

WANGARATTA RURAL CITY COUNCIL



BUSINESS PAPER FOR THE SPECIAL MEETING
OF THE WANGARATTA RURAL CITY COUNCIL, TO BE HELD
IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES,
62-68 OVENS STREET, WANGARATTA
ON **TUESDAY, 9 JULY 2013** COMMENCING AT 7:30PM

Doug Sharp
CHIEF EXECUTIVE OFFICER

TABLE OF CONTENTS

	Page No.
1. ACKNOWLEDGEMENT OF TRADITIONAL OWNERS	4
2. OPENING PRAYER	4
3. PRESENT	4
4. ABSENT	4
5. ACCEPTANCE OF APOLOGIES & GRANTING OF LEAVE OF ABSENCE	4
6. CONFLICT OF INTEREST DISCLOSURE	4
7. BUSINESS	5
7.1.1.1 DRAFT 2013/14 BUDGET	5
8. CLOSURE OF MEETING	9

1. **ACKNOWLEDGEMENT OF TRADITIONAL OWNERS**

*We acknowledge the traditional owners of the land on which we are meeting.
We pay our respects to their Elders and to Elders from other communities who
may be here today.*

2. **OPENING PRAYER**

*Almighty God, we humbly ask thee to bless and guide this council in its
deliberations so that we may truly preserve the welfare of the people whom we
serve. Amen*

3. **PRESENT**

4. **ABSENT**

5. **ACCEPTANCE OF APOLOGIES & GRANTING OF LEAVE OF ABSENCE**

ORDER OF BUSINESS

6. **CONFLICT OF INTEREST DISCLOSURE**

7. BUSINESS

7.1.1.1 DRAFT 2013/14 BUDGET

Council Budget 2013/14

51.060.021

Introduction

The Draft 2013/14 Budget for the Rural City of Wangaratta has been prepared in accordance with the provisions of the *Local Government Act 1989* and relates to the financial year commencing on 1 July 2013 and concluding on 30 June 2014.

The Draft 2013/14 Budget includes spending on services and works of \$66 million financed by grants of \$18 million, rates and charges of \$24 million, other income of \$20 million and borrowings of \$3.7 million.

Overview

1. Budget 2013/14: Summary

	\$000 Proposed Budget 2013/14	\$000 Adopted Budget 2012/13
Rates surplus brought forward from previous year	2,901	847
Income from sources other than rates & charges	38,823	38,360
Expend	(65,960)	(62,133)
Amount required from rates & charges	(24,236)	(22,926)
Amount proposed to be raised by rates & charges	24,436	23,106
Rates Surplus	200	180

2. Budget 2013/14: Strategy

The Draft 2013/14 Budget has been prepared on the following basis:

- 2.1 Incorporating all key actions of the Council Plan applicable to the 2013/14 financial year.
- 2.2 Addressing the Council Plan requirements for the Long Term Financial Plan of:
 - (i) prudent management of financial risks related to debt, assets and liabilities;
 - (ii) provision of reasonable stability in the level of rating;
 - (iii) consideration of the financial effects of Council decisions on future generations;

- (iv) full, accurate and timely disclosure of financial information;
 - (v) maintaining service delivery at current standards;
 - (vi) rate income at rate growth plus a cost index factor;
 - (vii) meeting replacement and renewal of assets as programmed;
 - (viii) provision of new assets as identified;
 - (ix) maintaining the health and functional requirements of the organisation; and
 - (x) taking a triple bottom line approach to new initiatives.
- 2.3 Ensuring that key strategies, such as footpath, transport and recreation, etc., are responded to.
- 2.4 Maintaining waste management, cemetery, childcare, livestock selling, Wangaratta Performing Arts Centre, aquatic, visitor information, Community Support North East and plant & fleet services as stand-alone operations with any general subsidy clearly identified.
- 2.5 Providing for property and plant purchases on a self-funding basis through asset sales and use of reserves.
- 2.5 Restricting operational increases to a price index relevant to local government.

Key Features

- Recurrent expenditure increase of 2.2% including increased service levels in some areas;
- Rate rise of 5% in accordance with Council's long term financial plan;
- Total borrowings increased by \$2.15 million;
- Provision of a contingency for relief directors, legal costs, Councillor Conduct Panels and other potential governance processes of \$500,000;
- Payment of Council's contribution towards the Defined Benefits Unfunded Superannuation obligation of \$3.2 million;
- Asset renewal commitment being maintained indicating there is no gap between Council's funding and requirements. Increased renewal expenditure of \$446,000 has been provided to maintain this commitment which has been directed to roads, bridges, drainage, kerbs, footpaths, buildings and signage;
- Capital expenditure commitment of \$17 million, including infrastructure renewal of \$8.38 million. Major capital expenditure items include:

- Roads, kerbs and pavements capital spending of \$5.16 million;
 - Buildings of \$5.77 million, including the stage one of the roofing of the Wangaratta Livestock Selling Complex totalling \$2.2 million; completion of the WISAC cogeneration project - \$0.53 million and the Wangaratta Children's Services Centre final stage of \$0.82 million; and
 - Plant and equipment of \$3.15 million including signage on roads, the introduction of 360 litre recycling bins and scheduled replacement of Council's fleet.
- Road maintenance of \$3.04 million; and
 - The Fire Services Property Levy will appear on rate notices for the first time. This levy is collected on behalf of the State Government.

