benefits the community.
3. *Criteria for consideration of donation or sponsorship –*
  - a) *Applicants should note that donations will be made at the absolute discretion of Council.*
  - b) *Donation requests will not be considered where the applicant is –*
    - i) *a private and for profit organisation or association*
    - ii) *an individual person*
    - iii) *in relation to general fundraising*
    - iv) *for funding for conferences and conventions*
  - c) *Priority will be given where –*
    - i) *The applicant is a registered not for profit organisation and has a base or visible presence in the Shire.*
    - ii) *The applicant is a community group based in the Shire or has visible presence within the Shire or has a significant impact on residents of the Shire.*
    - iii) *The applicant can demonstrate that the funds will provide some benefit to the Shire residents.*
    - iv) *The funds are required for a new initiative or significant once off project.*
    - v) *The applicant has not received a donation from Council within the previous two years.*
    - vi) *If the donation is for an event, entry to the event is free of charge to Shire residents to attend and participate.*
    - vii) *The application is made in the financial year prior to the funds being required in time for inclusion in the coming year's budget deliberations.*

### **Financial Implications**

The 2018/19 budget in Schedule 4 Members of Council, under 'Donations to Community & Sporting Groups' (account 2041028) has an allocation of \$2,500. However the budget



allocation specifically identifies the Central Wheatbelt Sporting Association as receiving this donation, which has been expended.

So any decision to make a donation will be considered to be unbudgeted expenditure and will result in this account exceeding the budget allocation in 2018/19.

### **Strategic Implications**

Shire of Trayning Strategic Community Plan 2013

OBJECTIVES: Social – Maintain and strengthen a strong sense of community identification and spirit.

STRATEGY: S.1.1 – Maintain and strengthen greater community spirit through co-operation.

### **Environmental Implications**

There are no environmental implications with this item.

### **Social Implications**

The participation in the proposed activities will have a beneficial social impact on those attending.

### **Officer's Comment**

The Institute have contacted the Shire of Trayning as they indicated that there are three (3) children from the Shire currently in the Perth Children's Hospital who there are seeking sponsorship for to attend this 'Big Day Out' event. Due to privacy issues the Institute was not in a position to provide the details of the local children involved.

The Institute has indicated that the event will benefit the Shire community in two ways.

1. Your support of these special children assures them an exceptional outing, guaranteed to bring joy to those in your local area who, through no fault of their own, are not always afforded the pleasures of a normal childhood.
2. Funds raised from this event will be used to purchase and maintain our Free Mobile Cancer Screening Unit, the Lions Cancer Screening is a free service run by Lions Club Members & volunteers that travels around WA diagnosing people for potential Cancer.

It would appear that this request meets parts of the criteria of the Council policy (detailed above), the amount requested is not significant (\$300) and will not have any significant impact on the Council's financial position and assuming the information is correct about the three local children, it could be supported.



Conversely it would appear that this is a broader funding request that is sent to many private organisations and local governments throughout WA and unfortunately local governments seem to continue to be targeted with such requests when government funding is not available. One would suspect that if Council decides not to make a donation then the three local children from this Shire will still be included.

**Officer's Recommendation/Council Decision**

**Moved: Cr MS Hudson**

**Seconded: Cr ML McHugh**

It is recommended that:

Council agrees to make a donation of \$300 to the Lions Cancer Institute (Inc.) 'Special Children's Big Day Out' event in Perth, to sponsor the three (3) local children, that the Institute has advised are currently in Perth Children's Hospital.

**Resolution: 03-2019.16**

**Carried Absolute Majority 7/0**

New Motion

**Moved: Cr GI Yates**

**Seconded: Cr FA Tarr**

That:  
Standing Orders be suspended at 4:21pm to enable Council to discuss item 11.1.2.

**Resolution: 03-2019.17**

**Carried: 7/0**

New Motion

**Moved: Cr McHugh**

**Seconded: Cr GI Yates**

That:  
Standing Orders be reinstated at 4:45pm.

