



# MINUTES

ORDINARY COUNCIL MEETING

TIME: 5.30PM

THURSDAY 7 JULY 2016

CITY OF STIRLING

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*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 their seats for the meeting each member elected by the Member Councils, 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Transitional Provisions of the Local Government Act 1995 (Schedule 9.3) using s.702 of the Local Government Act 1960 (repealed).*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 CEO declared meeting open at 5.32pm*

## **2 ELECTION OF CHAIR**

The CEO advised Council that he had received a nomination form from Cr Proud nominating Cr Fishwick for the Chairman's role. Cr Fishwick confirmed acceptance of the nomination. The CEO asked if there were any further nominations. No further nominations were received.

Cr Fishwick was declared elected as Chairman unopposed and resumed the role of Chairman of the meeting.

## **3 ELECTION OF DEPUTY CHAIR**

*Cr Jenkinson and Cr MacRae arrived at 5.34pm*

*The Chairman delayed the election of the Deputy Chairman to allow Crs Jenkinson and MacRae to make 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Transitional Provisions of the Local Government Act 1995 (Schedule 9.3) using s.702 of the Local Government Act 1960 (repealed).*

The Chairman advised Council that one nomination had been received from Cr Proud nominating Cr Boothman for the Deputy Chairman's role. Cr Boothman confirmed acceptance of the nomination. The Chairman asked if there were any further nominations. No further nominations were received.

Cr Boothman was declared elected as Deputy Chairman unopposed.

## **4 ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**

### **Councillor Attendance**

Cr R Fishwick JP (Chairman)	City of Joondalup	
Cr D Boothman JP (Deputy Chairman)	City of Stirling	
Cr J Adamos	City of Perth	(Arrived 5.51pm)
Cr J Carey	City of Vincent	
Cr R Driver	City of Wanneroo	
Cr A Guilfoyle	City of Stirling	
Cr S Jenkinson	City of Stirling	(Arrived 5.34pm)
Cr C MacRae	Town of Cambridge	(Arrived 5.34pm)
Cr V Maxwell	Town of Victoria Park	
Cr D Newton JP	City of Wanneroo	
Cr M Norman	City of Joondalup	
Cr S Proud JP	City of Stirling	

**Apologies**

Nil

**Leave of Absence**

Nil

**Absent**

Nil

**MRC Officers**

Mr B Callander (Chief Executive Officer)  
Mr G Hoppe (Director Corporate Services)  
Ms A Slater (Management Accountant)  
Ms L Nyssen (Executive Support)

**MRC Observers**

Nil

**Member Council Observers**

Mr N Ahern (City of Perth)  
Mr W Bow (Town of Victoria Park)  
Mr S Cairns (City of Wanneroo)  
Mr N Claassen (City of Joondalup)  
Mr C Colyer (Town of Cambridge)  
Mr M Littleton (City of Stirling)  
Ms Ruth March (City of Joondalup)  
Mr A Murphy (City of Stirling)  
Mr H Singh (City of Wanneroo)

**Visitors**

Nil

**Members of the Public**

Nil

**Press**

Nil

**5 DECLARATION OF INTERESTS**

Nil

**6 PUBLIC QUESTION TIME**

Nil

**7 ANNOUNCEMENTS BY THE PRESIDING PERSON**

*The Presiding Person (Chairman) thanked the elected members for their support in re-electing him unopposed. He also thanked the MRC and member council staff for their support and assistance over the previous years and congratulated Cr Boothman on his return as Deputy.*

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*The Chairman reminded the elected members to complete the CEO's appraisal form advising that the return date for the appraisal has been extended to close of business Monday 11 July 2016.*

**8 APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

**9 PETITIONS / DEPUTATIONS / PRESENTATIONS**

Nil

**10 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**10.1 ORDINARY COUNCIL MEETING – 14 APRIL 2016**

The Minutes of the Ordinary Council Meeting held on 14 April 2016 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 14 April 2016 be confirmed as a true record of the proceedings.**

