

MINUTES OF THE SPECIAL BUDGET MEETING OF MARANOA REGIONAL COUNCIL HELD AT ROMA ADMINISTRATION CENTRE, ROMA ON 24 JUNE 2015 COMMENCING AT 9.00AM.

ATTENDANCE

Acting Mayor Cr. W S Wason chaired the meeting with, Cr. J L Chambers, Cr. R J Denton, Cr. P J Flynn, Cr. W M Newman, Cr. C J O'Neil, Cr. M L Price, Cr. D J Scheffe, Chief Executive Officer – Julie Reitano, Jane Frith – Coordinator Corporate Communications, and Kelly Rogers Minutes Officer in attendance.

AS REQUIRED

Director Infrastructure Services – Cameron Castles, Director Development, Facilities & Environmental Services – Rob Hayward, Director Corporate, Community & Commercial Services – Sharon Frank.

GUESTS

Gallery members were in attendance at the meeting.

WELCOME

Acting Mayor, Cr Wason welcomed all present and declared the meeting open at 9.03am.

APOLOGIES

Moved Cr Scheffe

Seconded Cr Newman

That apologies be received and leave of absence granted for Mayor Loughnan for this meeting.

CARRIED

8/0

ADDRESS FROM THE MAYOR

As the Mayor was unable to attend the Special Budget Meeting, he prepared a video presentation for the meeting introducing key aspects of the proposed 2015/16 budget. The Mayor's Budget Message was as follows:

It is with pleasure that I introduce Maranoa Regional Council's Budget for the 2015/16 financial year.

The budget papers that are being presented provide the most comprehensive document produced by this Council, providing the community with a unique insight into the planned works and services that will be delivered by Council, and how they will be funded.

Coming in at a total of \$169.4 million, and with a capital budget of \$68.6 million, this Budget is set to deliver on a variety of projects that will maintain, renew and improve assets across the region.

This year, Council is increasing its residential general rates (both the minimum and cents in the dollar rate) and service charges by 3%. This will mean an average increase, after taking into account the new property valuations, of \$1.34 per week.

Investing in our roads, continuing to strengthen our finances, and strong accountability across the organisation have been determined as key themes for this year's services and projects and therefore the Council's Budget.

These are priorities reflective of the feedback from a recent customer survey conducted for Council by an independent research organisation. The sample of the community surveyed identified these three areas amongst the top priorities for Council.

Roads feature as a big winner in this year's Budget with a \$22 million Council program dedicated to our road network. This includes \$11.6 million for road maintenance, and \$10.4 million for road construction.

Essential services are also a priority in this Budget, with \$2.01 million to be spent on water infrastructure. A significant expenditure for this area will be for Injune, with the town to receive a ground reservoir and pressure system for \$1.008 million – a project that will greatly improve the town's water reliability and pressure.

Sewerage infrastructure will also be receiving attention with \$1.73 million allocated for maintenance and upgrade works, as well as waste initiatives for which there is \$108,000 allocated in the Budget.

Other areas of focus for the year will be our facilities, with \$455,000 set aside for upgrades and refurbishments, as well as \$203,000 for town development projects.

From an organisational perspective, improving efficiencies across the board will be a priority, continuing the work commenced over the last two years. Every part of Council is working towards best practice in all of our operations, with some bold new targets set for ourselves to reduce operating costs. By reviewing every dollar spent at Council, the entire organisation will continue to make savings.

With another packed year ahead for us all here at Council, I look forward to the work and challenges that lie ahead, as we aim to provide our Maranoa residents with the best services and infrastructure possible, in an affordable way.

BUSINESS

Item Number: 3.1 **File Number:** D15/51497

SUBJECT HEADING: PRESENTATION OF DRAFT BUDGET 2015/16 AND DRAFT FORWARD ESTIMATES FROM 2016/17 TO 2024/25

Author and Officer's Title: Claire Alexander, Specialist - Strategic Finance

Executive Summary:

In accordance with Section 107A of the Local Government Act 2009, it was formally requested that Council consider the budget material that was presented to Councillors on the 10 June 2015, in conjunction with any amendments proposed.

