

**CONFIRMED MINUTES
ORDINARY COUNCIL MEETING
21 APRIL 2021**

ATTENTION/DISCLAIMER

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The Shire of Carnamah advises that anyone who has any application lodged with the Shire of Carnamah shall obtain and should only rely on **WRITTEN CONFIRMATION** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Carnamah in respect of the application.

SHIRE OF CARNAMAH

These Minutes were confirmed at a meeting on 19. 05. 2021.

Merle Inbister

Presiding Person at the Meeting
at which the Minutes were Confirmed

19. 05. 2021

Date

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 3.58 Disposing of property

Local Government (Functions and General) Regulations 1996

Reg 30 Dispositions of property excluded from Act s3.58

STRATEGIC IMPLICATIONS

Shire of Carnamah Strategic Community Plan 2017-2027

Civic Leadership

Objective: To be a professional, customer focussed organisation, which • effectively engages (with) the community to determine strategic direction, • responsibly manages the organisation's assets and financial resources, • is a strong advocate for the community.

Strategic Initiative: Meet the required level of service in the most cost effective manner for present and future residents.

POLICY IMPLICATIONS

Policy 2.10 Proposals Requiring Shire Funding and/or In-kind Support

Policy 2.16 Disposal of Property

Policy 7.8 Industrial Factory Units and Associated Dwellings, Carnamah – Tenancy Guidelines / Special Conditions

FINANCIAL IMPLICATIONS

Nil at this stage. If the Mens Shed get approval in the future to extend the building at 10 Forrester Avenue, the insurance premium would, no doubt, increase accordingly.

VOTING REQUIREMENT

Simple Majority

OCM20210411 COUNCIL DECISION

That Council authorises the lease of the factory unit, located at 10 Forrester Avenue, Carnamah, to Carnamah Mens Shed Inc., subject to the following special conditions:

- Peppercorn rental;
- Ten (10) year term;
- Lessee to pay all utilities (water and electricity);
- No improvements to the property/building without prior approval of the Shire.

*Moved: Cr Bowman
Seconded: Cr Kikeros*

CARRIED:6/0

10.3 CONFIDENTIAL REPORTS


Nil

11.0 ORDERING OF THE COMMON SEAL

Nil

12.0 RECOMMENDATIONS FROM COMMITTEES

12.1 AUDIT COMMITTEE MEETING MINUTES – 14 APRIL 2021

File Code	ADM0057
Author	Vin Fordham Lamont - Chief Executive Officer
Disclosure of Interest	Nil
Attachments	1. Audit Committee Meeting Minutes – 14 April 2021 

SUMMARY

Council is requested to receive and note the minutes of the Audit Committee meeting held on 14 April 2021.

Council's obligations under section 2.7 of the Local Government Act 1995 are to:

- Govern the Local Governments affairs;
- Be responsible for the performance of the local government's functions;
- Oversee the allocation of the local government's finances and resources; and
- Determine the local government's policies.

Council Members therefore have the responsibility of monitoring the Audit Committee activities and determining recommendations provided by the Committee.

The Minutes of the Audit Committee meeting held on 14 April 2021 are provided in Attachment 1.

COMMENT

Nil

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act 1995 – section 2.7 Role of council

STATUTORY ENVIRONMENT

Shire of Carnamah Strategic Community Plan 2017-2027

Theme: Civic Leadership

Objective: To be a professional, customer focussed organisation, which

- effectively engages (with) the community to determine strategic direction,
- responsibly manages the organisation's assets and financial resources,
- is a strong advocate for the community.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENT

Simple Majority

OCM20210412 COUNCIL DECISION

RECOMMENDATION


That Council, subject to adding Adam Fawkes as being present at the meeting, receives and notes the 14 April 2021 Audit Committee Meeting Minutes as detailed in Attachment 1.

Moved: Cr Chisholm

Seconded: Cr Wootorton

CARRIED: 6/0

12.2 OPERATING SURPLUS RATIO BELOW THE DEPARTMENT STANDARD AS IDENTIFIED IN THE AUDIT REPORT - 2019/2020

File Ref:	ADM0073
Author:	Ian Walsh – Deputy Chief Executive Officer
Disclosure of Interest:	Nil
Attachments:	1. Independent Audit Report 

SUMMARY

The audit report for the year ended 30 June 2020 identified that the Shire of Carnamah's "Operating Surplus Ratio" was below the standard set by the Department of Local Government Sport and Cultural Interest.

In accordance with Section 7.12A(4) of the Local Government Act 1995 Council need to:

- a) Prepare a report addressing this matter
- b) State what action the Shire has taken or intends to take to address this matter

BACKGROUND

The Operating Surplus Ratio is calculated as follows:

Operating Revenue MINUS Operating Expense

Own Source Operating Revenue

Purpose: This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes.

Standards: Basic Standard: between 1% and 15% (0.01 and 0.15)
Advanced Standard: > 15% (>0.15).

Definitions:

'Operating Revenue' Means the revenue that is operating revenue for the purposes of the AAS, excluding grants and contributions for the development or acquisition of assets.

'Operating Expense': Means the expense that is operating expense for the purposes of the AAS.

