



MINUTES

ORDINARY COUNCIL MEETING

TIME: 5.30PM

30 OCTOBER 2014

CITY OF PERTH

Managing waste and recovering resources responsibly
Constituent Members: *Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo*
Towns of Cambridge and Victoria Park



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Cr Harley (City of Perth) made the required Declaration of Elected Member for the position of Councillor of the Mindarie Regional Council in accordance with the Transitional Provisions of the Local Government Act 1995 (Schedule 9.3) using s.702 of the Local Government Act 1960 (repealed).

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairperson declared the meeting open at 5.30pm and welcomed Cr Reece Harley to the meeting.

2 ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

Councillor Attendance

Cr R Fishwick (Chair)	City of Joondalup
Cr B Stewart (Deputy Chairman)	City of Stirling
Cr J Bissett	Town of Victoria Park
Cr D Boothman	City of Stirling
Cr J Carey	City of Vincent
Cr R Driver	City of Wanneroo
Cr R Harley	City of Perth
Cr K Hollywood (<i>arrived at 5.50pm</i>)	City of Joondalup
Cr D Newton JP	City of Wanneroo
Cr S Proud	City of Stirling
Cr E Re JP	City of Stirling
Cr S Withers	Town of Cambridge

Leave of Absence

Nil

Apologies

Cr J Davidson City of Perth
City of Perth resolved at its meeting on 28 October 2014 to appoint Cr Harley as Cr Davidson's replacement.

MRC Officers

Mr G Hoppe (A/Chief Executive Officer)
Ms L Nyssen (Executive Support)

Member Council Observers

Mr N Claassen (City of Joondalup)
Mr A Murphy (City of Joondalup)
Mr D Forster (City of Perth)
Mr S Sciberras (City of Stirling)
Mr C Morrison (City of Wanneroo)
Mr J Wong (Town of Victoria Park)

Visitors

Peg Davies (Mindarie Regional Council)

Members of the Public

Nil

Press

Nil

3 DECLARATION OF INTERESTS

Nil

4 PUBLIC QUESTION TIME

Nil

5 ANNOUNCEMENTS BY THE PRESIDING PERSON

The Chair advised that the Strategic workshop scheduled for 20 November 2014 will be postponed to either December or early in the New Year due to the CEO having an operation at this time.

6 APPLICATIONS FOR LEAVE OF ABSENCE

- Cr Proud from the 12 November 2014 to the 20 November 2014
- Cr Bissett from the 5 November 2014 to the 6 December 2014

RESOLVED

**Cr Proud moved, Cr Bissett seconded
That the application for leave be granted**

CARRIED UNANIMOUSLY (11/0)

7 PETITIONS / DEPUTATIONS / PRESENTATIONS

Nil

8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 ORDINARY COUNCIL MEETING – 4 SEPTEMBER 2014

The Minutes of the Ordinary Council Meeting held on 4 September 2014 have been printed and circulated to members of the Council.

RESPONSIBLE OFFICER RECOMMENDATION

That the Minutes of the Ordinary Council Meeting of Council held on 4 September 2014 be confirmed as a true record of the proceedings.

RESOLVED

**Cr Re moved, Cr Proud seconded
That the recommendation be adopted.**

CARRIED UNANIMOUSLY (11/0)

9 CHIEF EXECUTIVE OFFICER REPORTS
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9.1	FINANCIAL STATEMENTS FOR THE PERIODS ENDED 31 JULY 2014 AND 31 AUGUST 2014
File No:	FIN/5-04
Appendix(s):	Appendix No. 1 Appendix No. 2 Appendix No. 3
Date:	2 October 2014
Responsible Officer:	Director Corporate Services

SUMMARY

The purpose of this report is to provide financial reporting in line with statutory requirements which provides useful information to stakeholders of the Council.

BACKGROUND

Reporting requirements are defined by Financial Management Regulations 34 of the Local Government (Financial Management) Regulations 1996.