By way of background, and as previously advised, the preliminary draft inclusions for the 2015/16 budget were collated by management and staff using the budget parameters as presented to and discussed with Councillors. The Executive Management Team reviewed the draft budget submissions and then presented the information to a series of workshops with Councillors.

Councillors reviewed both operational and capital budget submissions for 2015/16, the proposed fees and charges and policies as required by legislation, e.g. Revenue Policy.

Sections 169 to 171 of the Local Government Regulation 2012 prescribe the requirements for the adoption of Council's budget. The information that has been presented complies with the disclosure requirements for the adoption of Council's budget.

- Statement of Comprehensive Income (Income & Expenditure)
- Statement of Financial Position
- Statement of Changes in Equity

- Statement of Cash Flows
- Sustainability Ratios (Relevant Measures of Financial Sustainability)
- Change in Rates and Utility Charges
- Long Term Financial Forecast

In addition to the legislative requirements for budget, the following items have been included in Section 3, 4 & 5 of the Operational Plan (Work Program) & Budget document:

- Projects (Section 3)
- Directorate Budgets (Section 5)
- Statement by Business Unit (Section 4)
- Statement by Fund (Section 4)
- Reserves Budget (Section 4)

Some key highlights for the 2015/16 budget are:

- Budget total \$169.4 million
- Capital works program \$68.6 million
- Repayment of debt of \$3.7 million
- General rates (cent in the dollar and minimum general rate) and utility/service charges increase of 3%

Moved Cr Chambers	Seconded Cr Denton
That Council receive the budget and accompanying material, and consider each section individually.	
CARRIED	8/0

Responsible Officer	Specialist - Strategic Finance
----------------------------	---------------------------------------

Item Number: 3.2 **File Number:** D15/51498

SUBJECT HEADING: RE-ADOPTION OF REVENUE POLICY

Author and Officer's Title: Claire Alexander, Specialist - Strategic Finance

Executive Summary:

Council considered the matter of the Revenue Policy at its meeting on 11 March 2015.

In accordance with s 169 (2) (c) of the Local Government Regulation 2012, the budget must include the Revenue Policy. The policy was submitted for Council's re-adoption.

Moved Cr Newman	Seconded Cr O'Neil
That Council re-adopt the Revenue Policy for 2015/16 (Section 6 of the Operational Plan (Work Program) & Budget document – 'Budget Papers 2015/16').	
CARRIED	8/0

Responsible Officer	Specialist - Strategic Finance
----------------------------	---------------------------------------

Item Number: 3.3

File Number: D15/51499

SUBJECT HEADING: REVENUE STATEMENT 2015/16

Author and Officer's Title: Claire Alexander, Specialist - Strategic Finance

Executive Summary:

Section 169 (2) (b) of Local Government Regulation 2012 requires Council to include a Revenue Statement in the Annual Budget. The Revenue Statement is an explanatory statement, detailing the revenue measures applied in the annual budget.

Section 172 of the Local Government Regulation 2012 details what must be contained in the Revenue Statement and Section 193(2) states that the guidelines for preparing the Revenue Statement may be included in the Revenue Policy.

The key inclusions in the Revenue Statement (Section 7 of Operational Plan (Work Program) & Budget document – Budget Papers 2015/16) for residential properties are:

- *General rates – cent in the dollar increased by 3%*
- *Minimum general rate increased by 3%*
- *Utility/service charges (water, sewerage, waste) increased by 3%*
- *Special charges (Rural fire brigade levy and Levy for wild dog management & state government precept) increased by 5%*
- *Continuation of the standard pensioner concessions and other concessions.*
- *Continuation of the early payment discount of 10% applicable on general rates only, and if no arrears exist.*

Moved Cr Price

Seconded Cr Flynn

That Council:

