



Special Council Meeting
Minutes
7th March 2018

CONFIRMATION OF MINUTES

I hereby certify that the Minutes of the Special Council Meeting held on 7 March 2018
are a true and accurate record of the proceedings contained therein.

.....
Mr Matthew Niikkula
Shire President

22/03/2017

.....
Dated

NOTICE OF MEETING

Notice is hereby given that the

Shire of Exmouth Special Council Meeting

will be held on
7th March 2018
Commencing at 4.00pm

Cameron Woods
Chief Executive Officer

7th March 2018

Disclaimer

The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Please note this agenda contains recommendations which have not yet been adopted by Council.

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In particular and without derogating in any way from the broader disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Exmouth during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Exmouth. The Shire of Exmouth warns that anyone who has an application lodged with the Shire of Exmouth must obtain and should only rely on **written confirmation** of the outcome of the application, and any conditions attached to the decision made by the Shire of Exmouth in respect of the application.

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SPECIAL COUNCIL MEETING MINUTES

Our Vision

To support and develop a vibrant, welcoming community that embraces its past, values its present and plans for a sustainable future

Our Purpose

To responsibly provide governance for the whole community in the best interest of current and future generations

Our Strategic Objectives

- To provide sustainable management of the organisation
- To consistently apply the principles of Good Governance
 - To communicate effectively
 - To promote socioeconomic development
 - To value our environment and heritage

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Shire President opened the meeting opened at 4.05pm.

The Shire President acknowledged the aboriginal people both past and present, as the traditional custodians of the land on which we meet.

The Shire President advised the gallery in adhering to both the *Local Government Act 1995*, and the Shire of Exmouth Meeting Procedures Local Law 2015, it is an offense to record the proceedings of this meeting and asked the gallery to switch off any recording devices, including phones.

He went onto advise the gallery the meeting will be recorded by the Executive Secretary for the purpose of compiling an accurate record of the minutes only; and the recording will be erased once they are confirmed.

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

Councillor M (Matthew) Niikkula	Shire President
Councillor G (Gary) Mounsey	Deputy Shire President
Councillor B (Ben) Dixon	
Councillor H (Heather) Lake	
Councillor M (Mark) Lucas	
Mr C Woods	Chief Executive Officer
Mr K Woodward	Deputy Chief Executive Officer
Mr M Bird	Executive Manager Commercial and Community
Mr K Wilson	Executive Manager Corporate Services
Mrs M Head	Minute Clerk

APOLOGIES Councillor G (Gavin) Penfold

LEAVE OF ABSENCE Nil

GALLERY Nil

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

The following question, received from Mr Brian Mortiss was taken on notice from the previous Ordinary Council meeting held on the 22 February 2018.

Reid Street and Maley Street intersection is still not sealed after works completed. Not finished safely.

The Deputy Chief Executive Officer provided the following response

Tender released today the 7 March 2018 for the bitumen sealing. The works on the corner of Reid and Maley Streets will take place March/April 2018.

The DCEO advised that a response will be provided to the gallery at the next Ordinary Council Meeting to be held on the 22 March 2018.

The Shire President closed public question time.

4. PUBLIC QUESTIONS TIME

In accordance with section 5.24 of the Local Government Act 1995, a 15 minute public question time is made available to allow members of the public the opportunity of questioning Council on matters concerning them.

Council Consideration Towards Public

When public questions necessitate resolutions of Council, out of courtesy and at the President discretion the matter is to be dealt with immediately to allow the public to observe the determination of the matter (obviates the need for the public to wait an undetermined period of time).

When a matter is listed on the Agenda and member/s of the public are in attendance to observe the determination of the matter, out of courtesy and at the discretion of the President the matter is to be brought forward on the agenda and dealt with immediately to allow the public to observe the determination of the matter (again this obviates the need for the public to wait an indeterminate period of time).

Nil

5. DECLARATIONS OF INTEREST

Nil

6. APPLICATIONS FOR LEAVE OF ABSENCE

The Local Government Act 1995 (Section 2.25) provides that a Council may, by resolution, grant leave of absence to a member for Ordinary Council Meetings. A member who is absent, without first obtaining leave of the Council, throughout three consecutive Ordinary meetings of the Council is disqualified from continuing his or her membership of the Council.