**RESOLVED**

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

*CARRIED UNANIMOUSLY (11/0)*

**11 CHIEF EXECUTIVE OFFICER REPORTS**

<b>11.1</b>	<b>FINANCIAL STATEMENTS FOR THE MONTHS ENDED 31 MARCH 2016 AND 30 APRIL 2016</b>
<b>File No:</b>	<b>FIN/5-06</b>
<b>Appendix(s):</b>	<b>Appendix No. 1 Appendix No. 2 Appendix No. 3</b>
<b>Date:</b>	<b>23 June 2016</b>
<b>Responsible Officer:</b>	<b>Director Corporate Services</b>

**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 March 2016 and 30 April 2016 and are attached at **Appendix No. 1 and 2** to this Item. The Tonnage Report for the 10 months to 30 April 2016 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 eight month period ended 30 April 2016

	Actual	Budget	Variance
	t	t	t
Tonnes – Members	241,929	250,969	(9,040)
Tonnes – Others	13,221	14,247	(1,026)
<b>TOTAL TONNES</b>	<b>255,150</b>	<b>265,215</b>	<b>(10,066)</b>
	\$	\$	\$
Revenue – Members	37,045,930	38,462,615	(1,416,685)
Revenue – Other	4,920,184	5,987,741	(1,067,557)
<b>TOTAL REVENUE</b>	<b>41,966,114</b>	<b>44,450,356</b>	<b>(2,484,242)</b>
Expenses	38,435,769	41,026,585	2,590,816
Profit on sale of assets	15,585	2,331	13,254
Loss on sale of assets	53,404	53,404	-
<b>NET SURPLUS</b>	<b>3,492,526</b>	<b>3,372,698</b>	<b>119,828</b>

Commentary

Member tonnes for the 10 months to April 2016 are tracking 3.6% behind budget, which is materially in line with the budget. 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 7% behind budget due mainly to the drop in trade customers.

This translates into reduced revenue for the 10 months. Roughly 40% of the negative revenue variance relates to revenue which was expected to be earned from the Western Metropolitan Regional Council, but this is fully matched by a reduction in the budgeted operating expenses and as a result, has a net nil impact on the bottom line.

Overall, the MRC is still generating a strong surplus for the year, which is marginally ahead of budget.

During April 2015, the MRC's bank facility with NAB was temporarily overdrawn by \$35,770. 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 31 March 2016 and 30 April 2016, respectively, be received.**

**RESOLVED**

**Cr Boothman moved, Cr Jenkinson seconded**

**That the recommendation be adopted.**

*CARRIED UNANIMOUSLY (11/0)*

<b>11.2</b>	<b>LIST OF PAYMENTS MADE FOR THE MONTHS ENDED 31 MARCH 2016 AND 30 APRIL 2016</b>
<b>File No:</b>	<b>FIN/5-06</b>
<b>Appendix(s):</b>	<b>Appendix No. 4 Appendix No. 5</b>
<b>Date:</b>	<b>23 June 2016</b>
<b>Responsible Officer:</b>	<b>Director Corporate Services</b>

**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 March 2016 and 30 April 2016 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.

<b>Months Ended</b>	<b>Account</b>	<b>Vouchers</b>	<b>Amount</b>
31 March 2016	General Municipal	Cheques	\$5,082.45
		EFT	\$3,939,213.60
		DP	\$395,717.79
		Inter account transfers	\$2,900,000.00
		<b>Total</b>	<b>\$7,240,013.84</b>
30 April 2016	General Municipal	Cheques	\$7,663.19
		EFT	\$5,499,905.82
		DP	\$306,844.04
		Inter account transfers	-
		<b>Total</b>	<b>\$5,814,413.05</b>

