



Reference: AF11/877 GH.MJT
Enquiries to: Mr Grant Humphries

City of Mount Gambier

**MAYOR
MEMBERS**

NOTICE is hereby given that the Mayor, Mr Steve Perryman has called a Special Meeting of the Council to be held at the Council Chamber, Civic Centre, 10 Watson Terrace, Mount Gambier on the following date and time:

Wednesday 11th June, 2014 Council Chamber – Civic Centre

commencing at 6.00 p.m. for the purpose of:

1. Consideration of the draft 2014/2015 Business Plan and Budget;
2. Making recommendations for the adoption of the 2014/2015 Business Plan and Budget.

An agenda for the meeting to be held on the 11th June, 2014 is attached hereto.

Mark McSHANE
CHIEF EXECUTIVE OFFICER

2nd June, 2014
MJT

CITY OF MOUNT GAMBIER

Special Meeting of Council to be held Wednesday, 11th June, 2014 at 6.00 p.m.

AGENDA

PRESENT: Mayor S A Perryman, Cr A Lee, Cr J Maher, Cr D Mutton, Cr H Persello,
Cr P Richardson, Cr A Smith, Cr B Shearing, Cr Von Stanke, Cr M White

APOLOGIES: moved that the apology(ies) from
be received.

seconded

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR INDIGENOUS PEOPLES HAVE WITH THIS LAND.

1. DRAFT 2014/2015 BUSINESS PLAN AND BUDGET OVERVIEW - Ref. AF13/457

The Director - Corporate Services reported:

- (a) The draft 2014/15 Business Plan and Budget issued for public consultation provided for the following estimates of income and expenditure while the "Revised" figures reflect the Council resolutions from the Special (Budget) Meeting held on 28th May, 2014.

	Draft \$		Revised \$
Required Rates	17,183,000		17,183,000
Operating Revenue	6,399,000		5,934,000
Less Operating Expenditure	<u>23,562,000</u>		<u>23,161,000</u>
Operating Surplus / (-Deficit)	20,000	(Surplus)	(44,000) (Deficit)
Plus Non-Operating Revenue	8,979,000		9,118,000
Less Non-Operating Expenditure	726,000		726,000
Less Capital Expenditure	8,273,000		8,433,000
Budget Cash Surplus / (-Deficit) as at 30 th June 2015	0		(85,000) (Deficit)

Increase in rates of 4.8% would be required.

moved the report be received.

seconded

2. SUSPENSION OF MEETING PROCEDURES (if required)

moved that pursuant to the powers contained at Paragraph 21 of the Local Government (Proceedings at Meetings) Regulations that the provisions of the said Regulations be suspended.

seconded

The Meeting Procedures were suspended at p.m.

3. RESUMPTION OF MEETING PROCEDURES (if required)

moved that the provisions of the Meeting Procedures be now resumed.

seconded

The Meeting Procedures were resumed at p.m.

Agenda for Special Meeting of Council, Wednesday, 11th June, 2014 cont'd...

4. CONSIDERATION OF DRAFT 2014/15 BUSINESS PLAN AND BUDGET - Ref. AR13/457

The Director - Corporate Services reported:

- (a) that Council resolved at the previous Special Budget Meeting that;
 - (i) the proposed Blue Lake Walking Path public lighting budgetary item be further considered including options for funding;
 - (ii) a report be prepared for the next Budget Meeting on the option for funding the Blue Lake lighting project.
- (b) a report (Schedule II) including recommendations is provided as attachment.

moved:

- (a) the report be received;
- (b) for Council consideration.

seconded

5. ADOPTION OF 2014/15 ANNUAL BUSINESS PLAN - AF13/457

moved that pursuant to the provisions of 123(6) of the Local Government Act, 1999 and Regulation 6 of the Local Government (Financial Management) Regulations 2011, Council;

- (a) having considered submissions made during the public consultation period and having regard to all relevant information in the possession of the Council, hereby adopts for the year ending 30th June, 2015 the Annual Business Plan, and;
- (b) the Chief Executive Officer be authorised to make any necessary alterations and amendments to the text of the Annual Business Plan (principally accommodating amendments made at Budget meetings) prior to formal publication.

seconded

6. ADOPTION OF 2014/15 BUDGET - Ref. AF13/457

moved:

- (a) Council adopt the following estimates of income and expenditure as provided for in the 2014/2015 Business Plan and Budget incorporating an overall increase in rate revenue of 4.8%:

\$

Required Rates
Operating Revenue
Less Operating Expenditure
Operating Surplus / (-Deficit)
Plus Non-Operating Revenue
Less Non-Operating Expenditure
Less Capital Expenditure
Budget Cash Surplus / (-Deficit) as at 30th June 2015

Agenda for Special Meeting of Council, Wednesday, 11th June, 2014 cont'd...

