



MINUTES

ORDINARY COUNCIL MEETING

TIME: 5.30PM

THURSDAY 18 FEBRUARY 2016

CITY OF JOONDALUP

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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Prior to taking his seat for the meeting Cr Murphy 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Transitional Provisions of the Local Government Act 1995 (Schedule 9.3) using s.702 of the Local Government Act 1960 (repealed).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

2 ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

Councillor Attendance

Cr R Fishwick JP (Chairperson)	City of Joondalup
Cr D Boothman (Deputy)	City of Stirling
Cr J Adamos	City of Perth
Cr R Driver	City of Wanneroo
Cr A Guilfoyle	City of Stirling
Cr S Jenkinson (<i>arrived at 5.34pm</i>)	City of Stirling
Cr C MacRae	Town of Cambridge
Cr V Maxwell (<i>arrived at 5.33pm</i>)	Town of Victoria Park
Cr J Murphy (<i>arrived at 5.40pm</i>)	City of Vincent
Cr D Newton JP	City of Wanneroo
Cr M Norman	City of Joondalup
Cr S Proud	City of Stirling

Apologies

Cr J Carey	City of Vincent
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Leave of Absence

Nil

Absent

Nil

MRC Officers

Mr B Callander (Chief Executive Officer)
Ms A Slater (A/Director Corporate Services)
Ms L Nyssen (Executive Support)

MRC Observers

Nil

Member Council Observers

Mr N Ahern (City of Perth)
Mr N Claassen (City of Joondalup)
Mr C Colyer (Town of Cambridge)
Mr M Littleton (City of Stirling)
Mr R Lotznicker (City of Vincent)
Mr A Murphy (City of Joondalup)
Ms Y Plimbley (City of Joondalup)
Mr H Singh (City of Wanneroo)

Visitors

Nil

Members of the Public

Nil

Press

Nil

3 DECLARATION OF INTERESTS

Nil

4 PUBLIC QUESTION TIME

Nil

5 ANNOUNCEMENTS BY THE PRESIDING PERSON

The Chairperson passed on condolences to MRC's Director Corporate Services, Gunther Hoppe on the passing of his mother.

6 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 PETITIONS / DEPUTATIONS / PRESENTATIONS

Nil

8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 ORDINARY COUNCIL MEETING – 3 December 2015

The Minutes of the Ordinary Council Meeting held on 3 December 2015 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 3 December 2015 be confirmed as a true record of the proceedings.

RESOLVED

Cr Norman moved, Cr MacRae seconded

That the recommendation be adopted.

CARRIED UNANIMOUSLY (9/0)

Cr Maxwell Arrived at 5.33pm

9 CHIEF EXECUTIVE OFFICER REPORTS
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9.1	FINANCIAL STATEMENTS FOR THE MONTHS ENDED 30 NOVEMBER 2015 AND 31 DECEMBER 2015
File No:	FIN/5-06
Appendix(s):	Appendix No. 1 Appendix No. 2 Appendix No. 3
Date:	4 February 2016
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 30 November 2015 and 31 December 2015 and are attached at **Appendix No. 1 and 2** to this Item. The Tonnage Report for the 6 months to 31 December 2015 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 six month period ended 31 December 2015

	Actual	Budget	Variance
	t	t	t
Tonnes – Members	144,857	149,985	(5,128)
Tonnes – Others	8,233	11,264	(3,031)
TOTAL TONNES	153,090	161,249	(8,159)
	\$	\$	\$
Revenue – Members	22,180,709	23,012,751	(832,042)
Revenue – Other	3,269,109	3,226,204	42,905
TOTAL REVENUE	25,449,818	26,238,955	(789,137)
Expenses	21,732,640	21,605,926	(126,714)
Profit on sale of assets	2,331	-	2,331
Loss on sale of assets	53,404	6,900	(46,504)
NET SURPLUS	3,666,105	4,626,129	(960,024)

Commentary

Member tonnes for the 6 months to December 2015 are tracking 5% behind budget. All member councils with the exception of the City of Stirling are tracking behind budget for processable waste. Non-processable variances can partly be explained by bulk/verge collection timings, which should be picked up later in the year. Trade and casuals are 27% behind budget due mainly to the drop in trade customers.

