



Shire of Pingelly

Minutes

General Electors Meeting
5 February 2019

SHIRE OF PINGELLY

Minutes of the General Electors Meeting of the Shire of Pingelly held in the Council Chambers,
17 Queen Street, Pingelly on 5 February 2019 at 7pm.

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MEMBERS PRESENT

Cr WV Mulroney President
Cr DI Freebairn Deputy President
Cr K Hastings
Cr EJ Hodges
Cr JM Walton-Hassell
Cr BW Hotham
Cr J McBurney

STAFF IN ATTENDANCE

Mr M Dacombe Acting Chief Executive Officer
Mr S Billingham Director Corporate and Community Services
Mr B Gibbs Director Technical Services
Mrs L Boddy Executive Assistant

APOLOGIES

Cr P Wood

OBSERVERS & VISITORS

Maxine Whitely, Julie Plane, Rex Cooper, June Fosbery, Brian Fosbery, Danny Kane, Elizabeth Trump, Betty Graef, Barrie Hastings, Helen Price, Anne Goldsmith, Rex Vitlich, Wendy Vitlich, Kerry Keys, Ron O'Brien, Lee Steel, Sheila Smith, Rex Hallett, Merv Beard.

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairman declared the meeting open at 7pm.

1.1 ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Noongar people of this area and recognise their continuing connection to land, waters and community. We pay respect to both the Aboriginal and non-Aboriginal people and past and present.

2. RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

Cr PJ Wood
Mrs Shirley Lange

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

3.1 General Electors Meeting – 6 February 2018

Statutory Environment:

Section 5.22 of the *Local Government Act* provides that minutes of all meeting to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

Voting Requirements:

Absolute Majority

Rex Hallett entered the room at 7.12pm

12612 Moved: Cr Freebairn Seconded: Cr Hodges

Recommendation and Council Decision:

That the Minutes of the General Electors Meeting of the Shire of Pingelly held in the Council Chambers on 6 February 2018 be confirmed.

Carried 7:0

4. PRESIDENT'S REPORT

The Shire President, Cr Bill Mulrone, to present the President's Report for 2017/18.

12613 Moved: Cr Hastings Seconded: Cr Walton-Hassell

Recommendation and Council Decision:

That the President's Report be received.

Carried 7:0

5. CHIEF EXECUTIVE OFFICER'S REPORT

Mr Mark Dacombe to present the Chief Executive Officer's Report for 2017/18.

12614 Moved: Cr McBurney Seconded: Cr Walton-Hassell

Recommendation and Council Decision:

That the Chief Executive Officer's Report be received.

Carried 7:0

6. AUDITOR'S REPORT

Mr Mark Dacombe to present the Auditor's Report for 2017/18.

Keith Burgham and Elizabeth Tetlow entered the room at 7.14pm.

12615 Moved: Cr Hastings Seconded: Cr Hodges

Recommendation and Council Decision:

That the Auditor's Report be received.

Carried 7:0

7. ANNUAL FINANCIAL REPORT

Mr Mark Dacombe to present the Annual Financial Report for the year ended 30 June 2018.

12616 Moved: Cr Hodges Seconded: Cr Hastings

Recommendation and Council Decision:

That the Annual Financial Report be received.

Carried 7:0

8. GENERAL BUSINESS

8.1 Mr Ron O'Brien

Summary of Question:

On page 17 in the Annual Financial Report what is the difference between decrease in operating grants and non operating grants?

Summary of Response:

The Director of Corporate and Community Services replied an operating grant is where the money is funding an operating matter, a non operating grant is where we received funding for a capital project – non operating of a capital nature.

Summary of Question:

On page 20 - infrastructure amount of \$3,761,000 this is a decrease in relation to valuation of non current assets - what are the non current assets?

Summary of Response:

The Director of Corporate and Community Services replied that these are things such as roads, bridges, kerbing, these are capital assets and we only revalue capital assets.

Summary of Question:

On page 21 I am concerned a little bit about the operating surplus ratio, it has been declining for three or four years now does that indicate a position of variance in the financial ability of the council or Shire?