1. **Receive and note the document titled 'Revenue Statement 2015/16' (Section 7 of the Operational Plan (Work Program) & Budget document – 'Budget Papers 2015/16').**
2. **Pursuant to Section 81 of the Local Government Regulation 2012, determine that for the purpose of levying differential general rates for the 2015/16 financial year the different categories of rateable land and a description of those categories as included in Attachment 1 of the Revenue Statement "Administration, Differential General Rates & Utility Charges".**
3. **Adopt the Revenue Statement 2015/16 (Section 7 of the Operational Plan (Work Program) & Budget document – 'Budget Papers 2015/16') in accordance with Section 169 (2) (b) of the Local Government Regulation 2012, and also adopts pursuant to Section 94 of the Local Government Regulation 2012 the overall plans for the following special charges appearing in the Revenue Statement, namely:**
 - Wild Dog Management & State Government Precept**
 - Rural Fire Brigade**
4. **Levy differential general rates, special rates and charges for those properties identified in the Overall Plan relevant to their area and utility charges for the 2015/16 financial year, pursuant to Section 94 of the Local Government Act 2009 at the rates included within the Revenue Statement.**
5. **Require, pursuant to Section 118 of the Local Government Regulation 2012, that those rates and charges must be paid within 30 calendar days after the notice has been issued.**

6.	Allow a discount for the payment of rates and charges pursuant to Section 130 of the Local Government Regulation 2012 in accordance with the Revenue Statement.	
7.	Allow payment of certain rates or charges by arrangements and concessions to certain classes of ratepayer pursuant to Section 129 and Section 119 of the Local Government Regulation 2012 in accordance with the Revenue Statement.	
CARRIED		8/0

Responsible Officer	Specialist - Strategic Finance
----------------------------	---------------------------------------

Item Number: 3.4 **File Number:** D15/51500

SUBJECT HEADING: PENSIONER RATE CONCESSION POLICY

Author and Officer's Title: Claire Alexander, Specialist - Strategic Finance

Executive Summary:

An updated policy was presented to Council for consideration, to enable rate concessions to be granted to eligible pensioners. The policy, which draws on the same criteria as the State Government, will also provide clarity for officers who administer the pensioner subsidy program.

Moved Cr O'Neil	Seconded Cr Chambers	
That Council adopt the Pensioner Rates Concession Policy, incorporated in Section 9 of the Operational Plan (Work Program) & Budget document – 'Budget Papers 2015/16'.		
CARRIED		8/0

Responsible Officer	Specialist - Strategic Finance
----------------------------	---------------------------------------

Item Number: 3.5 **File Number:** D15/51501

SUBJECT HEADING: DEBT (BORROWINGS) POLICY

Author and Officer's Title: Claire Alexander, Specialist - Strategic Finance

Executive Summary:

It is a requirement of the Local Government Regulation 2012 (Section 192) that a local government prepare and adopt a debt policy for a financial year (contained in Section 8 of Council's Budget Papers 2015/16). The section defines what should be included in the policy – i.e.:

(a) the new borrowings planned for the current financial year and the next 9 financial years; and

(b) the period over which the local government plans to repay existing and new borrowings.

Moved Cr Denton	Seconded Cr Scheffe	
That Council adopt the Debt (Borrowings) Policy, incorporated in Section 8 of the Operational Plan (Work Program) and Budget document – 'Budget Papers 2015/16'.		
CARRIED		8/0

Responsible Officer	Specialist - Strategic Finance
----------------------------	---------------------------------------

Item Number: 3.6 **File Number:** D15/51502

SUBJECT HEADING: INVESTMENT POLICY

Author and Officer's Title: Claire Alexander, Specialist - Strategic Finance

Executive Summary:

Local Government Act 2009 (Section 101 and Section 104 (5) (c) (i)) and Local Government Regulation 2012 (Section 191) states that a local government must prepare and adopt an investment policy.

Council has a number of responsibilities when investing funds. These responsibilities are outlined in Section 47 and Section 48 of the Statutory Bodies Financial Arrangements Act 1982.

Moved Cr Newman	Seconded Cr Denton
<p>That Council adopt the Investment Policy incorporated, in Section 10 of the Operational Plan (Work Program) and Budget document – ‘Budget Papers 2015/16’.</p>	
CARRIED	8/0

Responsible Officer	Specialist - Strategic Finance
----------------------------	---------------------------------------

Item Number: 3.7 **File Number:** D15/51503

SUBJECT HEADING: FEES & CHARGES 2015/16

Author and Officer's Title: Claire Alexander, Specialist - Strategic Finance

Executive Summary:

Council initially considered and adopted the schedule of Fees & Charges at its meeting on 27 May 2015. The full schedule was presented to Council for re-adoption. The main change is the design/layout of the document.