This translates into reduced revenue for the six months, which is exacerbated by the losses realised through asset sales.

Overall, the MRC is still generating a strong surplus for the year.

During November 2015, the MRC's bank facility with NAB was temporarily overdrawn by \$31,701.48. This was the result of an oversight which resulted in the required funds not being transferred across from the CBA account to the NAB account in time to meet a direct debit commitment. The overdraft position was immediately resolved and the overdrawn amount was catered for by a formal overdraft facility on that account.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Financial Statements set out in Appendix No. 1 and 2 for the months ended 30 November 2015 and 31 December 2015, respectively, be received.

RESOLVED

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

CARRIED UNANIMOUSLY (10/0)

9.2	LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 30 NOVEMBER 2015 AND 31 DECEMBER 2015
File No:	FIN/5-06
Appendix(s):	Appendix No. 4 Appendix No. 5
Date:	3 February 2016
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 30 November 2015 and 31 December 2015 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 20 August 2015, 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
30 November 2015	General Municipal	Cheques	\$14,174.15
		EFT	\$1,051,855.50
		DP	\$688,677.07
		Inter account transfers	<u>\$2,100,000.00</u>
		Total	\$3,584,706.72
31 December 2015	General Municipal	Cheques	\$29,757.89
		EFT	\$2,449,174.24
		DP	\$2,327,311.57
		Inter account transfers	<u>\$1,300,000.00</u>
		Total	\$6,106,243.70

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 30 November 2015 and 31 December 2015, be noted.

RESOLVED

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

CARRIED UNANIMOUSLY (10/0)

Cr Jenkinson arrived at 5.34pm

9.3	MID YEAR BUDGET REVIEW - 2015/16
File No:	FIN/134
Appendix(s):	Appendix 6
Date:	7 February 2016
Responsible Officer:	Director Corporate Services

SUMMARY

The purpose of this report is to describe the financial position and performance of the organisation in relation to the Adopted Budget and recommend changes that will reflect the anticipated outcomes for the remainder of the 2015/16 financial year. This will provide stakeholders with a view of the likely results of the Mindarie Regional Council's (MRC) operations at the conclusion of the financial year.

It is anticipated that the MRC will move from a forecast surplus of \$1,556,847 to a forecast surplus of \$1,488,307, a reduction of \$68,540 (4%) (*refer Appendix 6*). This change is primarily as a result of the effects of reduced non-members tonnes to the MRC, higher than budgeted losses on the sale of plant and equipment and increased depreciation expenses, partially offset by the increase in other revenue.

It is anticipated that there will be an overall reduction in tonnes received by the MRC of 1,737 tonnes (0.5%). This primarily reflects the decrease in non-members tonnes from 20,856 tonnes to 16,600 tonnes. It is also expected that the tonnes diverted to and received back from the Western Metropolitan Regional Council (WMRC) will reduce from 18,500 tonnes to 5,800 tonnes, but this has a nil impact on the budget.

BACKGROUND

Council at its special council meeting held on 2 July 2015, resolved that council:

- (i) *adopt the Budget for the Mindarie Regional Council for 2015/16 financial year*
- (ii) *endorse the on-going strategy of deferred payment of operational surpluses, as approved by Council at its August 2005 meeting, for the 2005/06 financial year and future years to meet its on-going capital requirements*
- (iii) *approve the use of an on-going overdraft facility of \$1 million to manage cashflow 'short falls' during the 2015/16 financial year and future years*
- (iv) *Approve the Capital Budget Program of \$17,906,500 for 2015/16 as follows:*