The financial statements presented for each month consist of:

- Operating Statement by Nature – Combined
- Operating Statement by Nature – RRF Only
- Operating Statement by Function
- Statement of Financial Activity
- Statement of Reserves
- Statement of Financial Position
- Statement of Investing Activities
- Information on Borrowings
- Tonnage Report

DETAIL

The Financial Statements attached are for the months ended 31 July 2014 and 31 August 2014 and are attached at **Appendix No. 1 and 2** to this Item. The Tonnage Report for the 2 months to 31 August 2014 is attached at **Appendix No. 3**.

The complete suite of Financial Statements which includes the Operating Statements, Statement of Financial Position, Statement of Financial Activity and other related information are reported on a monthly basis.

The estimates for Provisions for Amortisation of Cell Development, Capping and Post Closure expenditure are based on the estimated rates per tonne calculated with reference to estimated excavation cost of various stages of the landfill and the life of the landfill. An adjustment is made (if necessary) at the end of the year based on actual tonnages on a survey carried out to assess the “air space” remaining and other relevant information.

Summary of results for the period ended 31 August 2014

	Actual	Budget	Variance
	t	t	t
Tonnes – Members	59,256	55,263	3,993
Tonnes – Others	3,324	5,705	(2,381)
TOTAL TONNES	62,580	60,968	1,612
	\$	\$	\$
Revenue – Members	6,746,229	6,273,459	472,770
Revenue – Other	796,413	1,100,635	(304,222)
TOTAL REVENUE	7,542,642	7,374,094	168,548
Expenses	7,211,231	7,512,049	300,818
Profit on sale of assets	3,372	-	3,372
Loss on sale of assets	9,158	5,898	(3,260)
NET SURPLUS	325,625	(143,853)	469,478

Commentary

Member tonnes for the 2 months to August 2014 are 3,993 tonnes above budget, primarily as a result of differences in the timing of waste deliveries.

Non-member tonnes are behind budget, primarily as a result of the loss of a large commercial customer which has developed its own facility.

Expenses are \$300,818 below budget primarily as a result of delays in the commencement of a number of projects.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Financial Statements set out in Appendix No. 1 and 2 for the months ended 31 July 2014 and 31 August 2014, respectively, be received.

RESOLVED

Cr Bissett moved, Cr Re seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (11/0)

9.2	LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 31 JULY 2014 AND 31 AUGUST 2014
File No:	FIN/5-04
Appendix(s):	Appendix No. 4 Appendix No. 5
Date:	2 October 2014
Responsible Officer:	Director Corporate Services

SUMMARY

The purpose of this report is to provide details of payments made during the periods identified. This is in line with the requirement under the delegated authority to the Chief Executive Officer (CEO), that a list of payments made from the Municipal Fund since the last Ordinary Council meeting be presented to Council.

COMMENT

The lists of payments for the months ended 31 July 2014 and 31 August 2014 are at **Appendix 4 and 5** to this Item and are presented to Council for noting. Payments have been made in accordance with the delegated authority to the CEO which allows payments to be made between meetings. At the Ordinary Council Meeting held on 4 September 2014, the Council delegated to the CEO the exercise of its power to make payments from the Municipal Fund. In order to satisfy the requirements of Clause 13(2) of the Local Government (Financial Management) Regulations, a list of payments made must be submitted to the next Council meeting following such payments.

It should be noted that generally all payments are GST inclusive and the Mindarie Regional Council is able to claim this tax as an input credit when GST remittances are made each month to the Australian Tax Office.

Months Ended	Account	Vouchers	Amount
31 July 2014	General Municipal	Cheques	\$59,691.69
		EFT	\$4,552,806.72
		DP	\$445,655.09
		Inter account transfers	<u>\$2,000,000.00</u>
		Total	\$7,058,153.50
31 August 2014	General Municipal	Cheques	\$139,004.92
		EFT	\$2,937,830.82
		DP	\$437,731.64
		Inter account transfers	<u>\$1,300,000.00</u>
		Total	\$4,814,567.38

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the list of payments made under delegated authority to the Chief Executive Officer, for the months ended 31 July 2014 and 31 August 2014 be noted.