Moved Cr Chambers	Seconded Cr Scheffe
<p>That Council:</p>	
<ol style="list-style-type: none"> 1. Adopt the fees and new format in Section 11 of the Operational Plan (Work Program) and Budget document (‘Budget Papers 2015/16’) presented. 2. Resolve that, in relation to those cost-recovery fees to which Section 97 of the Local Government Act 2009 applies: <ol style="list-style-type: none"> (i) the applicant is the person liable to pay these fees; and (ii) the fee must be paid at or before the time the application is lodged; and 3. Delegate to the Chief Executive Officer the power to amend commercial charges to which section 262 (3) (c) of the Local Government Act 2009 applies. 4. Approve the omission of fees and charges from the Schedule for quarry materials and services. 	
CARRIED	8/0

Responsible Officer	Specialist - Strategic Finance
----------------------------	---------------------------------------

Item Number: 3.8

File Number: D15/51504

SUBJECT HEADING: **ADOPTION OF BUDGET 2015/16 & FORWARD ESTIMATES 2016/17 TO 2024/25**

Author and Officer's Title: **Claire Alexander, Specialist - Strategic Finance**

Executive Summary:

In accordance with Section 107A of the Local Government Act 2009, it was formally requested that Council adopt the tabled budget material, containing information presented to Councillors on the 10 June 2015, input and feedback from Councillors and amendments that Council resolve to make.

Sections 169 to 171 of the Local Government Regulation 2012 prescribes the requirements for the adoption of Council's budget. The information that has been presented complies with the disclosure requirements for the adoption of Council's budget.

- Statement of Comprehensive Income (Income & Expenditure)*
- Statement of Financial Position*
- Statement of Changes in Equity*
- Cash Flow Statement*
- Sustainability Ratios (Relevant Measures of Financial Sustainability)*
- Change in Rates and Utility Charges*
- Long Term Financial Forecast*

In addition to the legislative requirements for budget, the following items were included in Section 3, 4 & 5 of the Operational Plan (Work Program) & Budget document:

- Projects (Section 3)*
- Directorate Budgets (Section 5)*
- Statement by Business Unit (Section 4)*
- Statement by Fund (Section 4)*
- Reserves Budget (Section 4)*

Moved Cr Price	Seconded Cr Chambers			
That Council:				
<p>1. Receive and note the change in rates and utility charges for 2015/16 (Section 4), including an amendment to page 147 of the Budget Papers 2015/16 to include comparatives of the previous two (2) financial years for the Minimum General Rate & Utility/Service Charges Increase, with other references contained in the document updated to reflect amendment/inclusion of the following tables:</p>				
This Budget's General Rates and Utility Charges Increase				
Rates and Charges (Dwelling per annum)	2014/15	2015/16	Variation	Variation
	\$	\$	\$	%
General Rates (Residential A) - Minimum	530.00	545.90	15.90	3.0%
Water Access Charge (20mm) *	408.20	420.44	12.24	3.0%
Garbage/Waste Charge	219.50	226.10	6.60	3.0%
Sewerage	355.96	366.64	10.68	3.0%

Gross Rates & Charges Per Annum **	<u>1,513.66</u>	<u>1,559.08</u>	45.42	3.0%
------------------------------------	-----------------	-----------------	-------	------

3.00%

* excluding water consumption charges

** whilst the table shows only Residential A category by way of example, all categories have been increased by 3%

Previous Budget's Increase

Rates and Charges (Dwelling per annum)	2013/14	2014/15	Variation	Variation
	\$	\$	\$	%
General Rates (Residential A) - Minimum	500.00	530.00	30.00	6.0%
Water Access Charge (20mm) *	394.40	408.20	13.80	3.5%
Garbage/Waste Charge	212.06	219.50	7.44	3.5%
Sewerage	343.90	355.96	12.06	3.5%
Gross Rates & Charges Per Annum	<u>1,450.36</u>	<u>1,513.66</u>	63.30	4.4%