New capital expenditures

	\$
• <i>Cell development</i>	1,346,000
• <i>Office furniture and equipment</i>	39,500
• <i>Computer equipment</i>	127,000
• <i>Plant and equipment</i>	136,000
• <i>Infrastructure</i>	126,000
• <i>Vehicles</i>	<u>1,860,000</u>
	3,634,500

Carried forward capital expenditures

• Waste facility precinct	6,000,000
• Waste facility infrastructure	4,000,000
• Cell lining	3,800,000
• Admin office renovation	60,000
• KIA Grand carnival	47,000
• 2 way radio system	60,000
• Bin truck	275,000
• Recycling centre and education redevelopment	<u>90,000</u>
	14,332,000

Total Capital expenditure 17,966,500

- (v) approve that \$431,700 will be transferred from the Operating Surplus to the Site Rehabilitation Reserve.
- (vi) approve that \$2,000,000 will be transferred from the Operating Surplus to the Reserve for Capital Expenditure.
- (vii) approve that \$2,820,500 be transferred from the Reserve for Capital Expenditure to Operating Surplus to fund capital expenditures.
- (viii) approve that any funds required to acquit/refund the proceeds that the MRC received from the Carbon Price Mechanism scheme be transferred from the Carbon Price Reserve to the Operating Surplus.
- (ix) approve that all interest earned on cash funds associated with cash-backed reserves will not be credited to the respective reserves.

Council operations have been conducted in line with the Adopted Budget for 2015/16.

Monthly Financial Statements on the actual expenditure and variations from the Adopted Budget have been submitted to each Council meeting. In addition, monthly management accounts have been provided to Councillors and Member Council Officers on a regular basis.

In line with sound financial management practice, and in order to comply with Local Government Regulations, a detailed review of the MRC's operations, financial position and financial performance has been carried out as at 30 November 2015.

This reports highlights:

- those items that reflect significant trend variations to budgeted allocations, and
- the anticipated revised financial projections to 30 June 2016.

The Income Statement reflecting the Adopted Budget, Actual Expenditure to 30 November 2015 and projected expenditure to 30 June 2016, as well as the projected capital expenditure is enclosed as **Appendix 6** of this report.

DETAIL

Tonnage variation

The reforecast tonnes are largely in line with the originally budgeted tonnage estimates.

There are some minor changes in the contributions by member councils, but overall, tonnes from member councils are expected to increase by 444 tonnes.

Residue tonnes from the Resource Recovery Facility are expected to be 2,175 tonnes higher than anticipated as a result of variations to the composter replacements which occurred late in 2015.

Non-member tonnes, specifically those from commercial operators are 4,356 tonnes lower than originally budgeted for. This is consistent with the trend that the MRC has experienced over the last number of years as commercial operators find other cheaper outlets for their waste.

Tonnes expected to be diverted to and received back from the WMRC are forecast to drop from the originally budgeted 18,500 tonnes to 5,800 tonnes. This has no impact on the budget.

TONNES RECEIVED BY THE MRC 2015/16				
	<u>Budget</u>	<u>Reforecast</u>	<u>Variance</u>	
Cambridge	8,700	7,700	(1,000)	
Joondalup	67,930	64,175	(3,755)	
Perth	14,195	13,275	(920)	
Stirling	65,001	71,920	6,919	
Victoria Park	16,500	16,000	(500)	
Vincent	15,000	14,700	(300)	
Wanneroo	74,000	74,000		
	<u>261,326</u>	<u>261,770</u>	444	
RRF Residue	36,525	38,700	2,175	
Non-members	20,856	16,500	(4,356)	
	57,381	55,200	(2,181)	
	<u>318,707</u>	<u>316,970</u>	<u>(1,737)</u>	-1%
WMRC Residues	18,500	5,800	(12,700)	

Revenue

Overall revenue is expected to drop by \$1.3 million (2%) from \$54.6 million to \$53.3 million. This primarily as a result of the reduced tonnes to the WMRC (\$1.4 million) which is in turn offset by a commensurate reduction in expenses.