RESOLVED

Cr Newton moved, Cr Boothman seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (11/0)

9.3	10 YEAR ASSET MANAGEMENT PLAN
File No:	COR/2-03
Appendix(s):	Appendix No. 6
Date:	16 October 2014
Responsible Officer:	Director Corporate Services

SUMMARY

The purpose of this report is to seek Council's approval of the Mindarie Regional Council's (MRC) 10 year Asset Management Plan (AMP).

BACKGROUND

As part of the requirement for Local Government and Regional Council authorities to develop an Integrated Planning and Reporting Framework, the MRC submitted the following Council approved plans to the Department of Local Government and Communities in June 2013:

- 20 year Strategic Community Plan
- 20 year Financial Plan
- 4 year Corporate Business Plan
- 4 year Asset Management Plan
- 4 year Workforce Plan

These plans met the requirements of the Department and the MRC recently received correspondence from the Department commending the quality of these documents.

DETAIL

Elements of the Department's revised financial reporting now require the calculation of an Asset Renewal Funding Ratio, which is calculated as follows:

NPV of planned capital renewals over 10 years / NPV of capital expenditure over 10 years

During the audit of the financial year ended 30 June 2013, the MRC's auditors noted the following in relation to their ability to audit the calculation of the Asset Renewal Funding Ratio:

"The Asset Renewal Funding Ratio included in the financial report is not supported by the required verifiable information and reasonable assumptions. The ratio includes the term 'NPV of required capital expenditure over 10 years' which has been defined to mean capital renewal and replacement expenditure over 10 years as estimated in the asset management plan. The Council's asset management plan at present only reflects the required capital expenditure over 5 years."

Despite the fact that the information was available in the MRC's detailed financial modelling, the auditors were not satisfied as the information was not contained in the AMP. This is despite the fact that under the Integrated Planning and Reporting Framework there is no requirement for a 10 year AMP.

In order to satisfy the auditor's requirements, the MRC is now presenting a 10 year AMP

to Council for approval. There are no material changes to the plan; the time horizon documented in the plan is simply being increased.

FINANCIAL IMPLICATIONS

None

STRATEGIC IMPLICATIONS

The extended AMP is in line with the MRC's strategic objectives and the other plans included under the MRC's Integrated Planning and Reporting Framework.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the 10 year Asset Management Plan (2013/14 to 2022/23) be adopted.

RESOLVED

Cr Re moved, Cr Proud seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (11/0)

9.4	PROPOSED MERGER OF THE FORUM OF REGIONAL COUNCILS AND MUNICIPAL WASTE ADVISORY COUNCIL
File No:	GVR/10-03
Appendix(s):	Nil
Date:	16 October 2014
Responsible Officer:	Chief Executive Officer

SUMMARY

The purpose of this report is to seek Councils endorsement of the merger of the Forum of Regional Councils (FORC) and the Municipal Waste Advisory Council (MWAC).

BACKGROUND

The proposed merger was discussed at a FORC meeting held on Monday 23 June 2014 when an item seeking the continuation of Advocacy Services provided by GRA Everingham was included on the agenda. The item, in part, reads as follows:

“Peter Schneider has requested the following be included for consideration by the Chairs and CEO Group at this meeting.

GRA Everingham has indicated to Peter Schneider that they would be keen to have their contract for Advocacy Services extended to the end of the calendar year at the rates and conditions. That is a \$5,000 retainer a month.

In the FORC draft budget for 2014/15 a provisional amount of \$60,000 has been included which would cover 12 months.

It is recommended members consider whether they wish to continue with advocacy services or not in principle. It could then be left to the CEO Group and the EMRC to make certain the correct processes are followed.