Disqualification from membership of the Council for failure to attend Ordinary Meetings of the Council will be avoided so long as the Council grants leave prior to the member being absent. The leave cannot be granted retrospectively. An apology for non-attendance at a meeting is not an application for leave of absence.

The Shire President advised a request for leave of absence had been received from Councillor Lake for the June Ordinary Council Meeting.

COUNCIL RESOLUTION

ITEM 6

Res No: 04-0318

MOVED: Cr Dixon

SECONDED: Cr Mounsey

The Shire President advised a request for leave of absence had been received from Councillor Lake for the June Ordinary Council Meeting.

CARRIED 5/0

7. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

That the Minutes of the Ordinary Meeting of the Shire of Exmouth held on the 22 February 2018 be confirmed as a true and correct record of proceedings.

COUNCIL RESOLUTION

ITEM 6

Res No: 05-0318

MOVED: Cr Lucas

SECONDED: Cr Lake

That the Minutes of the Ordinary Meeting of the Shire of Exmouth held on the 22 February 2018 be confirmed as a true and correct record of proceedings.

CARRIED 5/0

8. ANNOUNCEMENTS BY THE PRESIDING PERSON

The Shire President read the following script to the gallery:

"I have just today returned from a "Mayor's and Presidents" Forum held at WALGA head office in Perth where a turnout of over 40 Presiding Members were in attendance. Some very interesting presentations were made and the information shared was invaluable to myself as such a new President learning the way.

The opportunity to network with other Mayor's and Presidents has provided me a better insight into this extremely worthwhile and important role that my fellow councillors have entrusted me with.

It was encouraging to find, that our new Council is being watched with interest, not only from within our own community. The positive comments and well wishes were very humbling, and the offers of any help or mentoring I may need over our "Teething Period" was especially welcomed.

As a new council, with high hopes of exceeding our community's expectations, I feel it important to pursue and receive all offers of help from the appropriate bodies within our sector".

9. PETITIONS, DEPUTATION, PRESENTATIONS AND SUBMISSIONS

Nil

10. MATTERS ARISING FROM COMMITTEES OF COUNCIL

Nil

11. REPORTS OF COUNCILLORS

Date	Activity	Councillor					
		Cr Niikkula	Cr Dixon	Cr Lake	Cr Lucas	Cr Mounsey	Cr Penfold
	Attended an Exmouth Chamber of Commerce meeting where Minderoo and Subsea 7 both presented. It was announced that Defence will be undertaking a \$165 million upgrade project at the airport.					✓	

The Shire President advised details of the remaining councillors activities will be presented at the Ordinary Council meeting on 22 March 2018.

12. REPORTS OF OFFICERS

12.1 2016/17 ANNUAL REPORT AND SETTING OF ANNUAL ELECTORS MEETING

File Reference:	FM.FI.1
Responsible Officer:	Contract/Acting Executive Manager Corporate Services
Date of Report:	28 February 2018
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. 2016/17 Annual Report2. Auditors Report or the Year Ended 30 June 20173. Management Report for the Year Ended 30 June 2017

PURPOSE

The purpose of this report is to adopt the 2016/17 Annual Report and set a date for the annual meeting of electors.

BACKGROUND

Section 5.53 of the Local Government Act 1995 requires a Local Government to prepare an Annual Report for each financial year. The 2016/17 Annual Report is provided as a separate document (Attachment 1).

The Annual Report is to contain;

- a) a report from the mayor or president;
- b) a report from the CEO;
- c) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year;
- d) the financial report for the financial year;
- e) such information as may be prescribed in relation to the payments made to employees;
- f) the auditor's report for the financial year;
- g) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993;
- h) details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - (i) the number of complaints recorded in the register of complaints;
 - (ii) how the recorded complaints were dealt with;
 - (iii) any other details that the regulations may require;
 - (iv) such other information as may be prescribed.