Non-member tipping fees are down by \$0.7 million as a result of the reduced tonnes which is partially offset by the \$0.5 million increase in Other Revenue which has primarily arisen as a result of carbon price proceeds recognised in revenue during the year.

Operating Expenditure

Operating expenditures have reduced overall by \$1.3 million (2%) primarily as a result of the reduced tonnes to the WMRC (\$1.4 million).

An increase in depreciation of \$0.7 million relates to fair value adjustments made to assets during the year end audit (after the budget was approved) which have resulted in an increased depreciation charge.

This is almost fully offset by savings across a number of operational areas.

Capital Expenditure

Forecast capital expenditure for the year has decreased by \$34,341 from the budget. There have been a number of reallocations between projects/assets as part of the reforecast to accommodate operational changes, which are listed below:

- New expenditure of \$10,000 has been budgeted for IT server replacements.
- New expenditure of \$90,000 has been budgeted to replace a skid steer loader due to operational problems with the machine experienced during the year
- New expenditure of \$5,716 has been budgeted to allow for the replacement of some workstations to meet OH&S requirements.
- \$12,000 that was budgeted for the replacement of a photocopier is not need as the decision was made to lease a machine instead and the surplus is being used to fund some of the additional capital projects discussed.
- Capital expenditures allocated for new toilets and for the admin building renovation have been reallocated to fund the recycling centre upgrade. This project will be the subject of a separate report to Council.
- \$85,000 set aside for a hook lift bin truck body has been matched to the purchase of the actual hook lift truck. The combined purchase is likely to result in a \$67,075 capital saving which is being used to fund some of the additional capital projects discussed.
- A saving of \$6,556 was achieved on the purchase of the new education vehicle which is being used to fund some of the additional capital projects discussed.
- An amount of \$59,426 budgeted for the replacement of radio equipment is not required and is being used to fund some of the additional capital projects discussed.

The movements above are reflected in the table below.

CAPITAL EXPENDITURES 2015/16			
<u>Description</u>	<u>Capex saved</u>	<u>New capex</u>	<u>Net saving</u>
Radio equipment	59,426		
Photocopier	12,000		
Bin truck and hook lift body	85,000	22,925	
Education vehicle	6,556		
New office furniture		5,716	
Skid steer loader		90,000	
IT Server replacement		10,000	
Recycling redevelopment	85,451	85,451	
	248,433	214,092	34,341

Note: The Recycling redevelopment will be the subject of a separate report to Council.

CONSULTATION

Consultation occurred with Member Councils in relation to their forecast tonnes for the remainder of the 2015/16 financial year.

STATUTORY ENVIRONMENT

The half yearly budget review was carried out in accordance with the provision of the Local Government Act and Regulations.

STRATEGIC/COMMUNITY AND CORPORATE/BUSINESS PLAN IMPLICATIONS

The revised half yearly budget review presented for approval is consistent with the objectives and actions outlined in the MRC's Community Strategic Plan, Financial Plan and Asset Management Plan.

FINANCIAL IMPLICATIONS

As outlined above, there will be no changes made to the members' or non-members' gate fees and there will be a slight reduction in the originally budgeted surplus by \$68,540.

COMMENT

The budget revision reflects a largely stable position for the MRC for the year which is a good overall result.

VOTING REQUIREMENT

Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

That Council:

Approve by Absolute Majority the forecast surplus position estimated to be \$1,488,307 at 30 June 2016, which includes the following:

- **A net decrease in members' user charges of \$312,905;**
- **A net decrease in non-members' user charges of approximately \$2,155,804;**
- **A net increase in total other charges of \$518,790;**
- **A net decrease in expenditures of \$1,304,742;**
- **A net increase in the loss on sale of assets of \$49,173; and**
- **A net decrease in capital expenditures of \$34,341, with the reallocations as noted in the officer's report.**

RESOLVED

**Cr Boothman moved, Cr Driver seconded
That the recommendation be adopted.**

CARRIED BY ABSOLUTE MAJORITY (11/0)

9.4	ADOPTION OF 2015 ANNUAL COMPLIANCE RETURN
File No:	COR/12-06
Appendix(s):	Appendix 7
Date:	11 February 2016
Responsible Officer:	Gunther Hoppe

SUMMARY

The purpose of this report is to provide Council with information on the completed Compliance Audit Return (1 January 2015 – 31 December 2015).