Summary of Response:

The Director of Corporate and Community Services replied that this is the nature of a lot of country governments in WA, we are heavily funded by outside sources in regional Councils such as federal assistance and state assistance grants. Negative ratios in country Shires are not out of the ordinary which is quite the norm for a Local Government the size of Pingelly, it does go up and down depending on funding.

Summary of Question:

Where does that leave us in another 10 years' time?

Summary of Response:

The Director of Corporate and Community Services replied that Council is reviewing its long term financial plan, currently we are looking at funding sources for the future, making assumptions, will rates go up/down we are trying to model for the future to make sure everything is fair and reasonable. The Auditor General will take over auditing from this financial year, they will be looking at new sets of ratios. They are only indicators and they will come up with more appropriate indicators to benchmark in the future.

Summary of Question:

On Page three - other non comprehensive income changes of revaluation of non current assets - Note 11 - is that to do with structure on the road ownership revaluation last year? This year is over 3 million.

Summary of Response:

The Director of Corporate and Community Services replied that infrastructure is revalued every three years. At the end of this financial year we have to revalue all of our infrastructure. This is carried out by independent valuers and is reflective of those audits.

Summary of Question:

Is this a follow on from the old Roman Scheme?

Summary of Response:

The Director of Corporate and Community Services replied that yes Roman has become RAMM inventory management structure for roads. We put our data in and get a condition report for this year and this is what is reflected with the revaluations.

Summary of Question:

On page five the total current liabilities - we have had a rapid increase does this encompass the activities that have been happening over the last few years?

Summary of Response:

The Director of Corporate and Community Services replied that we borrowed some money from last year's budget to finish the Recreation Centre and those funds are a short term borrowing and will convert to a debenture to assist the Shire in its cashflow, a bit like an overdraft and will convert and be spread over an 18 to 20 year period.

Summary of Question:

A debenture is payable each year for 18 to 20 years?

Summary of Response:

The Director of Corporate and Community Services replied that is correct, we only pay interest at the moment and no principal.

Summary of Question:

On page 8 the transport budget figure of \$495,000 and actually spent \$95,000 where is the other figure to balance that out?

Summary of Response:

The Director of Corporate and Community Services replied we didn't receive funding or income for certain projects - off the top of my head there was a bridge postponed last year and that has been rolled over into the current budget and that was in the vicinity of a couple of hundred thousand dollars.

Summary of Question:

On page 17 the difference in the financial position was \$189,000 a decrease in operating grants, an increase of 2.8 million in non operating grants how does that affect the budget?

Summary of Response:

The Director of Corporate and Community Services replied The notes are for all the programs not just transport some would be related to transport.

Summary of Question:

On page 31 there were loans created in one particular case these was unspent borrowings of \$900,000 for the year was that money held for a project?

Summary of Response:

The Director of Corporate and Community Services replied that at the start of the year there was \$1.9 million, it was expended and there were no funds unspent at the end of the year.

Summary of Question:

A question regarding the auditors' report – calculation of revals according to the roads as the road reserves don't belong to the Shire do they?

Summary of Response:

The Director of Corporate and Community Services replied road reserve is crown land but road constructed within the crown land ie we value the pavement but not gravel underneath because the gravel will be reused on other projects to construct we don't value it as it is part of the road.

8.2 Mrs Lee Steel

Summary of Question:

Referring back to page 21 of the ratios the first ratio was showing an incredible drop due to the \$500,000 that was going to be transferred to a long term facility, when that happens will that see that ratio to approx where the others have been in the past? Will that show the ratio lift?

Summary of Response:

The Director of Corporate and Community Services replied that it certainly will dramatically improve our position where the ratios are calculated. The current liabilities are affecting our current ratios.

Summary of Question:

If that \$500,000 had happened now how close would that be to previous years?

Summary of Response:

The Director of Corporate and Community Services replied it would be comparable.

Summary of Question:

On page 8 - operating activities for rate setting statement - expenditure for operating activities all the figures are negative figures can you explain why is the final figure a positive figure?