Disclosures

The following aspects of the Draft 2013/14 Budget are required to be disclosed:

- the estimated total amount to be raised by general rates is \$20,441,146;
- the estimated total amount to be raised by municipal charges is Nil;
- the estimated total amount to be raised by garbage collection charges is \$2,861,562;
- the estimated total amount to be raised by recycling charges is \$1,029,672;
- that an amount of \$3,724,147 be borrowed to support the energy efficient street lighting, livestock selling complex roofing project, purchase of former Ovens College site and repayment of Council's Defined Benefits Superannuation Fund obligation.
- the cost of servicing the borrowings during the financial year will be \$494,401.
- the total amount of loans proposed to be redeemed during the financial year will be \$1,576,274.
- the total amount of borrowings at 30 June 2014 will be \$9,969,784.
- the proposed 2013/14 Fees and Charges are listed in Appendix E to the Budget Report.

Detailed information on all aspects of the Draft 2013/2014 Budget are contained in the Draft 2013/2014 Budget Report annexed to this report (**refer attachment**).

Consultation

Submissions on the Draft 2013/2014 Budget will be invited via public notice and Council's website. Copies of the Draft Budget Report 2013/2014 will be available for inspection at the Municipal Offices and at the Wangaratta Library during office hours, and on Council's website from Friday 12 July 2013 until Friday 9 August 2013. Submissions on any proposal contained in the Draft 2013/2014 Budget may be lodged at the Municipal Offices, 62-68 Ovens Street, Wangaratta, during that period.

Implications

Council Plan Objectives

Council's 2013-2017 Council Plan has an objective to provide accessible, open and consultative government. Council encourages appropriate community involvement in its governance processes and will aim to produce accurate, concise and easy to read reports and publications for members of our public. Further, Council's objectives include ensuring that Council's plans and budgets are both responsible and sustainable.

Strategic Resource Plan

Section 126 of the Local Government Act 1989 requires Council to review its Strategic Resource Plan (SRP) during the preparation of its Council Plan. The Standard Statements, contained in the Draft 2013/14 Budget, form part of the SRP and will be informed by the budget process. The Standard Statements are included at Appendix A of the Draft 2013/14 Budget. It is intended to adopt the SRP, along with the 2013/14 Budget at Council's ordinary meeting on 20 August, 2013.

Local Community

The establishment of the Draft 2013/14 Budget is a critical component in the financial management of Council's operations to ensure the delivery of appropriate services and programs to residents and ratepayers.

Council's financial position

The Draft 2013/14 Budget establishes the financial framework of Council including income and expenditure, rating strategy, borrowings and asset management programs necessary for Council operations.

Local Environment

The Draft 2013/14 Budget contains financial provision for Council to achieve significant environmental outcomes for the community.

Council's Workplace

The Draft 2013/14 Budget establishes the organisational arrangements necessary for Council's operations.

Other

It is proposed that Councillors will meet to consider any submissions made in regard to the Draft 2013/2014 Budget on Thursday, 15 August 2013 and it is proposed that Council will formally adopt the Draft 2013/14 Budget at its Ordinary Meeting to be held on Tuesday, 20 August, 2013 at 7.00 pm.

Recommendation:

That:

- 1. endorse the Draft 2013/2014 Budget as presented;***
- 2. authorise the Chief Executive Officer to:***
 - a) give public notice of the preparation of the Draft 2013/2014 Budget in accordance with section 129(1) of the Local Government Act 1989; and***
 - b) invite submissions in accordance with section 223 of the Local Government Act 1989:***
 - c) administer the section 223 process.***
- 3. form a committee of the whole to hold a meeting at 5.30pm on Thursday 15 August 2013 at the Government Centre Ovens Street to hear any person wishing to be heard in support of their submission on any proposal contained in the Draft 2013/2014 Budget in accordance with section 223 of the Local Government Act 1989.***
- 4. consider all written submission on any proposal contained within the Draft 2013/2014 Budget.***
- 5. consider a recommendation to adopt the 2013/2014 Budget with or without amendment at the Ordinary Council to be held at 7.00pm on Tuesday 20 August 2013***
- 6. endorse the Fees and Charges as identified in appendix 1 of the Draft 2013/2014 Budget to be effective immediately.***

Communication

Submissions on the Draft 2013/14 Budget will be invited in the local media. Copies of the Draft 2013/14 Budget will be available for inspection at the Municipal Offices and at the Wangaratta Library during office hours, and on Council's website from Friday 12 July 2013 until Friday 09 August 2013.

8. CLOSURE OF MEETING