BACKGROUND

The 2015 Local Government Compliance Audit Return (CAR) cover the calendar year 1 January to 31 December 2015.

The 2015 Compliance Audit Return is mandatory pursuant to the *Local Government (Audit) Regulations 1996* which requires all local governments to annually complete a Compliance Audit Return.

As was the case in the 2014 Return, local governments will not only have to explain or qualify cases of non-compliance, but also provide details of any remedial action taken or proposed to be taken in regard to instances of non-compliance.

The Administration has completed the Return. No areas of non-compliance were recorded in the Return.

The Audit was placed on the agenda for the Audit Committee meeting on 11 February 2016.

DETAIL

The Compliance Audit covers a range of matters that require specific actions to be completed by local government authorities in performing their functions.

The Compliance Audit Return requires the responsible officer to indicate against each item whether the required action is relevant to Mindarie Regional Council (MRC) and if it has been completed by either answering;

- (a) Yes; or
- (b) No; or
- (c) N/A – Not applicable

Local governments are required to provide feedback or comments on areas of non-compliance. This assists the Department of Local Government and Communities to have a better understanding of any problems or issues relating to a local government's inability to achieve full compliance in a particular area.

The following table summarises the MRC's performance in each of the relevant categories. A comparison between the 2014 and 2015 Audit is also provided.

Table of CAR Comparison & Compliance

Category	2014 Audit Questions	Compliant	2015 Audit Questions	Compliant
Commercial Enterprises by Local Governments	5	100%	5	100%
Delegation of Power / Duty	13	100%	13	100%
Disclosure of Interest	16	100%	16	100%
Disposal of Property	2	100%	2	100%
Finance	15	100%	14	100%
Local Government Employees	5	100%	5	100%
Official Conduct	6	100%	6	100%
Tenders for Providing Goods and Services	15	100%	25	100%
TOTAL	77	100%	86	100%

In all areas audited the MRC is 100% compliant for the 2015 Compliance Audit.

The local government is to submit the Compliance Audit Return to its Audit Committee for consideration so that it has the opportunity to examine the Return and report to council the results of that review.

A joint certification is also required to be completed by the Chairperson and Chief Executive Officer to the effect that the information contained in the Return is true and correct to the best of their knowledge. Several other requirements must be met in the Return process and these include: -

- The Compliance Audit Return should be presented for adoption to a Council meeting during the month of February or March 2016;
- The particulars of all matters of concern raised by Council should be recorded in the minutes of the meeting and a copy of the relevant page(s) attached to the Compliance Audit Return as an appendix; and
- The completed Compliance Audit Return and appendices should be forwarded to the Director General of the Department of Local Government and Communities by 31 March 2016.

The Section dealing with the Joint Certification by the Chairperson and Chief Executive Officer requires inter alia that:

- each Councillor has had the opportunity to review the return and to make comment to the Council;

-
- particulars of any matters of concern relating to the return have been recorded in the minutes of the meeting; and
 - a true and correct copy of the relevant sections of the minutes covering Council's consideration of the return must be attached to it.

The Audit Committee at its meeting on 11 February 2016 considered the Return and resolved the following:

“That the Audit Committee recommends that Council endorse the Compliance Audit return for the 2015 calendar year, as presented.”