**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 March 2016 and 30 April 2016, be noted.**

**RESOLVED**

**Cr Norman moved, Cr Fishwick seconded**

**That the recommendation be adopted.**

*CARRIED UNANIMOUSLY (11/0)*

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<b>11.3</b>	<b>BUDGET APPROVAL - FINANCIAL YEAR 2016/17</b>
<b>File No:</b>	<b>FIN/146</b>
<b>Appendix(s):</b>	<b>Appendix No. 6</b>
<b>Date:</b>	<b>24 June 2016</b>
<b>Responsible Officer:</b>	<b>Gunther Hoppe</b>

### **SUMMARY**

The purpose of this Item is to present the Budget for 2016/17 to the Council for approval and adoption.

### **BACKGROUND**

The 2016/17 budget process commenced in February 2016 and included one workshop held with Councillors and Officers on 14 April 2016.

The underlying operating budget has been developed from a 'zero base' in discussion with the managers across the business and has been reviewed in detail to ensure that the Mindarie Regional Council (MRC) continues to deliver its current service offering in an efficient, cost effective manner.

The budget has been premised largely on a 'business-as-usual' basis. In addition to the MRC's normal operations however, off the back of the Council approving the concept of the MRC's waste precinct plan, an additional \$450k has been included in the budget to commence work on delivering the initial stages of the plan.

The budget also contemplates the MRC continuing in its waste supply deed with the Western Metropolitan Regional Council (WMRC), whereby the MRC will supply up to 18,500 tonnes of Municipal Solid Waste (MSW) to the WMRC and in return, the WMRC will supply the MRC with an equivalent amount of processed residues. This will assist the WMRC in meeting its contractual obligations in respect of the DiCom facility. The arrangement has been structured in such a way that it has no impact on the MRC's gate fee. No tonnes have been supplied during the 2015/16 financial year.

Some of the significant changes between the 2015/16 and 2016/17 budgets include:

- A slight increase in expected Member tonnes from 261,772 to 272,910 tonnes (4%) based on information provided by the member councils;
  - The inclusion of \$450k of project costs to commence work on the MRC waste precinct planning;
  - The inclusion of \$250k of project costs to fund the work around exploring the future uses of the Tamala Park site once the landfill ceases to operate;
  - The inclusion of \$275k of capital expenditure to fund the next stage of the recycling area redevelopment at Tamala Park;
  - In 2015/16 the Resource Recovery Facility (RRF) composters were replaced resulting in a 3 to 4 month shutdown, which reduced the tonnes sent to the RRF and consequently the residues received back from the RRF. In 2016/17 it is expected that the RRF will be in full production for the year (i.e. 100,000 tonnes of
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input to the RRF and 48,700 tonnes of residues returned to Tamala Park);

- The utilisation of surplus uncommitted cash funds to repay approximately \$4 million of external bank debt; and
- The increase of the landfill levy from \$55 to \$60 per tonne landfilled, effective from 1 July 2016.

The table below outlines the changes in the Members' and Non-members' gate fees (excluding GST) for the 2016/17 financial year.

	2016/17	2015/16
Members' Gate Fee	<b>\$165.00</b>	\$155.00
Non-members' Gate Fee	<b>\$181.82</b>	\$177.27

This represents an increase of \$10 per tonne (6.5%) year-on-year in the Members' gate fee. This increase in the Members' gate fee is driven primarily by the \$5 per tonne increase in the landfill levy and the return to full production at the RRF.

The Non-members' gate fee has been increased by an inflationary increment (\$3.93 per tonne or 2.2%).

## DETAIL

### Budget 2016/17

The Budget for 2016/17 has been set to achieve a \$0.8 million surplus. The proposed surplus has been set intentionally to assist with the funding of long-term site post closure liabilities.

Significant changes in year-on-year operating costs are outlined in more detail below.