4.36%

* excluding water consumption charges

Earlier Budget Increase

Rates and Charges (Dwelling per annum)	2012/13	2013/14	Variation	Variation
	\$	\$	\$	%
General Rates (Residential A) - Minimum	470.00	500.00	30.00	6.4%
Water Access Charge (20mm) *	379.24	394.40	15.16	4.0%
Garbage/Waste Charge	203.90	212.06	8.16	4.0%
Sewerage	330.70	343.90	13.20	4.0%
Gross Rates & Charges Per Annum	<u>1,383.84</u>	<u>1,450.36</u>	66.52	4.8%

4.81%

* excluding water consumption charges

2. Receive and note the 2015/16 capital works program and one off special projects and funding sources (Section 3).
3. Receive and note the Directorate budgets 2015/16 (Section 5).
4. Receive and note the relevant measures of financial sustainability (Section 4).
5. Receive and note the financial summaries for Council's business units and funds (Section 4).
6. Receive and note the budgeted financial statements and the long term financial forecast (Section 4):
 - Statement of Comprehensive Income (Income & Expenditure)
 - Statement of Financial Position
 - Statement of Changes in Equity
 - Statement of Cash Flows
 - Long Term Financial Forecast
7. Receive and note the budgeted reserves 2015/16 (Section 4).
8. Adopt the 2015/16 Budget and Forward Estimates to 2024/25 (Sections 3, 4 and 5).

CARRIED

8/0

Responsible Officer	Specialist - Strategic Finance
----------------------------	---------------------------------------

Item Number: 3.9 **File Number:** D15/51505

SUBJECT HEADING: OPERATIONAL PLAN 2015/16

Author and Officer's Title: Julie Reitano, Chief Executive Officer

Executive Summary:

Under Section 104 (5)(a)(v) of the Local Government Act 2009, Council's financial management systems must incorporate an annual operational plan. Under Section 174 of the Local Government Regulation 2012, a local government may adopt the annual operational plan for a financial year at the same time the local government adopts its budget for the financial year. The contents of the annual operational plan are detailed in s 175 of the Local Government Regulation 2012.

The Local Government may, by resolution, amend its annual operational plan at any time before the end of the financial year.

Moved Cr Flynn

Seconded Cr Newman

That Council:

1. Receive and note the information included in the report.
2. Adopt the Operational Plan (Work Program) for 2015/16 incorporating:
 - Work Program (& Budget) Highlights 2015/16 (Implementing the Corporate Plan)
 - Sections 1, 2, 3, 12 and 13 of the Work Program & Budget document ('Budget Papers 2015/16').

CARRIED

8/0

Responsible Officer	Chief Executive Officer
----------------------------	--------------------------------

Item Number: 3.10 **File Number:** D15/52733

SUBJECT HEADING: CATEGORISATION OF LAND FOR DIFFERENTIAL GENERAL RATES

Author and Officer's Title: Julie Reitano, Chief Executive Officer

Executive Summary:

The report tabled a listing of all parcels of land within the region, and detailed the proposed categorisation for the purposes of calculating the differential general rates.

Moved Cr O'Neil	Seconded Cr Price
That Council adopt the amended categorisation of land parcels in accordance with the requirements of Section 81 of the Local Government Regulation 2012, as presented.	
CARRIED	8/0

Responsible Officer	Chief Executive Officer
----------------------------	--------------------------------

The Acting Mayor invited Councillors to provide their thoughts in consideration of the 2015/16 budget delivery and preparations in the lead up to its presentation. All Councillors in return responded commending staff and fellow Councillors for their efforts in delivery of a sound budget, and one that clearly demonstrates where monies will be spent over the coming financial year.

On behalf of the Mayor, the Acting Mayor Cr Wason presented Cr. Chambers, the Chief Executive Officer, and key staff flowers in recognition of their efforts, and a photo was taken to commemorate the handing down of the 2015/16 budget for Maranoa Regional Council.

CLOSURE

There being no further business, the Acting Mayor thanked Council for their attendance and declared the meeting closed at 9.35am.

These Minutes are to be confirmed at the next General Meeting of Council to be held on 8 July, 2015 at the Roma Administration Centre.

.....
 Acting Mayor

.....
 Date.