**Resolution: 03-2019.18**

**Carried: 7/0**



### 11.1.2 Mid-Year Budget Review

Date of Report:	11 <sup>th</sup> March 2019
Proponent:	Paul Sheedy
File Ref:	N/A
Officer:	Paul Sheedy – A/Chief Executive Officer
Officer's Disclosure of Interest:	Nil
Attachments:	Mid -Year Budget Review Financials
Voting Requirements:	<b>Absolute Majority</b>

#### **Introduction**

A Mid-Year Budget Review has been conducted with staff reviewing actual expenditure as at 11<sup>th</sup> March 2019 compared to the adopted budget for the year and assessing whether the remaining budget for the year needs to be amended. This review has resulted in forecasts for the end of the financial year being shown in the attached report and Council needs to consider and adopt the Budget Review as presented in the report.

#### **Background**

The Local Government (Financial Management) Regulations 1996 (as amended) require local governments to conduct a budget review between 1 January and 31 March each year and to report the results of the review to Council. After Council has made their determination a copy is to be provided to the Department of Local Government, Sport and Cultural Industries.

#### **Consultation**

The Acting CEO has consulted with staff to obtain an understanding of the actuals versus budget figures and no further consultation is required.

#### **Statutory Environment**

Local Government (Financial Management) Regulations 1996, Regulation 33A

33A Review of Budget

(1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.

(2A) The review of an annual budget for a financial year must —

- (a) consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
- (b) consider the local government's financial position as at the date of the review; and
- (c) review the outcomes for the end of that financial year that are forecast in the budget.

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(2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.

(3) A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.

(4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

*\*Absolute majority required.*

### **Policy Implications**

There are no policies relevant to this item.

### **Financial Implications**

Ongoing review of financial reports showing year to date financial performance allows for the monitoring of actual expenditure, revenue and overall results against budget targets. The Mid Year Budget Review provides this monitoring, while also enabling the forecast budget revenue and expenditure to the end of the financial year to be reviewed and adjusted if necessary.

The forecast at 30 June 2019 shows a negative result of a \$43,182 deficit when compared to the amount indicated in the 2018/19 budget adoption which was an \$18,587 surplus. However it should be noted that the Statutory Rate Setting Statement indicated \$101,980 revenue in Governance which appears to be \$41,000 overstated as the amounts detailed in the supporting schedule only indicates \$60,980, resulting in insufficient rates being raised to achieve the predicted \$18,587 surplus. As a result of this discrepancy the adopted budget was in fact a \$22,413 deficit and not the \$18,587 surplus as indicated in the adopted budget document.

### **Strategic Implications**

Shire of Trayning Strategic Community Plan 2013

OBJECTIVE: Civic Leadership – Improve the Shire’s capability and capacity

STRATEGY: C.2.4 – Use resources efficiently and effectively.

OBJECTIVE: Civic Leadership – Provide efficient and effective management

STRATEGY: C.3.3 – Provide reporting processes in a transparent, accountable and timely manner.



### **Environmental Implications**

The allocation of funds for area like waste collection, refuse site works have a positive impact on the environment whilst road construction and maintenance and other areas where plant is operated could be considered to have a negative impact on the environment due to vegetation clearing and carbon monoxide emissions.

### **Social Implications**

Various budget and actual revenue and expenditure allocations have positive social implications such as swimming pool, public toilets, doctor's service, roads and footpaths construction.

### **Officer's Comment**

The budget review has been prepared to include information required by the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards.

Council when adopting its 2018/18 budget in June 2018 endorsed a variance of 10% and a minimum of \$10,000 to be used in the statements of financial activity and annual budget review, which is the basis of reporting for the Mid-Year Budget Review.

Given that the 2018/19 budget was developed by the previous CEO with very little consultation and engagement with other senior staff in the budget preparation process, the process of reviewing the annual budget has been quite difficult, especially in trying to identify the basis or background for various budget allocations when it appears from past financial years amounts allocated to some areas are either too high or too low. In a number of instances, especially with Administration, Housing and Public Works Overheads allocations, the budget allocation doesn't reflect what is actually happening in 2018/19 through the Shire's accounting process and in fact doesn't reflect what has happened in past years.