### Employee costs

Employee costs have increased by \$469,447 (9.5%) which is primarily driven by:

- An increase in Full Time Equivalent (FTEs) by 3.5 employees (approximately \$295k), which includes the new project manager to assist with the Waste Precinct project, and additional operational staff to deal with increased recycling activities on site (fridge degassing and green waste)
- the current Enterprise Agreement which contemplates an annual increase of 3.25% (approximately \$175k)

### Consultants and contract labour

Consultants and contract labour has increased by \$62,500 (7%) which includes two new major projects as part of the MRC's key strategic deliverables:

- Tamala Park post closure use study \$250,000
- Waste precinct projects  
Regional waste audit and appointment of a probity officer \$230,000

This is offset by one-off infrastructure planning costs which were included in the 2015/16 budget.

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### **RRF costs**

The RRF costs have increased by \$5,426,705 which reflects the return to full production at the RRF in 2016/17 following the 3 month shutdown in 2015/16 to allow for the composter repairs to be undertaken, coupled with a contractual inflation linked increase.

### **WMRC processing costs**

The 2016/17 budget includes a \$3,052,500 expense in respect of the 18,500 tonnes which the MRC is contracting to deliver to the WMRC for processing. These tonnes will be processed by the WMRC and they will charge the MRC a fee equivalent to the MRC Members' gate fee of \$165 per tonne.

This expense is offset by an equal revenue amount whereby the MRC will receive 18,500 tonnes of residue from the WMRC for landfilling at Tamala Park, for which the WMRC will be charged the MRC Members' gate fee of \$165 per tonne. The net financial effect of the transaction will be nil.

The year-on-year increase in the overall cost/revenue simply reflects the increase in the MRC's members' gate fee.

### **Borrowing costs**

Borrowing costs have decreased by a net \$194,028 (33%) primarily as a result of a reduction in the amount of external debt which will be held by the MRC at 30 June 2017. The MRC is budgeting to pay down approximately \$4 million in high cost external bank debt during the course of the year. This will be done using surplus cash reserves and yield a significant interest saving to the MRC without negatively impacting on normal operating cash flows.

Capital expenditures and associated borrowings for the creation of a new waste treatment site and associated processing infrastructure (\$11 million combined) have been budgeted to occur in the middle of the financial year.

### **DER Landfill Levy**

The Department of Environment Regulation (DER) landfill levy expense has increased by \$806,600 which primarily reflects the increase in the levy from \$55 to \$60 per tonne landfilled (approximately \$1.2 million), partially offset by a reduction in the number of tonnes being landfilled for the year as the RRF operates for a full 12 months.

The levy is set to increase over the next 2 years as follows:

- 1 July 2017 - \$65 per tonne
- 1 July 2018 - \$70 per tonne

### **Tonnages**

Approximately 272,910 tonnes (Budget 2015/16: 261,326 tonnes) of waste are expected to be delivered to the MRC by Member Councils during the course of the year.

Of this, 100,000 tonnes (Budget 2015/16: 75,000 tonnes) is expected to be diverted to the RRF, which will in turn generate 48,700 tonnes (Budget 2015/16: 36,525 tonnes) of residue which will be sent back to Tamala Park. The RRF waste diversion target is set at 51.3%.

Non-members are expected to deliver 16,400 tonnes (Budget 2015/16: 20,722 tonnes) to Tamala Park, reflecting the consistent drop in commercial tonnes to Tamala Park as commercial operators utilise their own facilities.

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**Carbon price**

The Carbon Price Mechanism (CPM) was repealed effective from 1 July 2014. In February 2015, the MRC made its final acquittal under the CPM scheme.

The Federal Government and the Australian Landfill Owners Association agreed on a voluntary protocol to govern how these funds should be acquitted. Landfill operators were free to adopt the protocol or not.

The Council of the MRC approved for the MRC to act in line with the requirements of the protocol without formally adopting the protocol.

As a consequence, funds received from member councils in respect of future carbon price liabilities were repaid to the respective councils in 2015/16 in line with the protocol. Residual funds received from members of the public or commercial operators (\$491,076) have been retained in a reserve to fund future carbon abatement projects, in line with the spirit of the protocol.