The Annual Report includes some general information about the Shire of Exmouth, the Strategic Objectives and Key Performance Areas of Council, Elected Member details, reports from the

President and Chief Executive Officer, and an overview of the activities and achievements of the past financial year and the audited annual financial statements.

The adoption of the Annual Report by Council allows for the holding of the Annual Electors Meeting.

COMMENT

The Independent Audit Report was provided on 28 February 2018.

Council's Auditors and management report is provided (Attachments 2 & 3).

The Audit Report is also shown in the Annual Financial Report that forms part of the Annual Report.

Financial Ratios

Financial ratios are designed to provide users of annual financial reports with a clearer interpretation of the performance and financial results of a local government and a comparison of trends over a number of years.

Ratios may be disclosed as a percentage or a factor of one.

Financial ratios are included in the notes to the annual financial report. These ratios provide users with key indicators of the financial performance of a local government and include comparisons with two prior years.

Under regulation 50 of the *Local Government (Financial Management) Regulations 1996*, the annual financial report is to include the following:

- a) Current ratio.
- b) Asset consumption ratio.
- c) Asset renewal funding ratio.
- d) Asset sustainability ratio.
- e) Debt service cover ratio.
- f) Operating surplus ratio.
- g) Own source revenue coverage ratio.

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted asset}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{Operating expense}}$

Shire of Exmouth financial ratios

	<i>Source: DLGC</i>			
	Standard	2016/17	2015/16	2014/15
Current Ratio	1.00	✓ 1.070	✗ 0.876	✓ 1.970
Asset Consumption Ratio	0.50	✓ 0.646	✓ 0.727	✓ 0.720
Asset Renewal Ratio	0.75	✓ 1.050	✓ 0.940	✗ 0.720
Asset Sustainability Ratio	0.90	✗ 0.129	✗ 0.625	✗ 0.450
Debt Service Cover Ratio	2.00	✓ 15.143	✓ 7.866	✓ 7.780
Operating Service Ratio	0.01	✗ (0.217)	✗ (0.248)	✗ (0.160)
Own Source Revenue Coverage Ratio	0.40	✓ 0.641	✓ 0.722	✓ 0.640

It is important to note that statutory financial ratios are not intended to be the only factor to consider in assessing Council's overall performance. Other factors include the range of services offered, the efficiency of services delivered and overall community satisfaction.

The Financial Health Indicator

The Financial Health Indicator (FHI) is a measurement of a local government's overall financial health as determined by the Department of Local Government and Communities. It is calculated from the seven financial ratios that local governments are required to calculate annually. An FHI result of 70 and above indicates sound financial health. The maximum result achievable is 100.

The FHI is one factor to consider in assessing overall performance. Other non-financial factors include: the range of services offered; efficiency of services delivered; and community satisfaction. The FHI is best viewed as a trend over time. When interpreting FHI data on the radar charts, a larger rounder shape (Figure 1) is better than a smaller shape (Figure 2). Ratio results that are closer to the center indicate areas where attention may be required and improvement can be made.

The green shape represents a guideline marker for meeting each ratio standard.

The red shape represents were the standard has been exceeded.

Figure 1 (Example FHI= 98)