In making a determination on the forecast for 30 June 2019 for total income and expenditure against various account numbers I have relied on what has been the actual income and expenditure in the past two financial years plus the identification where addition or reduction income or expenditure will be occurring in the 2018/19 financial year (i.e. additional costs on staff housing maintenance, swimming pool renovations, reduction in vehicle trade-ins, WANDRA funding etc.).

### **Administration, Public Works O/Heads and Staff Housing Costs Allocations**

All of these allocations operate on the bases of having total costs in one area and then distributing them throughout the various programmes and schedules of the budget. As a result what is allocated throughout the budget must equal the total that the budget is indicating is being allocated in one general ledger account (i.e. Less Admin Costs Recovered, schedule 4 account 2042299) otherwise it can affect the projected end of June result positively or negatively depending on what has happened.



Therefore whilst the actual amounts shown the attached document may be substantially lower or higher than the budget allocation to the 30 June 2019, projections have been left similar to the budget allocations to ensure that a false deficit or surplus is not indicated. Actions will be taken when compiling the 2019/20 budget to rectify this issue.

## **Operational Income and Expenditure**

### General Purpose Funding

The end of year forecast income is \$1,737,383, which is \$494,281 or 22.15% lower than the budget income of \$2,231,664 due to:

- 50% of the Financial Assistance Grants (FAGs) amounting \$571,824 being received prior to 30 June 2018 and is reflected in the 1 July 2018 carried forward surplus
- The forecast total rate income is \$6,300 above the budget estimate.
- Interest on investments is expected to be \$9,438 below the budget estimate.

The end of year forecast expenditure is \$93,793 which is \$7,500 higher than the budget due to the UV revaluation expenses exceeding the budget.

### Governance

The end of year forecast income is \$76,941, which is \$16,341 or 26.96% higher than the budget of \$60,600 (statutory rate setting statement \$101,980) due to:

- Insurances rebates exceeding the budget by \$8,000
- Insurance claim reimbursement for storm damage to various buildings and infrastructure in March last year
- FBT refund and staff housing rent being less than the budget

The end of year forecast expenditure is \$474,599, which is \$21,886 or 4.41% lower than the budget of \$496,485 due to:

- Members attendance fees being \$6,000 less than budget
- Long service leave costs being, \$19,454 below budget
- Staff training costs being below budget
- Computer equipment costs being \$14,700 below budget
- Deferral of the website upgrade of \$9,500 to 2019/20.
- Admin building maintenance costs being \$13,000 above budget (\$5,000 insurance claim)
- Consultancy costs being \$52,000 above budget.
- Debt recovery costs and bad debts written off both being \$5,000 below budget.

### Law, Order & Public Safety

The end of year forecast income is \$6,600, which is \$5,112 or 43.65% below the budget of \$11,712 due to the non-received DFES income of \$5,762





The end of year forecast expenditure is \$39,135, which is comparable to the budget of \$40,458, however it should be noted that:

- Animal control costs are expected to be \$6,000 above the budget
- Emergency Services is expected to be \$8,000 below budget as the kerbside & house numbering will not be undertaken in 2018/19.

### Health

The end of year forecast income is \$81,054, which is in line with budget of \$81,054.

The end of year forecast expenditure is \$135,788 which is slightly lower than the budget of \$136,471 due to:

- New Health costs are expected to be \$6,000 below the budget
- Doctor recruitment/medical practice expenses will \$13,000 above the budget as the it appears that the accounts have been in arrears instead of quarterly in advance as per the agreement. As the current agreement is finishing at 30 June 2019 an additional quarterly payment will be included in the 2018/19 financial year, however 70% of that cost will come from the other three contributing local governments.
- Shire of Trayning Doctor's house rent contribution will be \$0 compared to the budget of \$8,100 as the Shire owns the house and does not pay itself rent.

### Education and Welfare

The end of year forecast income is \$4,800 which is slightly lower than the budget allocation of \$5,200.

The end of year forecast expenditure is \$97,651, which is slightly higher than the budget allocation of \$97,203 due to increased labour costs at the Trayning Playgroup facility.