**Capital Expenditure**

The following capital expenditures have been included in the Budget for 2016/17:

New capital expenditures

		\$
• Buildings		370,000
- Second Biodiesel shed	15,000	
- Admin renovation	80,000	
- Recycling Redevelopment – II	275,000	
• Office furniture and equipment		117,900
- Furniture and equipment	27,900	
- CCTV upgrade at Tamala Park	90,000	
• Computer equipment		224,500
- Server upgrades	47,000	
- Networking upgrades	47,500	
- SAN Upgrade	130,000	
• Plant and equipment		194,500
- Odour monitoring units	45,000	
- Radiation monitoring equipment	5,000	
- Biodiesel processing equipment	2,500	
- Waugal irrigation	5,000	
- Hook lift bins	50,000	
- Tarpomatic spindle	27,000	
- Tarpomatic tarps	60,000	

•	Infrastructure		1,573,000
-	Telemetry monitoring system	130,000	
-	Litter fencing	20,000	
-	Gas monitoring/remediation	207,000	
-	Water monitoring/remediation	81,000	
-	Signage	50,000	
-	Fuel tanks	50,000	
-	Millipede barrier	35,000	
-	Waste facility	1,000,000	
•	Vehicles		582,000
-	Hio Bin Truck	286,000	
-	Multitrack loader	90,000	
-	Lighting tower	45,000	
-	Director vehicle	48,000	
-	CEO vehicle	52,000	
-	Ops manager vehicle	45,000	
-	Fire Ute (additional costs)	16,000	
			<b>3,061,900</b>

Carried forward capital expenditures

•	Waste facility precinct		6,000,000
•	Waste facility infrastructure		4,000,000
•	Cell lining		3,000,000
•	Recycling redevelopment - I		153,000
•	Environmental ute		30,000
•	Fire ute		54,000
•	Fire truck		200,000
•	Wood chipper		60,000
•	Forklift		35,000
			<b>13,532,000</b>

**Total Capital expenditure 16,593,900**

## **Reserves**

The revised Cash Backed Reserves with the projected balances at 30 June 2017 are expected to be as follows:

### Site rehabilitation Reserve

Estimated balance at 30 June 2017: \$9,570,818

Purpose: *To be used to fund post closure site rehabilitation costs associated with the Tamala Park landfill site.*

A transfer of \$430,362 to this reserve is anticipated during the course of the 2016/17 financial year with no anticipated drawdowns on the reserve.

This will result in a funded reserve of approximately \$10 million to cover an estimated post closure liability of approximately \$15.4 million. As a result, the post closure liabilities will be 65% funded. This means that funding for these liabilities is lagging behind where it should be when compared with the amount of the landfill capacity that has been consumed (approximately 78%). The unfunded portion of the post closure liabilities will need to be funded over the remaining life of the landfill.

### Reserve for Capital Expenditure

Estimated balance at 30 June 2017: \$125,978

Purpose: *To be used to fund the ongoing capital expenditure requirements.*

A transfer of \$5,000,000 to this reserve is anticipated during the course of the year with drawdowns to fund capital expenditures of \$5,528,900 withdrawn from the reserve.

### Participants' Surplus Reserve Account

Estimated balance at 30 June 2017: \$2,000,000

Purpose: *To be used to fund any deficit or part of a deficit as shown in the annual financial report of the MRC.*

No allocations are proposed to this reserve in the 2016/17 financial year.

### Carbon Abatement Reserve

Estimated balance at 30 June 2017: \$491,076

Purpose: *To be used to fund carbon abatement projects.*

No drawdowns have been budgeted for 2016/17, however the protocol would expect the MRC to have identified suitable projects during the course of the financial year.

## **Surplus**

The budget shows a forecast surplus of \$0.8 million. It is proposed that the surplus will be allocated in full to the Site Rehabilitation Reserve.