Summary of Response:

The Director of Corporate and Community Services replied he will take that question on notice.

Summary of Question:

How will you respond to that question?

Summary of Response:

The Director of Corporate and Community Services replied we will respond in writing and publish the reply so everyone can see.

Additional Response from the Director of Corporate and Community Services in an Email to Mrs Steel on 6 February 2019

Due to revaluation of Infrastructure in this year the number is made up of Expenses of (\$87,172) and Reversal of Prior year loss on footpaths of \$20,106 increment through P&L and Kerbs & Drainage of \$507,758 increment through P&L - **Total \$440,692.**

Further explained in note 9 (b) page 23 of Annual Report. Reversal through profit and loss.

Footpaths = \$20,106 – figure made up of Final Fair Value applied of \$960,719 less Current Asset Register WDV \$940,613.37=\$20,105.63. Kerbs & Drainage \$507,758 – \$507,758 increment through P&L + \$3,772,178 transfer to reval surplus= \$4,279,936.26 final increment for this category of asset.

8.3 Mrs Maxine Whitely

Summary of Question:

I live on the corner of Pitt Street and Somerset Street with a creek running through the block next door. In the last six weeks we have killed five snakes and they are now coming through. You can't walk down the outside of the fence line as it wasn't cut there, it wasn't done with whipper snipper or lawnmower and now snakes and bobtails are coming through the fence.

Summary of Response:

The Director of Technical Services asked is your question regarding the verge outside of the fence line – height of grass there?

Mrs Whitely replied yes.

The Director of Technical Services responded that we do our best to slash the verges, I can look at the issue to see what we can do to improve the process, I will follow it up for you.

8.4 Mr Merv Beard

Summary of Question:

The footpath plan what has happened with that?

Summary of Response:

The Shire President responded that on account of our budget restraints and other projects I am sorry that the footpath plan has been on hold and we intend to crank it up in this budget.

8.5 Mr Brian Fosbery

Summary of Question:

I would like to ask about the noticeboard and the Higgins collection and what the Shire is planning to do about it?

Summary of Response:

The Shire President responded that a meeting with the Shire and the Higgins boys is to be held and the memorabilia needs to be displayed. At what form is to be determined at meeting.

Summary of Question:

What about the noticeboard/honour boards for sporting clubs?

Summary of Response:

The Shire President responded that this is to be determined between the PRACC Board and various clubs.

The Shire President added for everyone's information the PRACC is now operated by a Board / Committee and they have full control of it. There is a peppercorn lease to them with the Shire and they are in full control of what goes in to the Centre.

8.6 Mr Barrie Hastings

Summary of Question:

Re the PRACC Board does that mean Council run a business? You leased the building to the PRACC does that mean the Council has a registered business?

Summary of Response:

The Shire President responded that the Council only own the building, the PRACC Board is the business. Any profit goes back into the sporting clubs and a sinking fund where a certain amount of money goes back in to replace surfaces of the courts and the bowling green.

Summary of Question:

You must have had a lease drawn up wouldn't that put you in the space that you have got a business leased out?

Summary of Response:

The Shire President responded you would be right there strictly speaking.

Summary of Question:

In the end of year financials it says that Council doesn't have a registered business - has it changed now?

Summary of Response:

The Shire President responded there is a professional lease arrangement that has been drawn up by a legal firm and has been signed by Council and Chairman of the PRACC Board. We do not have to register as a business it is up to the PRACC Board to register as a business we only have the building up there.

Summary of Question:

Three years ago we talked about the tanks that were built near the velodrome they were specifically for the irrigation sprinklers to go into the new building. What went wrong there?

Summary of Response:

The Shire President responded that there is no guttering around the PRACC. The cost of guttering and piping to the tanks was exorbitant.

Summary of Question:

Three years ago at the ratepayers meeting your CEO said those tanks were put there for the sprinkler system for this building. Now I see there is another set of tanks there - \$240,000 for new tanks and they won't be used for new building.