### Housing

The end of year forecast income is \$70,000, which is comparable to the budget of \$70,012. It should be noted that the budget increases in rent were not advised to the tenants so the rents remained similar to 2017/18.

The end of year forecast expenditure is \$169,321, which is \$45,859 or 37.14% higher than the budget of \$123,462 due to:

- Additional building maintenance costs of \$7,000, including staff costs for the consultants/ACEO house.
- Replacement air condition units in two houses at cost of \$11,000.
- Staff costs or \$6,000, not in budget, at lot 59 Glass Street.
- Non-employee housing costs exceeding the budget by \$7,000.
- Shire rates are levied on the properties but not included in budget.

It should also be noted that the actual staff housing costs in 2017/18 was \$63,500 and in 2016/17 \$69,000 so the 2018/19 budget of only \$37,368 appears to be quite low.

**MINUTES:** Ordinary Meeting of Shire of Trayning Council held on Wednesday 20<sup>th</sup> March 2019 24





### Community Amenities

The end of year forecast income is \$60,745, which is \$1,075 or 2.8% higher than the budget of \$59,670.

The end of year forecast expenditure is \$163,649, which is \$12,832 or 8.50% higher than the budget of \$150,817 mainly due to additional work pushing up the tip site pits to extend their current life.

### Recreation and Culture

The end of year forecast income is \$14,503, which is comparable to the budget of \$15,483 with the reduction being loss of hall hire fees.

The end of year forecast expenditure is \$627,132, which is \$ 64,066 or 11.38% higher than the budget of \$563,066 due to:

- Additional pool maintenance costs of \$20,000 for salaries (relief staff) and pool chemicals
- Trayning recreation building ceiling replacement \$5,000
- Recreation facilities/parks & gardens maintenance expected to be \$30,000 over budget.

### Transport

The end of year forecast income is \$276,339, which is \$242,740 or 47.23% lower than the budget of \$519,079 due to:

- The Financial Assistance Grants (FAGs) to be received in 2018/19 being \$237,000 less than the budget allocation as 50% of the grant was received prior to 30 June 2018 and is reflected in the 1 July 2018 carried forward surplus. The total 2018/19 allocation being \$26,000 less than the budget.
- Aerodrome reimbursements of \$5,600 anticipated as not being received.

The end of year forecast expenditure is \$997,422, which is \$45,314 or 4.80% higher than the budget of \$952,108 due to:

- Road Maintenance expected to be \$43,415 over budget due to the need to spend the WANDRA funding to comply with the R2R to ensure Council's own source expenditure for 2018/19 meets the R2R agreement. town and rural road verge tree pruning has been allocate \$40,000 of these funds

### Economic Services

The end of year forecast income is \$13,540, which \$2,990 or 29.6% higher than the budget of \$10,550 due to:

- Tree planter hire up \$1,000
- Ninghan News advertising up \$800



- Building license fees up \$1,100

The end of year forecast expenditure is \$139,419, which is \$1,820 or 1.32% higher than the budget of \$137,599 due to:

- Repayment of NRMO grant from previous year unspent, \$1,164.
- Contribution to New Travel Maps not included in the budget, \$3,500
- Fuel facility being \$3,500 less than budget.

#### Other Property and Services

The end of year forecast income is \$69,750, which is \$11,267 lower than the budget for Other Property & Services income of \$81,017

- Private works income down by \$3,800
- Works team rent reimbursement down by \$9,460
- Sale of materials up by \$2,000

The end of year forecast expenditure is \$112,993, which is \$33,074 or 21.88% lower the budget for Other Property & Services expenditure of \$146,067 due to:

- Private works down by \$1,500
- Public works overheads down by \$33,000

#### Salaries & Wages

The total budgeted employee salaries and wages is \$1,176,999, whilst the forecast expenditure is expected to be \$1,200,000 which 1.95% higher than budget.

### **Capital Income and Expenditure**

#### Other Governance

The end of year forecast capital income is \$127,200 which is \$79,800 or 38.55% lower than the budget of \$207,000 due to the reduction in the number of vehicles traded in.