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### **Funding Plan**

- Operational expenditures will be funded from the proceeds of the Members' and Non-members' gate fees.
- Capital Expenditure (excluding the new waste facility precinct and infrastructure) will be funded from the Capital Expenditure Reserve.
- Other Capital expenditure relating to the new waste facility precinct and infrastructure will be funded from dedicated new loans.

### **SUMMARY OF APPENDICES**

Attachment to this Item is as follows:

- Appendix No. 6 – Statutory Budget and Supplementary Information

### **CONSULTATION**

One workshop for Councillors and Officers was conducted in April 2016 to discuss the 2016/17 Budget. The detailed budget pack was distributed afterward to the participants who indicated that they did not feel a second budget workshop was required. Feedback from the workshop has been taken into account in compiling this final draft of the budget.

### **STATUTORY ENVIRONMENT**

Budget approval is required by end of August 2016 in accordance with section 6.2 of the Local Government Act 1995 (as amended).

Modifications of existing reserves and creation of new reserves is done in compliance with section 6.11 of the Local Government Act 1995 (as amended).

### **POLICY IMPLICATIONS**

The 2016/17 budget process is consistent with existing MRC policy.

### **FINANCIAL IMPLICATIONS**

The Members' gate fee will be set at \$165 per tonne (excluding GST) for the 2016/17 financial year.

The Non-members' gate fee will be set at \$181.82 per tonne (excluding GST) for the 2016/17 financial year.

An estimated surplus of \$0.8 million is budgeted for the 2016/17 financial year.

Capital expenditure of \$16,593,900 is budgeted for the 2016/17 financial year, of which \$13,532,000 is carry forward expenditure.

### **STRATEGIC IMPLICATIONS**

The Budget for 2016/17 has been derived from the MRC's Strategic Community Plan, the Corporate Business Plan, the Asset Management Plan, the Workforce Plan and the 20 year Financial Plan and is consistent with these documents, in compliance with section 6.2(2) of the Local Government Act 1995 (as amended).

Notably this makes provision for redevelopment work to occur at the Tamala Park facility, as well as the commencement of work in respect of the MRC's Waste Precinct.

In developing the 2016/17 budget, the funding required for the activities outlined in the Corporate Business Plan have been taken into account.

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## **VOTING REQUIREMENT**

Absolute Majority

## **ADDITIONAL COMMENTS**

Subsequent to the budget workshop held on 14 April 2016, the following material adjustments have been made to the budget:

- Employee costs have been decreased by \$74k to reflect minor changes to staffing requirements.
- An additional \$250k has been added to Consultants and Contract Labour to cater for the Tamala Park post use study.
- Communications and public consultation expenses have been increased by \$25k to take into account additional marketing costs.
- Landfill expenses have been decreased by \$30k to take into account anticipated cost savings.
- Borrowing costs have been reduced by \$160k to take into account updated loan repayment timings, loan drawdowns and reduced expected borrowing rates.
- The repayment of approximately \$4 million of external bank debt has been delayed to the 2016/17 financial year.
- Additional 2015/16 capital expenditure of \$65k in respect of 2 vehicles has been carried forward into 2016/17.

The Members' gate fee has not been adjusted for the impacts of any of these changes.

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**RESPONSIBLE OFFICER RECOMMENDATION**

**That Council:**

- (i) adopt the Budget for the Mindarie Regional Council for 2016/17 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 2016/17 financial year and future years
- (iv) Approve the Capital Budget Program of \$16,593,900 for 2016/17 as follows:

**New capital expenditures**

	\$
• Buildings	370,000
• Office furniture and equipment	117,900
• Computer equipment	224,500
• Plant and equipment	194,500
• Infrastructure	1,573,000
• Vehicles	<u>582,000</u>
	3,061,900