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Regional Councils are required to carry out a Return in accordance with the Local Government (Audit) Regulations 1996. The requirements set for the Return are contained in s.14 and 15 of the Regulations, which read as follows:

- “14. Compliance audits by local governments*
- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
 - (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
 - (3A) The local government’s audit committee is to review the compliance audit return and is to report to the council the results of that review.*
 - (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —*
 - (a) presented to the council at a meeting of the council; and*
 - (b) adopted by the council; and*
 - (c) recorded in the minutes of the meeting at which it is adopted.*
- 15. Compliance audit return, certified copy of etc. to be given to Executive Director*
- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —*
 - (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and*
 - (b) any additional information explaining or qualifying the compliance audit,*

is to be submitted to the Executive Director by 31 March next following the period to which the return relates.
 - (2) In this regulation —*

certified *in relation to a compliance audit return means signed by —*

 - (a) the mayor or president; and*
 - (b) the CEO.”*
-

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

COMMENT

In order to comply with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996* it is necessary for the MRC to complete the Local Government Compliance Audit Return in the form approved by the Minister.

The results contained in the Compliance Audit Return required by the Department of Local Government and Communities for the period 1 January to 31 December 2015 indicates that the Council is continuing to operate within the Local Government Legislative requirements.

The Audit Committee, at its meeting held on 11th February 2016, recommended that the Council adopts the Compliance Audit Return.

It is recommended that it be adopted by the Council and that the component comprising the form approved by the Minister be certified by the Chairperson and Chief Executive Officer and be forwarded to the Director General, Department of Local Government and Communities.

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

1. In accordance with the provisions of *Regulation 14(3) of the Local Government (Audit) Regulations 1996* and in line with the recommendation from the Audit Committee; the Local Government Compliance Audit Return in the form approved by the Minister for the period 1 January to 31 December 2015 as contained within the Appendices be adopted.
2. The Chairperson and the Chief Executive Officer be authorised to complete the Joint Certification contained in the adopted Return detailed in (1) above.
3. The adopted Return detailed in (1) above be submitted to the Director General, Department of Local Government and Communities prior to 31 March 2016.

RESOLVED

Cr Boothman moved, Cr Guilfoyle seconded
That the recommendation be adopted.

CARRIED UNANIMOUSLY (11/0)

Cr Murphy arrived at 5.40pm

9.5	TENDER VARIATION (TENDER NO: 13/128) – SIDE SLOPE SURFACE PREPARATION AND INSTALLATION OF GEO-SYNTHETIC LINER
File No:	WST/206
Appendix(s):	Nil
Date:	29 January 2015
Responsible Officer:	CEO

SUMMARY

The report seeks endorsement of a variation to the tender for the side slope surface preparation and installation of a geo-synthetic lining of the walls of Stage 2 Phase 3 of the Tamala Park landfill.

BACKGROUND

The original specifications for the wall lining system on the side slope surfaces of Stage 2 Phase 3 was a 3m wide layer of clay but due to difficulties in finding appropriate quality clay sources and the cost of clay increasing significantly (the total contract price for the clay lining was estimated at \$3.6M) the Council supported the installation of a geo-synthetic lining system in place of the clay at its meeting on the 19 February 2015 where it resolved the following:

“That:

- 1. Ertech Pty Ltd be awarded the tender, at a value of \$1,311,953.64 excluding GST, for the Geo-synthetic lining to stage 2 phase 3 of the landfill at Tamala Park.*
- 2. Funds of \$90,000 excluding GST be set aside for a Project Superintendent and supervision of the project.*
- 3. A Contingency of 8% of the awarded tender price, being \$105,000 be set aside for the project.*
- 4. The use of the contingency detailed in (3) above be delegated to the Chief Executive Officer.*
- 5. The Tender Value, Project Superintendent/Supervisor’s Costs and Contingency Sum totalling \$1,507,000 be funded from the 2014/15 budget as follows:*
 - the outstanding funds (borrowings) for the clay lining project (\$1,400,000); and*
 - Consultancy for New Landfill Development (\$107,000).”*

DETAIL

The geo-synthetic lining system is close to completion and to date the superintendent has approved variations of \$65,000 for the filling in, with a cement/limestone slurry, of holes that were left in the side slope after it had been screened ready for the liners.