The end of year forecast for expenditure is \$194,209, which is \$110,000 or 36.16 % lower than the budget of \$304,209 due to:

- Deferral of kitchen upgrade and CCTV security cameras \$22,000.
- Deferral of second trade-ins of vehicles (2). Note one second trade-in (01KTY) will occur but for a lesser vehicle resulting in funds returned.
- Power supply upgrade exceeding the budget allocation by \$10,000.

The deferrals were agreed at the August 2018 Council meeting (minute 08-2018.110) to assist in funding Council's contribution to the Trayning Pool building upgrade.



### Fire Prevention

A notational end of year forecast capital income and expenditure has been allocated for the DFES Fire Appliance Facility which can be increased if required with additional funding coming from the DFES grant.

### Other Health

The end of year forecast for income and expenditure is \$59,450 and \$62,000 respectively being in-line with the budget allocations for the trade-in of the doctor's vehicle and contributions from the other local governments.

### Housing

The end of year forecast income is \$100,000, which is in line with the budget for the proposed sale of two shire houses. Any reduction in the sale prices will see a corresponding reduction in the transfer to reserves.

The end of year forecast capital expenditure is \$31,000, which is \$21,000 or 310% higher compared to the budget allocation of \$10,000 for the renovation of 139A Felgate Parade house.

### Sanitation – Household Refuse

The end of year forecast for Sanitation – Household Refuse expenditure, is \$11,000 which is comparable to the budget of \$9,500, with the Kununoppin waste site having a fence installed around the site in lieu of the allocation of funds to the three sites.

### Other Recreation

The end of year forecast for income is \$100,000, for grant funding for the Trayning pool building redevelopment (with no budget allocation approved until after the budget adoption). A further \$100,000 has been included for loan funds as approved by Council at its meeting in August 2018 (minute 08.2018.111).

The end of year forecast for expenditure, is \$350,000 with no budget allocation (approved after the budget adoption by Council at its meeting in September 2018 minute 10.2018.135). This allows for a Council contribution of \$150,000 in the 2018/19 budget.

### Construction Roads, Bridges, Depots

The end of year forecast capital income is \$524,908 which is \$136,903 or 135.18% higher than the budget of \$388,005 due to:

- The WANDRA grant of \$60,243 for flood damage costs incurred in previous year. Additional road works & road verge pruning will be undertaken utilising these funds to ensure that the R2R 2018/19 Shire own resources commitment is met.
- Black Spot funding of \$76,660 being received after the budget adoption.



The end of year forecast capital expenditure, is \$1,063,096 which is \$138,863 or 15.02% higher than the budget of \$924,233 due to:

- The addition of the second coat seal on the Kellerberrin – Yelbeni Road to expend the WANDRA funding and to ensure the R2R 2018/19 Shire own resources commitment is met.
- The expenditure of the Back Spot funding allocation
- The Hughes Street, Kununoppin footpath construction costs being allocated elsewhere in the budget and not the budget allocation account.

#### Road Plant Purchases

The end of year forecast for income and expenditure is \$0 compared to the budget of \$33,000 and \$125,000 respectively due to the deferral of the purchase of light vehicles and sale of plant, as agreed at the August 2018 Council meeting (minute 08-2018.110) to assist in funding Council's contribution to the Trayning Pool building upgrade.

It should be noted that the amounts in the Budget Review Summary page (page 2) indicates figures of \$159,500 and \$325,000 but these include reserve fund transfer amounts that are not included in the projection figures.

#### Other Economic Services

The end of year forecast for expenditure of \$22,232, which is in line with the budget allocation of \$22,232.

#### Public Works Overheads

The end of year forecast for capital income and expenditure is \$84,000 and \$102,000 respectively which is in line with the budget allocations.

#### **Unbudgeted Expenditure Items**

The following unbudgeted expenditure allocations that have been approved by Council during the year, have been included in the 30 June 2019 forecast.