There was money from Royalty for Regions when the CEO started, then \$150,000 for the new town dam got rechannelled and \$90,000 went into earthworks for the tennis courts and the balance went into tanks for the sprinkler system for the new building.

Summary of Response:

The Shire President responded that some of the money went into widening the dam in Rennet Street, the tanks you see now are for fire suppression and other two tanks I can't answer that. I will take that on notice and will respond.

Additional Response from the Acting Chief Executive Officer in a Letter to Mr Hastings on 18 February 2019

The former Chief Executive Officer wrote to Mr Hastings on 29 January 2019. The following is an extract from that letter:

"The Shire was successful in obtaining a water harvesting grant and this was used to kerb streets to direct water into the catchment dam on Stafford Street.

The \$90,000 that Council allocated to the new tennis court construction was Royalties for Regions funds not State Water Grant funds. The State Water Grant had been spent and completed before my commencement.

With the new water tanks this provided an option to be used for the new fire suppression system on the Pingelly Recreation and Cultural Centre (PRACC). After much discussion it was felt these tanks would be better used as storage water to irrigate the oval in the event of a pump failure from our storage dams.

The fire suppression system at the PRACC consists of tanks, shed, water connection, back up diesel generator, booster pumps, electrical and site work that is approximately \$240,000.”

Summary of Question:

Where do you draw the line in the sand for what the Shire workers do at the PRACC building and how is that financed against loans that have been taken out for the PRACC building? Staff were being pulled off Shire work to work at the PRACC, wouldn't that have been budgeted for in the PRACC building?

Summary of Response:

The Director of Technical Services responded that works we have done around the building is either done by contractors or ourselves, we have used day labour staff to undertake the work for the car park construction and landscape works instead of contractors. Money for roadworks, funding received, has been held and is being done now, the process was delayed.

Summary of Question:

When staff were working in town were wages paid from PRACC loans?

Summary of Response:

The Director of Technical Services advised he was not sure where the money has come from but money has been allocated to do work there.

Summary of Question:

Where did you draw the line in the sand for contributing ratepayers work that could have been done out on the roads? You have been using workers in town - my assumption is you would pay those wages from the budget for the building.

Summary of Response:

The Shire President responded that is correct - money was taken out of loan money to pay for PRACC work. Money was put aside for roads until the roadworks could commence. Nothing was taken out of road grants to put into the PRACC building.

Summary of Question:

So what you are saying is that the rural roads just had to wait?

Summary of Response:

The Shire President responded yes.

Summary of Question:

Three years ago the CEO stated that if Council self managed the build the Council would save a million dollars, then you hired a Project Manager so by the time you paid the wages and also a Secretary you probably are getting close to the million dollars you were going to save. Did you employ a Project Manager?

Summary of Response:

The Shire President responded yes but the Project Manager didn't work out, we managed the job without project manager, the CEO took the job on.

Summary of Question:

The Council said the bill would be within the budget did that happen?

Summary of Response:

The Shire President responded yes bearing in mind the Department of Sport and Recreation 10 rink bowling green was not to be constructed until the 18/19 budget, but they wrote to the Council and asked if they would like to apply for it early so it was brought forward by 12 months.

Summary of Question:

You did go out over and above what the original build was?

Summary of Response:

The Shire President responded yes that is right.

Summary of Question:

Numerous times in the Shire News it was stated that if the build didn't fit within the grant money you would trim the building. Why wasn't that side of it looked at?

Summary of Response:

The Shire President responded figures were obtained from consultants and architects and it was more than expected, there was quite a lot taken out and some put back in as we could afford them. Some were left out completely as we had to fit within the budget.

Summary of Question:

I spoke to you a few weeks ago about the ramp at the railway station. I found one of the staff measuring it up to do an insurance claim. I suggested making truck parking and beautifying the area.

Summary of Response:

The Director of Technical Services responded my current brief is to replace as is what is there not to improve the area as such but I did take on board the suggestion of parking of road trains and will look at it during the budget process. The insurance money is there to replace the damaged part of the ramp not to replace the whole structure.