**Carried forward capital expenditures**

• Waste facility precinct	6,000,000
• Waste facility infrastructure	4,000,000
• Cell lining	3,000,000
• Recycling redevelopment - I	153,000
• Environmental ute	30,000
• Fire ute	54,000
• Fire truck	200,000
• Wood chipper	60,000
• Forklift	<u>35,000</u>
	13,532,000

**Total Capital expenditure** **16,593,900**

- (v) approve that \$430,362 will be transferred from the Operating Surplus to the Site Rehabilitation Reserve.
  - (vi) approve that \$5,000,000 will be transferred from the Operating Surplus to the Reserve for Capital Expenditure.
  - (vii) approve that \$5,528,900 be transferred from the Reserve for Capital Expenditure to Operating Surplus to fund capital expenditures.
  - (viii) approve that any funds required for carbon abatement projects be transferred from the Carbon Abatement 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.
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**RESOLVED**

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

*CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (11/0)*

**12 MEMBERS INFORMATION BULLETIN – ISSUE NO. 29**

**RESPONSIBLE OFFICER RECOMMENDATION**

That the Members Information Bulletin Issue No. 29 be received.

**RESOLVED**

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

*CARRIED UNANIMOUSLY (11/0)*

**13 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**14 URGENT BUSINESS**

*Cr Adamos arrived at 5.51pm*

*The Chairman delayed proceedings to allow Cr Adamos to make 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).*

In accordance with clause 3.15 of the *Mindarie Regional Council Standing Orders Local Law 2010* the Chairman, Cr Fishwick was satisfied that Item 14.1 dealing with Stage 2 Phase 3 – Geosynthetic Liner Failure was an urgent matter and could not reasonably be dealt with at the next ordinary meeting of the Council.

As Item “14.1 Stage 2 Phase 3 – Geosynthetic Liner Failure” is a confidential matter the Chair, Cr Fishwick moved that:

**In accordance with Clause 3.1(3) of the *Mindarie Regional Council Standing Orders Local Law 2010* Item 14.1 be dealt with after Item 16.2 on the Agenda as it is a confidential matter and needs to be considered behind closed doors.**

**RESOLVED**

**Cr Fishwick moved, Cr Boothman seconded**  
**That the motion be adopted**

*CARRIED UNANIMOUSLY (12/0)*

**15 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

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**16 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 Items 14.1, 16.1 and 16.2 as they were of a confidential nature.

**Cr Fishwick moved, Cr Jenkinson seconded**

*CARRIED UNANIMOUSLY (12/0)*

*No visitors in attendance. Member Council Officers and MRC staff were invited to stay. Doors were closed at 5.54pm.*

<b>This report is Confidential in accordance with Section 5.23 (2)(c) of the Local Government Act 1995 as it may result in a contract being entered into by the local government which relates to this matter.</b>	
<b>16.1</b>	<b>TENDER ASSESSMENT – PROVISION OF RECYCLING AND PICK UP/DROP OFF OF MATTRESSES – 13/133</b>
<b>File No:</b>	<b>WST/212</b>
<b>Appendix(s):</b>	<b>Nil</b>
<b>Date:</b>	<b>16 June 2016</b>
<b>Responsible Officer:</b>	<b>Chief Executive Officer</b>

**RESPONSIBLE OFFICER RECOMMENDATION**

**That the Council:**

- 1. Award the Tender for the provision of Recycling and Pick-Up/Drop-Off of Mattresses (Tender Number: 13/133) to:**
  - I. Great Lakes Community Resources T/A Soft Landing; and**
  - II. Recycle WA Pty Ltd.**
- 2. Advise the member councils of the successful tenderers and the opportunities provided by this tender for various services associated with mattress pick up and recycling within the Region.**
- 3. Advise the tenderers accordingly.**

**(Absolute Majority Required)**

**RESOLVED**

**Cr Norman moved, Cr Jenkinson seconded**

**That the recommendation be adopted.**

*CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (12/0)*

NOTE: The Chief Executive Officer has NOT released Report 16.1 for Public information as it will require a contract to be entered into.