- Trayning & Districts Sporting Club – acoustic ceiling \$3,520 (minute 06.2018.083).
- Secondary Freight Route Project \$6,000 (minute 08.2018.115).
- Blackspot Program – Doodlakine-Kununoppin/Letchford/Purdy/Kodjin Kodjan roads intersection \$114,990, with \$76,660 grant funding (minute 10.2018.132).
- Trayning Aquatic Centre Redevelopment - \$350,000, with \$100,000 in grant funds and \$100,000 loan funds (minute 10.2018.135). The balance of project, \$385,000 will be included in the 2019/20 budget.
- DFES Fire Appliances Facility - \$200,000 from DFES grant (minute 10.2018.138). The balance of the project, \$415,000 will be included in the 2019/20 budget.
- Shire staff – Christmas vouchers \$1,500 (minute 10.2018.142).
- Kununoppin Seniors – 'BeConnected Online Week' \$1250 funded from a federal grant (minute 10.2018.144).



- Eastern Wheatbelt Biosecurity Group – annual membership \$100 (minute 10.2018.165).

### **Transfers to and from Reserves**

The forecast for transfers to reserves is \$400,888, which is \$92,702 lower than the budget allocation of \$493,140 due to:

- A lesser amount of interest on the investment of reserves being achieved.
- Staff housing subsidies, \$74,620 not being transferred to reserve. This is not income council receives so transferring these funds to reserve reduces the availability of funds for other projects.
- Performance Retention of \$7,500 not being transferred.

The forecast for transfers from reserves is \$58,300 which is \$120,245 lower than the budget allocation of \$178,545 due to:

- Reduction in the purchase of IT equipment (\$19,045).
- Reduction in plant purchases that were deferred until 2019/20 (\$101,200)

The budget adopted in June 2018 was based on a brought forward (1 July 2018) deficit of \$53,626, whereas the actual 2017/18 carried forward surplus is an amount of \$815,863 (early FAGs payments).

The mid-year budget review for the 30<sup>th</sup> June 2019 year end forecast is a deficit of \$43,182 compared to the adopted budget year end forecast of a \$18,587 surplus This forecast will change each month as future revenue and expenditure information is received.

### **Officer's Recommendation/Council Decision**

**Moved: Cr GI Yates**

**Seconded: Cr GF Waters**

It is recommended that Council:

Adopts the Mid-Year Budget Review of actual financial performance compared to the 2018/19 Budget and the anticipated end of year financial result.

**Resolution: 03-2019.19**

**Carried Absolute Majority: 7/0**



Prior to any consideration of this Item;  
Cr GI Yates declared an Impartiality Interest in Item 11.1.3.

### **11.1.3 Disposal of Property – Houses and Vacant Land**

Date of Report:	12 <sup>th</sup> March 2019
Proponent:	Paul Sheedy
File Ref:	A301,A604,A411
Officer:	Paul Sheedy – A/Chief Executive Officer
Officer's Disclosure of Interest:	Nil
Attachments:	Nil
Voting Requirements:	Simple Majority

#### **Introduction**

Tenders were only received for the one of the properties, lot 75 Adams Street, Trayning, as detailed in the Officer's Comment section of this report, therefore Council acceptance of the highest tender for this property and authorise the A/CEO to dispose of the other properties to any interested parties within six (6) months of the advertised closing dates for the tenders.

#### **Background**

The 2018/19 budget includes provision for the two houses to be advertised for sale.

The vacant lots have been acquired by Council due to the non - payment of rates over an extended period exceeding three (3) years.

Council at its ordinary Council meeting on 12 December 2018 (minute 12.2018.176) resolved as follows:

*'It is recommended that:*

*Council authorise the Acting Chief Executive Officer to advertise for sale by public tender the following Council owned properties:*

- 1. Lot 75 Adams Street, Trayning (house).*
- 2. Lot 59 Glass Street, Trayning (house).*
- 3. Lot124 Thompson Road, Kununoppin (vacant lot).'*

#### **Consultation**

There has been some consultation between the A/CEO and interested parties prior to the tender closing date and no further consultation at this time is required.