Summary of Question:

If you decide to put decent truck parking and beautify the surrounds you are going to rip up the area?

Summary of Response:

We are looking at putting beams in so they can be used somewhere else if necessary.

8.7 Mr Merv Beard

Summary of Question:

A couple of years ago I questioned the netball courts flooding and was told something would be done but nothing has been done. Is something going to be done with them?

Summary of Response:

The Director of Technical Services advised that currently the answer is no, it boils down to funding again. There are options about other surfacing works have spoken to a couple of contractors about possibly doing that it is part of the capital planning process but there are no current funds.

8.8 Mr Ron O'Brien

Summary of Question:

Who owns the piece of land where the sleepers got burned?

Summary of Response:

The Director of Technical Services replied it falls between the road reserve and railway reserve. We whipper snipper the outside verge their main concern is the rail corridor and outside of that we maintain on their behalf and invoice them.

Summary of Question:

When are we likely to have a road verge spraying program instigated properly?

Summary of Response:

The Director of Technical Services replied we are currently looking at reviewing this and have had issues regarding having staff available to do the work and issues with the weather it hasn't been kind to us when we have had staff available. I would ideally like to put to Council to contract it out.

Summary of Question:

What are the total liabilities of the Shire?

Summary of Response:

The Director of Corporate and Community Services replied that as per page 30 of the annual report the total loan liability at 30 June was \$2.9 million.

Summary of Question:

That is to be picked up by ratepayers?

Summary of Response:

The Director of Corporate and Community Services replied that the loans will be spread over 25 years and the conversion of the \$500,000 to 18-20 years.

8.9 Mr Barrie Hastings

Summary of Question:

Rural roads have you got planned towards winter to redo any bitumen roads around?

Summary of Response:

The Director of Technical Services replied the section I have applied for this current financial year – Review Street and York Williams Road as well as Yenellin Road. As part of Regional Road Group funding process we have applied for next financial year there is a meeting in March to attend for the next section of York Williams Road heading towards the old Wickepin Pingelly Road and application in to do Zig Zag Road gravel resheeting and also Milton Road.

Summary of Question:

I asked have you got plans to redo any more bitumen?

Summary of Response:

The Director of Technical Services replied yes.

Summary of Question:

Mr President on ABC Rural a few months ago I heard you complementing what we have in Pingelly the new PRACC building, the reporter asked you specifically the lifespan of this building? What was your answer would you please tell the meeting?

Summary of Response:

The Shire President responded I think it was 50 years.

Summary of Question:

Mr President I can get the tapes back for you it was 25 – 30 years it was on statewide ABC radio. The next question the reporter asked what was the compatible cost of the timber building to what bricks and mortar would be?

Summary of Response:

SP it was actually cheaper than bricks and mortar.

Summary of Question:

You said it was comparable.

Summary of Question:

What are the insurance costs of the building?

Summary of Response:

The Director of Corporate and Community Services replied eight million dollars replacement not including the bowling rink, the approximate premium is about \$16k a year.

Summary of Question:

What was the insurance on the old building as a comparison?

Summary of Response:

The Director of Corporate and Community Services responded that would have been markedly smaller as the old building is valued less than new building. There is no difference in bricks and mortar to a timber building. The premium is paid on the dollar value.

Summary of Question:

Did you get any grants from the indigenous side of our community?

Summary of Response:

The Shire President responded not a cent.

The Director of Corporate and Community Services added that in regards to the federal government money of \$3.8 million - they don't fund recreation centres but they do fund community buildings and that cultural centre was an important component to get that federal government funding. It was one of the biggest amounts of money to be given to a local government in WA and we were very fortunate to have a very good business case put forward in a competitive pool.

Summary of Question:

You are including the Noongar community?

Summary of Response:

The Shire President responded that they have been invited to be involved with meetings and to be on the Board but they fail to show.

9. CLOSURE OF MEETING

The Chairman declared the meeting closed at 8.09pm

These minutes were confirmed by Council at the
General Electors Meeting held on

Signed.....
Presiding Person at the meeting at which the minutes
were confirmed.