*GRA Everingham are to provide a summary of what advocacy has achieved over the last 12 months and what might be achievable in the coming months. The summary is at **Attachment 5**, which will be provided at the meeting.*

FORC members discussed whether it might not be now the time to consider FORC and MWAC being one organisation to more effectively advocate to the State Government on Waste Management. It was agreed FORC should engage with MWAC and WALGA and request them to advise on the structures they would put in place so Regional Council interests would be properly serviced in the event MWAC/FORC became one organisation. It was agreed this be referred to the CEO Group for investigation and preparation of a report for consideration at a subsequent meeting of Chairs and CEO Group.

The discussions resulted in the following resolution:

Action

9.1 No further action to be taken on advocacy unless circumstances change.

9.2 *FORC engage with MWAC/WALGA as outlined by members and a report on outcomes presented at a subsequent meeting of the Chairs and CEO Group.*

DETAIL

Since the 23 June 2014 meeting of FORC there has been little movement or action on the resolution to consider merging with MWAC. A recent phone call to WALGA revealed that no formal correspondence had been received from FORC advising of its resolution however WALGA is aware of the resolution and supports the proposal. WALGA has indicated it could consider a new governance model for MWAC where the CEO's of the Regional Council would form a Standing Committee that feeds into MWAC and WALGA similar to the current operations of the Officers Advisory Group that meet before the MWAC meeting to discuss the agenda items.

It is considered imperative that this merger is dealt with as a matter of urgency and that a meeting of FORC be scheduled to discuss this, along with other related issues, such as actioning FORC's position paper on the Regional Council reform and whether FORC should continue with its advocacy either on its own or through GRA Everingham.

FORC has attempted to deal with some of these matters out of session by e mail but the MRC and at least one other member considers the issues require to be debated fully at a meeting.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Currently to be a member of FORC requires an annual contribution of \$25,000. WALGA have estimated that the new governance model for MWAC, including the Regional Councils CEO's Standing Committee, would cost \$5,000 per annum resulting in a saving to the MRC.

COMMENT

The need for FORC to continue in its current form is being questioned by some of its members as the advocacy it has taken up in the past is now being taken up by MWAC and WALGA. Given this, the resolution of FORC to consider merging with MWAC is sound and as such it is recommended that FORC be encouraged to commence these discussions with WALGA as per its resolution as a matter of urgency. Failing this, the MRC, along with likeminded Regional Councils, will enter into discussions with WALGA independently of FORC.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Council inform the Forum of Regional Councils (FORC) that it supports its position to consider merging with WALGA/MWAC and that the negotiations for this merger should be conducted as a matter of urgency, failing which the MRC will commence discussions with WALGA/MWAC independently for them to advocate on the MRC's behalf with the Federal/State Governments and there agencies.

RESOLVED

**Cr Proud moved, Cr Bissett seconded
That the recommendation be adopted.**

CARRIED UNANIMOUSLY (11/0)

10 MEMBERS INFORMATION BULLETIN – ISSUE NO. 19

RESPONSIBLE OFFICER RECOMMENDATION

That the Members Information Bulletin Issue No. 19 be received.

Cr Newton congratulations the MRC on receiving the Perth Royal Show Exhibitors Design and Presentation Award.

Cr Re requested that the battery statistics for City of Stirling be included in the Communications and Education Report.

Cr Kerry Hollywood arrived at 5.50pm

RESOLVED

Cr Bissett moved, Cr Re seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (12/0)

11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12 URGENT BUSINESS

Nil

13 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

14 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

The Chairperson requested that in accordance with clause 7.9(3) of the Mindarie Regional Council Standing Orders Local Law 2010 and s5.23 of the Local Government Act 1995, Council proceed to meet “behind closed doors” to allow the Council to consider Confidential Item 14.1 of this agenda. As it relates to matters that affect the CEO’s contract.

Cr Bissett moved, Cr Re seconded

CARRIED UNANIMOUSLY (12/0)

Member Council CEOs and Officers and visitors departed the Chamber at 5.52pm.