'Own Source Operating Revenue': Means revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

The Department considers this a key indicator of a local government's financial performance. If a local government consistently achieves a positive operating surplus ratio and has soundly based long term financial plans showing that it can continue to do so in future, having regard to asset management and the community's service level needs, then it is considered financially sustainable. A positive ratio indicates the percentage of total own source revenue available to help fund proposed capital expenditure, transfer to cash reserves or to reduce debt. A negative ratio indicates the percentage increase in total own source revenue (principally rates) that would have been required to achieve a break-even operating result.

The table below shows the ratio for the last three years based on the formula above:

<u>Ratio</u>	2020	2019	2018
Operating Surplus Ratio	(0.25)	(0.63)	(0.14)

COMMENT

The Shire will need to review its operating income and expenditure and attempt to try and reduce the difference between operating income and operating expenditure.

Increasing revenue through raising rates, fees and charges etc is not going to have any significant effect in address the ratio due to the relatively small amounts involved. It requires fundamental changes to the way that local government is funded (increasing operational grants rather than capital grants) for us to be in a position to easily meet the DLG Standard for this ratio. This is something that we will continue to lobby for, as part of sector-wide efforts to lift Financial Assistance Grants from the current 0.55% to 1% of Commonwealth Taxation Revenue.

CONSULTATION

Chief Executive Officer

STATUTORY ENVIRONMENT

Section 7.12A(4) of the *Local Government Act 1995*

STRATEGIC IMPLICATIONS (Community Strategic Plan 2017-2022)

Corporate Business Plan

Civic Leadership

Financial Planning and Management

- 2. To responsibly manage Council's financial resources to ensure optimum value for money and sustainable asset management.*

POLICY IMPLICATIONS

Council Policy 8.15 Significant Accounting Policies

FINANCIAL IMPLICATIONS

There is no direct financial implication. However, there may be implications in future years depending on *what actions can be taken to address the ratio.*

VOTING REQUIREMENT

Simple Majority

OCM20210413 COUNCIL DECISION

RECOMMENDATION

That Council endorse the Officer recommendation and the recommendation of the Audit Committee:



- a) To continue to review all own source income streams and operating expenses;
- b) Lobby for changes to the ratio calculation;
- c) Lobby for increases in the financial assistance grants; and
- d) That in accordance with *Section 7.12(A)4 of the LGA* the CEO advises the Department of the outcome.

Moved: Cr Risinger

Seconded: Cr Kikeros

CARRIED: 6/0

12.3 REVIEW OF AUDIT MANAGEMENT LETTER AND ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

File Ref: ADM0073, ADM0057
Author: Ian Walsh – Deputy Chief Executive Officer
Disclosure of Interest: Nil
Attachments: 1. Audit Management Letter 
2. 2019-2020 Annual Financial Report 

BACKGROUND

Each year, a local government is required to prepare and adopt (by 31 December, where possible) the Annual Financial Report.

COMMENT

Council is requested to review the Audit Management letter from the Auditor General for Western Australia, and give consideration to recommending the adoption of the 2019-2020 Annual Report.

CONSULTATION

Chief Executive Officer

STATUTORY ENVIRONMENT

Regulation 36 of the Local Government (Financial Management) Regulations 1996 details the form of the annual financial report.

STRATEGIC IMPLICATIONS (Community Strategic Plan 2017-2022)

Financial Planning and Management

2. *To responsibly manage Council's financial resources to ensure optimum value for money and sustainable asset management.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENT

Absolute Majority

OCM20210415 COUNCIL DECISION

RECOMMENDATION

That Council by absolute majority endorse the following Officer recommendation and the recommendation of the Audit Committee:

- 1) In accordance with Regulation 16f of the *Local Government (Audit) Regulations 1996* for the Committee to oversee the action plan to address the matters in the Auditors' findings (Attachment 1); and
- 2) In accordance with Regulation 36 of the *Local Government (Financial Management) Regulations 1996*, Council adopts the 2019-2020 Annual Financial Report (Attachment 2)

*Moved: Cr Chisholm
Seconded: Cr Risinger*

CARRIED BY ABSOLUTE MAJORITY: 6/0

13.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

14.0 NOTICE OF MOTIONS (FOR CONSIDERATION AT THE FOLLOWING MEETING, IF GIVEN DURING THE MEETING)

Nil

15.0 NEW BUSINESS OF AN URGENT NATURE ADMITTED BY COUNCIL

Nil

15.0 NEW BUSINESS OF AN URGENT NATURE ADMITTED BY COUNCIL

OCM20210415 COUNCIL DECISION

RECOMMENDATION

That Council consider Items 15.1.1, 15.1.2 and 15.1.3 as business of an urgent nature.


Moved: Cr Risinger

Seconded: Cr Woollorton

CARRIED: 6/0

15.1 FINANCE REPORTS

15.1.1 ACCOUNTS FOR PAYMENT

File Code	ADM0076
Author	Ian Walsh, Deputy Chief Executive Officer
Disclosure of Interest	Nil
Attachments	1. Cheque & EFT Listing 

SUMMARY

Council to confirm the payment of creditors for the period 11 March 2021 to 8 April 2021, in accordance with the Local Government (Financial Management) Regulations 1996 section 13(1).