(b) Council adopts the Budget for the 2014/15 financial year, which includes the following documents pursuant to Section 123(7) of the Local Government Act 1999 and Regulation 7 of the Local Government (Financial Management) Regulations 2011.

- (i) Budgeted Operating Statement/Budgeted Income Statement
- (ii) Budgeted Statement of Financial Position
- (iii) Budgeted Statement of Changes in Equity
- (iv) Budgeted Statement of Cash Flows
- (v) Budgeted Balance Sheet

seconded

7. ADOPTION OF CAPITAL VALUATIONS - Ref. AF13/483

moved that pursuant to Section 167(2) of the Local Government Act, 1999 the Council adopts for rating purposes for the 2014/15 financial year, the Valuer General's most recent valuations of the CAPITAL VALUES applicable to land within the area of the Council, totalling \$ and that the date of adoption of the valuations is the day of July 2014.

seconded

8. DECLARATION OF THE ATTRIBUTION OF LAND USES AND CODES – Ref. AF14/82

moved that in exercise of the powers contained in Chapter 10 of the Local Government Act 1999, the attribution of the land uses in the Assessment Record for the 2014/2015 financial year will be in accordance with the categories of land use prescribed by Regulation 10 of the Local Government (General) Regulations 1999.

seconded

9. DECLARATION OF RATES – Ref. AF14/83

moved that pursuant to Sections 152(1)(c), 153(1)(b) and 156(1)(a) of the Local Government Act 1999 and in order to raise rates in the amount of \$ the Council hereby declares that differential general rates will apply and will vary according to the use of the land and declares the differential general rates for rateable land within the Council area for the 2014/15 financial year will be as follows:

- 1. . of a cent per dollar of assessed capital value on rateable land of category 1 (Residential) use;
- 2. . of a cent per dollar of assessed capital value on rateable land of category 2 (Commercial-Shop) category 3 (Commercial-Office), category 4 (Commercial-Other) use;
- 3. . of a cent per dollar of assessed capital value on rateable land of category 5 (Industry-Light) and category 6 (Industry-Other) use;
- 4. . of a cent per dollar of assessed capital value on rateable land of category 7 (Primary Production) use;

Agenda for Special Meeting of Council, Wednesday, 11th June, 2014 cont'd...

5. . of a cent per dollar of assessed capital value on rateable land of category 8 (Vacant Land) use;

6. . of a cent per dollar of assessed capital value on rateable land of category 9 (Other) use;

seconded

10. DECLARATION OF A FIXED CHARGE – Ref. AF14/82

moved that pursuant to Section 152(1)(c)(ii) of the Local Government Act, 1999 the Council declares in respect of the 2014/15 financial year a fixed charge on rateable land within the Council area in the sum of \$.

seconded

11. DECLARATION OF SEPARATE RATE - Ref. AF14/82

moved that in exercise of the powers contained in Section 95 of the Natural Resources Management Act, 2004 and Section 154 of the Local Government Act, 1999 and in order to reimburse to the Council the amount contributed to the South East Natural Resources Management Board being a net \$ (after write offs), a separate rate of \$ per assessment be declared based on a fixed charge of the same amount on all rateable land in the Councils area and in the area of the said Board for the 2014/15 financial year.

seconded

12. PAYMENT OF COUNCIL RATES - Quarterly Billing - Ref AF14/82

moved that that pursuant to Section 181(2) of the Local Government Act, 1999 the Council declares that quarterly payment of rates and charges in respect of the 2014/15 financial year be payable on or before:

- Friday, 12th September 2014
- Friday, 12th December 2014
- Friday, 13th March 2015
- Friday, 12th June 2015

seconded

Meeting closed at _____ p.m.

COMMENTARY:

If Council decides to delete or reduce funding for Blue Lake Walking Path Lighting Project (\$450,000), the following options have been prepared for Council's consideration. (Noting that Council has previously resolved to go to tender for this project with tenders closing on 16th June, 2014.)

Option 4.1: Given that \$450,000 expenditure has been deleted from the Budget it stands to reason that the corresponding revenue raised (rates) to provide for that expenditure should also be reduced.

Option 5.1: An alternative to Option 4.1 is to still raise that revenue via rates but apply it against debt - essentially borrow less.

Option 6.1: Is a 'hybrid' alternative providing for the lighting project to proceed but staged over two financial years and reallocation of the uncommitted 'revenue' against new or increased operating expenditure.

RECOMMENDATION:

That Council adopt the 2014/15 Revised Business Plan and Budget (no. 2) which;

- **incorporates all Schedule I adjustments considered last Budget meeting (previously resolved)**
- **provides for the provision of \$450,000 for the completion of the Blue Lake Walking Path Lighting Project**
- **provides for minor Budget deficits (\$44,000 operating / \$85,000 cash deficits)**
- **maintains the basic structure of the draft Budget that went to consultation including the required rate revenue increase of 4.8% and level of loan borrowings.**