#### **Statutory Environment**



Local Government Act 1995, section 3.58

### **3.58. Disposing of property**

(2) Except as stated in this section, a local government can only dispose of property to:

- (a) the highest bidder at public auction; or
- (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.

Local Government (Functions and General Regulations 1996, section 30 (2a)

### **30. Dispositions of property to which section 3.58 of Act does not apply**

(2a) a disposition of property is an exempt disposition if the property is disposed of within 6 months after it has been —

- (a) put out to the highest bidder at public auction, in accordance with section 3.58(2)(a) of the Act, but either no bid is made or any bid made does not reach a reserve price fixed by the local government;
- (b) the subject of a public tender process called by the local government, in accordance with section 3.58(2)(b) of the Act, but either no tender is received or any tender received is unacceptable;

### **Policy Implications**

There are no current Council Policies relevant to this item.

#### Delegation 4.2 Disposal of Assets

1. The CEO is authorised to dispose of assets, where assets to be disposed of have a market value of \$20,000 or more, and to accept the most advantageous offer in the following circumstances –
  - if disposal of the asset is disclosed in Budget, and
  - if the asset is not being used as part of the consideration for a public tender for supply, by public auction or tender for outright sale, or
  - if the asset may used as part of the consideration for an acquisition under a preferred supplier arrangement, the disposal must be –
    - o advertised for public auction or outright sale, and disclosure to this effect made in the acquisition specifications, or
    - o advertised for public submissions, and subsequent consideration of submissions.
2. *All matters dealing with disposal of land (sale or lease) are to have the specific authorisation of Council, subject to any prior directions of Council.*





### **Financial Implications**

As the tendered amounts for the one property are below the budget provision and there are no tenders for the other properties the amount that will potentially be transferred to the reserve fund will be less than the budget provision of \$100,000.

### **Strategic Implications**

Shire of Trayning Strategic Community Plan 2013

OBJECTIVE: Civic Leadership – Improve the Shire’s capability and capacity.

STRATEGY: C 2.4 – Use resources efficiently and effectively.

STRATEGY: C.2.5 – Operate in a financially sustainable manner.

### **Environmental Implications**

There are no environmental implications relevant to this item.

### **Social Implications**

The sale of the houses and lots may potentially provide the opportunity for existing residents to purchase the properties and remain in the Shire or for new residents to purchase the houses and lots and relocate to the Shire

### **Officer’s Comment**

Advertisements were placed in the West Australian Newspaper (statutory requirement), the Merredin Phoenix and the Ninghan during February 2019 calling for the submission of tenders to purchase the three properties, with tenders closing on 1st March 2019.

At the close of the tender period two tenders were received for lot 75 Adams Street, Trayning for \$40,000 and \$45,000 respectively. No other tenders were received for Lot 59 Glass Street, Trayning (house) or Lot 124 Thompson Road, Kununoppin (vacant lot).

Following the closure period a further submission has been received for lot 75 Adams Street, which was substantially below the tenders received.





### **Officer's Recommendation/Council Decision**

**Moved: Cr GF Waters**

**Seconded: Cr MS Hudson**

It is recommended that:

1. Council accepts the highest tender of \$45,000 for the sale of lot 75 Adams Street, Trayning and the Acting Chief Executive be authorised to progress and sign relevant transfer of ownership documentation;
2. Council authorise the Acting Chief Executive Officer to ascertain from the second tenderer if there is any interest in the purchase of lot 59 Glass Street, Trayning and if so, the Acting Chief Executive Officer be authorised to negotiate a sale price, within a price range determined by Council, progress and sign relevant transfer of ownership documentation; and
3. Should there be no interest in lot 59 Glass Street the Acting Chief Executive Officer be given authority to negotiate with other interested persons the sale of lot 59 Glass Street, Trayning and lot 124 Thompson Road, Kununoppin, and progress and sign relevant transfer of ownership documentation, up to the 1<sup>st</sup> September 2019, after which time any further action requires the approval of Council.

**Resolution: 03-2019.20**

**Carried: 6/1**

## **14 CLOSURE**

There being no further business, the Shire President thanks Councillors and Staff for their attendance and declared the meeting closed at 4:50pm.