The specifications require the liners to be joint welded or stitched, which was acceptable for four of the five liners. The final slip layer mesh material (fifth layer) is too light to be welded or stitched and the only method of jointing that would work is using a special double sided tape. The use of this tape is far more labour intensive than stitching or welding. The fifth layer is light in weight and has to be held down using sandbags hung from ropes to prevent it from blowing around before waste is placed against the liner. The use of sandbags was not included in the specifications.

The superintendent has accepted that the additional work is a variation of the contract as it was not included in the specifications. The contractor presented the costings of the additional work and after discussions held at a meeting on Wednesday 10 February 2016 a modified claim was approved: The following table provides the details on the variations to the contract as approved by the superintendent.

VARIATION TYPE	VARIATION AMOUNT (\$)	CONTINGENCY (\$)
Fill in holes in liner wall after screen preparation for laying of liners	65,000	105,000
		40,000
Fifth lining layer to be jointed using double sided tape in lieu of stitching or welding	25,857	
		14,143
Sandbags to be placed down batter on every second joint	10,850	
		3,293
Additional costs including supervision, demobilisation, margins and contractual obligations such as insurance and guarantees	25,897	
		(22,604)
Supply and Install additional layer 4	5,500	
		(28,104)
Contingency for windy weather (5 days at \$4,373 per day)	*21,865	(49,969)
TOTAL	154,969 including	
	*21,865 in case of windy conditions	

*Funds set aside in case the contractors experience windy conditions on site preventing, or slowing, them down from completing the work. The fifth layer of the lining is extremely light and windy conditions will prevent them from taping the joints.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

The tender process was conducted in accordance with the Local Government (Functions and General) Regulations 1996.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The variations for this contract have amounted to \$154,969 (including \$21,856 set aside in case the contractors experience windy weather conditions). This is \$49,969 more than the original contingency set aside by the Council at its meeting on 19 February 2015. It is proposed to fund the shortfall of up to \$49,969 from the Monitoring Program (Leachate

Treatment) where the majority of the work in this program has been delayed due to delays in obtaining approvals for the installation of the geo-synthetic liner.

STRATEGIC IMPLICATIONS

Nil

COMMENT

Notwithstanding the variations exceeding the contingency amount set aside for the project there is still significant savings from the use of the geo synthetic lining system and there is evidence that it performs better than clay in preventing leachate and gasses escaping from the landfill.

The variations have been reviewed in detail by both the superintendent and MRC's project officer who both agree that they are reasonable. To accommodate the variations it is recommended that the contingency amount set aside for the contract of \$105,000 be increased by \$49,969 and that the increase be funded from the Monitoring Program (Leachate Treatment) as detailed in the 2015/16 Budget .

VOTING REQUIREMENT

Absolute Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Council:

1. **Approve an increase of \$49,969 in the contingency sum set aside for the Installation of the Geo Synthetic Liner System to Stage 2 Phase 3 of the Tamala Park Landfill (Tender No.13/128) to cover the variations to the contract approved by the Superintendent ; and**
2. **Approve a transfer of \$49,969 from the Monitoring Program (Leachate Treatment) as detailed in the 2015/16 Budget to fund the increase in the contingency sum.**

(Absolute Majority Required)

RESOLVED

**Cr Guilfoyle moved, Cr Newton seconded
That the recommendation be adopted.**

CARRIED BY ABSOLUTE MAJORITY (12/0)

10 MEMBERS INFORMATION BULLETIN – ISSUE NO. 27

RESPONSIBLE OFFICER RECOMMENDATION

That the Members Information Bulletin Issue No. 27 be received.

RESOLVED

Cr Newton moved, Cr Maxwell 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

Nil

15 NEXT MEETING

Next meeting to be held on Thursday 14 April 2016 in the Council Chambers at the City of Wanneroo commencing at 5.30pm.

16 CLOSURE

The Chairman closed the meeting at 5.47pm and thanked the City of Joondalup for their hospitality and the 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 18 February 2016.

Signed Chairman

Dated this day of 2016