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This report is Confidential in accordance with Section 5.23 (2)(c) of the Local Government Act 1995 as it may result in a contract being entered into by the local government which relates to this matter.

16.2	<b>TENDER ASSESSMENT – LAND USE AND FEASIBILITY STUDY FOR THE POST CLOSURE OF THE TAMALA PARK WASTE MANAGEMENT FACILITY SITE AT LOT 9005 ON DEPOSITED PLAN 76936 1700 MARMION AVENUE TAMALA PARK– 13/132</b>
<b>File No:</b>	<b>WST/102-04</b>
<b>Appendix(s):</b>	<b>Nil</b>
<b>Date:</b>	<b>23 June 2016</b>
<b>Responsible Officer:</b>	<b>Chief Executive Officer</b>

#### **RESPONSIBLE OFFICER RECOMMENDATION**

**That the Council:**

- 1. Award the Tender Land Use and Feasibility Study for the Post Closure of the Tamala Park Waste Management Facility Site At Lot 9005 On Deposited Plan 76936 1700 Marmion Avenue Tamala Park (Tender Number: 13/132) to The Planning Group (TPG) Pty Ltd**
- 2. Advise the tenderers accordingly.**

**(Absolute Majority Required)**

#### **RESOLVED**

**Cr Driver, Cr Proud seconded**

**That the recommendation be adopted.**

*CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (12/0)*

NOTE: The Chief Executive Officer has NOT released Report 16.2 for Public information as it will require a contract to be entered into.

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<b>This report is Confidential in accordance with Section 5.23 (2)(d) of the Local Government Act 1995 as it may result in legal advice being obtained by the local government which relates to this matter.</b>	
<b>14.1</b>	<b>STAGE 2 PHASE 3 - GEOSYNTHETIC LINER FAILURE</b>
<b>File No:</b>	<b>WST/206</b>
<b>Appendix(s):</b>	<b>Nil</b>
<b>Date:</b>	<b>5 July 2016</b>
<b>Responsible Officer:</b>	<b>CEO</b>

#### **RESPONSIBLE OFFICER RECOMMENDATION**

**That the Council:**

- 1. Approve the use of up to \$132,500 from the MRC's cash balance to cover the cost of the repairs, and improvements, to the damage to the 5<sup>th</sup> Layer of the Geosynthetic liner system.**
- 2. Pursue every avenue to recover the costs detailed in 1. above from either the contractor, Ertech or the designer, Golder or both.**
- 3. Authorise the Chief Executive Officer to engage solicitors, Castledine Gregory to assist in any mediation or other legal actions required to recover costs , including legal and administration costs if possible, from the party or parties liable for the failure of the 5<sup>th</sup> Layer of the Geosynthetic liner system.**

**(Absolute Majority Required)**

#### **RESOLVED**

**Cr MacRae moved, Cr Adamos seconded  
That the recommendation be adopted.**

*CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (12/0)*

NOTE: The Chief Executive Officer has NOT released Report 14.1 for Public information as Councils decision may result in legal advice being obtained by the local government.

The Chairperson, Cr Fishwick moved to have the meeting reopened.

#### **RESOLVED**

**Cr Fishwick moved, Cr Boothman seconded  
That the meeting be reopened**

*CARRIED UNANIMOUSLY (12/0)*

*The meeting was reopened at 6.12pm.*

As no public entered the chamber on the reopening of the meeting the resolution and the votes, made behind closed doors, of the Council Item 14.1, 16.1 and 16.2 as detailed above were taken as being read.

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**17 NEXT MEETING**

*Next meeting to be held on Thursday 1 September 2016 in the Council Chambers at City of Vincent commencing at 5.30pm.*

**18 CLOSURE**

*The Chairman closed the meeting at 6.13pm and thanked City of Stirling 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 7 July 2016.*

*Signed ..... Chairman*

*Dated this ..... day of ..... 2016*

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