BACKGROUND

Financial Regulations require a schedule of payments made through the Council bank accounts to be presented to Council for their inspection. The list includes details for each account paid incorporating the payee's name, amount of payment, date of payment and sufficient information to identify the transaction.

COMMENT

Invoices supporting all payments are available for inspection. All invoices and vouchers presented to Council have been certified as to the receipt of goods and the provision of services and as to prices, computations and costings, and that the amounts shown were due for payment.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act 1995, Section 6.4 Financial Report

Local Government (Financial Management) Regulations 1996 -

Section 12 Payments from municipal fund;

Section 13 Lists of accounts; and

Section 15 Rounding off figures

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENT

Simple Majority

OCM20210416 COUNCIL DECISION

RECOMMENDATION

That payment listed as Attachment 10.1.1. List of Accounts Due and Paid for the period 11 March 2021 to 8 April 2021; and paid by the Chief Executive Officer under delegated authority of Council, or by the Deputy Chief Executive Officer (in the Chief Executive Officer's absence) as delegated by the Chief Executive Officer including:


Municipal cheques	28215 – 28218
Manual municipal cheque	22660
Municipal EFT's:	14290 – 14367
Payroll direct debits:	#20 - #21
Municipal direct debits:	31032021

Totalling \$ 542,949.99 be approved and passed for payment.

Moved: Cr Risinger
Seconded: Cr Wooltorton

CARRIED: 6/0

15.1.2 FINANCIAL REPORTS TO 31 MARCH 2021

File Code	ADM0076
Author	Ian Walsh, Deputy Chief Executive Officer
Disclosure of Interest	Nil
Attachments	1. Monthly Statement of Financial Activity March 2021 

SUMMARY

A Statement of Financial Activity and other supplementary financial information is produced monthly as part of the Council meeting agenda.

BACKGROUND

The attached financial reports for the period 1 July 2020 to 31 March 2021 (Attachment 10.1.2) have been prepared in accordance with the Local Government Financial Management Regulations.

COMMENT

Included with this report is the following:

- Statement of Financial Activity for the period 1 July 2020 to 31 March 2021;
- Summary Rates Trial Balance Report as at 31 March 2021;
- Cash and Investment Listing;
- Debtors Listing; and
- Other Supplementary Information.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulation 34 - Financial activity statement report — s. 6.4.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENT

Simple Majority

OCM20210417 COUNCIL DECISION

RECOMMENDATION


That Council receives the Statement of Financial Activities for the period 1 July 2020 to 31 March 2021 and other supplementary financial information as presented.

Moved: Cr Chisholm

Seconded: Cr Kikeros

CARRIED: 6/0

15.1.3 ADOPTION OF 2020/2021 BUDGET REVIEW

File Code	ADM0167
Author	Ian Walsh – Deputy Chief Executive Officer
Disclosure of Interest	Nil
Attachments	1. 2020/2021 Budget Review Report 

SUMMARY

To consider and adopt the Budget Review as presented for the period 1st July 2020 to 31st March 2021.

BACKGROUND

Statements of Budget Review as at the 31st March 2021, by nature & type and by program, incorporating year to date budget variations and forecasts to 30 June 2021 are being presented for council consideration.

The Local Government (Financial Management) Regulations 1996, regulation 33A as amended, requires that local governments conduct a budget review between 1 January and 31 March in each financial year. A copy of the review and determination is to be provided to the Department of Local Government within 30 days of the adoption of the review.

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 adopted 10% as the materiality variances to be used in the statements of financial activity and the annual budget review.

CONSULTATION

Chief Executive Officer
Manager Works & Services

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996

STRATEGIC IMPLICATIONS

Shire of Carnamah Strategic Community Plan 2017-2027

Theme: Civic Leadership

Objective 4: To be a professional, customer focussed organisation, which

- responsibly manages the organisation's assets and financial resources,

POLICY IMPLICATIONS

The budget is based on the principles contained in the Strategic Plan and Long Term Financial Plan.

FINANCIAL IMPLICATIONS

The review shows that it is likely that there will be a surplus of around \$342,000 as a result of some permanent variation to the original budget either as a result of projects being completed under budget, deferred or additional income being generated.

It is recommended that balance of the estimated surplus be allocated the following reserve funds:

- Special Project Reserve \$ 40,000
- Roadworks Reserve \$100,000
- Council Housing Reserve \$200,000.

VOTING REQUIREMENT

Absolute Majority

OCM20210418 COUNCIL DECISION

RECOMMENDATION

- a) That Council adopt the 2020/21 budget review as presented
- b) That Council amend the 2020/2 budget by increasing transfers to reserves as follows:

- | | |
|------------------------------|-----------|
| i) Special Projects Reserv | \$ 40,000 |
| ii) Roadworks Reserve | \$100,000 |
| iii) Council Housing Reserve | \$200,000 |

Moved: Cr Risinger
Carried: Cr Kikeros

CARRIED: 6/0

16.0 CLOSURE OF MEETING

- There being no further business, the meeting was declared closed at 4:55pm.