14.1	CEO PERFORMANCE REVIEW COMMITTEE - CONSIDERATION OF COMMITTEES RECOMMENDATIONS
File No:	PER/79
Attachments(s):	1. CEO annual Appraisal 4 September 2014
Date:	15 September 2014
Responsible Officer:	Sonia Cherico

RESPONSIBLE OFFICER RECOMMENDATION

That the Council:

- A. **ADOPTS** the Chief Executive Officer's Annual Appraisal - 4 September 2014 as attached to this report.
- B. **ENDORSES** the overall rating of "Meets performance indicators and associated objectives at a highly satisfactory level".
- C. **ENDORSES** the Key Performance Indicators and Objectives for 2014/2015 as detailed in the "Chief Executive Officer's Annual Appraisal - 4 September 2014" as attached to, and in the "Details" section of, this report.
- D. **ADOPTS** the same process for the 2015 CEO appraisal, emphasising the opportunity for Councillors to meet with the facilitator so as to provide their feedback.
- E. **APPROVES** a variation to Mr Callander's Total Reward Package of 3% effective from 1 July 2014, consistent with the determination of the Salaries and Allowances Tribunal for Local Government/Regional Council CEO's made on 24 June 2014.

Cr Fishwick moved the following Alternative Motion

That the Council:

- A. **ADOPTS** the Chief Executive Officer's Annual Appraisal - 4 September 2014 as attached to this report.
 - B. **ENDORSES** the overall rating of "Meets performance indicators and associated objectives at a highly satisfactory level".
 - C. **ENDORSES** the Key Performance Indicators and Objectives for 2014/2015 as detailed in the "Chief Executive Officer's Annual Appraisal - 4 September 2014" as attached to, and in the "Details" section of, this report.
 - D. **ADOPTS** the same process for the 2015 CEO appraisal, emphasising the opportunity for Councillors to meet with the facilitator so as to provide their feedback.
 - E. **APPROVES** a variation to Mr Callander's Total Reward Package of 3% effective from 1 July 2014, consistent with the determination of the Salaries and Allowances Tribunal for Local Government/Regional Council CEO's made on 24 June 2014.
 - F. **Appoints** John Phillips of John Phillips Consulting to assist the CEO Performance Review Committee in reviewing the performance and remuneration of the Chief Executive Officer for the 2015 and 2016 Reviews at a cost of \$3,000 for each review.
-

Cr Re seconded

CARRIED: (10/2)

For: Cr Boothman, Cr Carey, Cr Driver , Cr Fishwick, Cr Harley, Cr Hollywood, Cr Proud, Cr Re, Cr Stewart, Cr Withers,

Against: Cr Bissett, Cr Newton

REASON FOR THE ALTERNATIVE MOTION

Cr Fishwick advised that at its meeting held on 3 July 2014, the Council appointed Mr John Phillips to assist the CEO Performance Review Committee undertake the annual review and remuneration of the CEO. In previous years the consultant has been appointed for a three year term which was an oversight on this occasion.

Member Council CEOs and Officers and Mindarie Regional Council CEO and Officers were invited back into the Chamber at 5.57pm

NOTE: The Chief Executive Officer has NOT released Report 14.1 for Public information as it relates to matters that affect the CEO's contract.

The Chairperson sought that the meeting be reopened to the public

Cr Hollywood moved, Cr Harley seconded.

CARRIED UNANIMOUSLY (12/0)

The meeting was reopened at 5.57pm.

The Chairperson read out the resolution and the votes, made behind closed doors, of the Council Item 14.1 as detailed above.

15 NEXT MEETING

Next meeting to be held on Thursday 11 December 2014 in the Council Chambers at Town of Victoria Park commencing at 5.30pm.

16 CLOSURE

The Chair closed the meeting at 5.59pm and thanked the City of Perth for their hospitality and use of their meeting facilities.

These Minutes were confirmed by the Council as a true and accurate record of the Ordinary Meeting of the Council held on 30 October 2014.

Signed Chairman

Dated this day of 2014