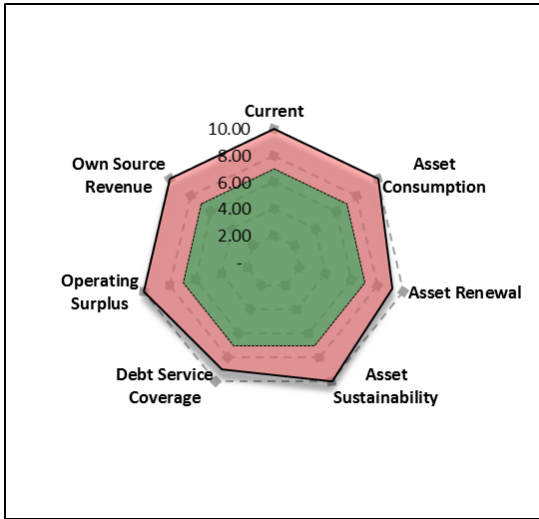
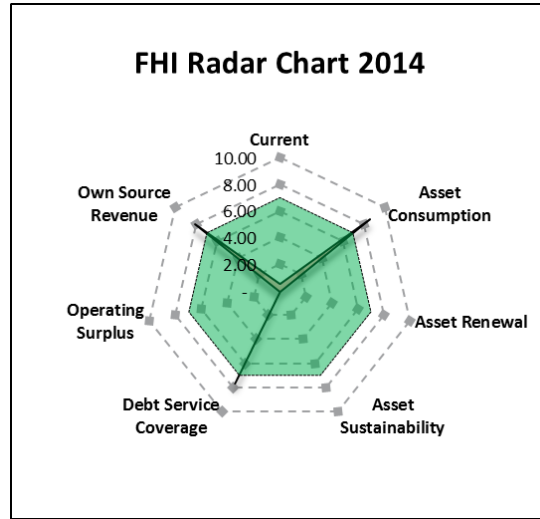
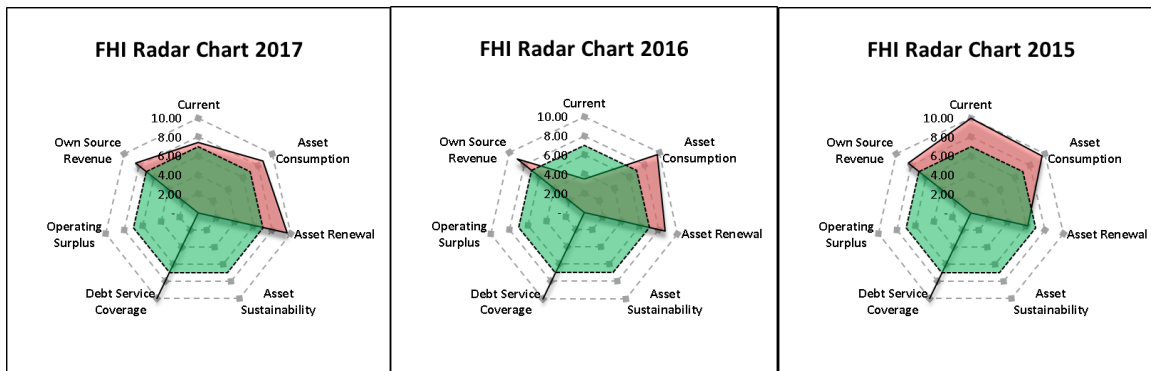


Figure 2 (Example FHI= 33)



The Shire of Exmouth’s FHI score for the past three years are per the following table

	Standard	2016/17	2015/16	2014/15
Financial Health Indicator (max = 100)	70.00	❌ 61.00	❌ 52.00	❌ 65.00
<i>source: mycouncil.wa.gov.au</i>				



Carried Forward Funds

Carried forward funds as at 30 June 2017 are \$962,667.

This is in line with the carried forward surplus estimated in the 2017/18 budget of \$962,707. This surplus primarily relates to the early payment of the 1st quarter 2017/18 Financial Assistance Grants in the 2016/17 financial year.

CONSULTATION

Local Public Notice of the availability of the Annual Financial Report, the date set for the annual General Meeting of Electors will be provided in the Pilbara Newspaper, Shire and Library noticeboards.

STATUTORY ENVIRONMENT

Local Government Act 1995

S5.54. Acceptance of annual reports

(1) Subject to subsection (2) the annual report for a financial year is to be accepted by the local government no later than 31 December after that financial year.*

** Absolute majority required.*

(2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

S5.55. Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

S5.55A. Publication of annual reports

The CEO is to publish the annual report on the local government's official website within 14 days after the report has been accepted by the local government.

5.27. Electors' general meetings

- 1) A general meeting of the electors of a district is to be held once every financial year.*
- 2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
- 3) The matters to be discussed at general electors' meetings are to be those prescribed.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This item is relevant to the Councils approved Strategic Community Plan 2011-2021 and Corporate Business Plan 2016-2020.

Civic Leadership: 4 To work together as custodians of now and the future.
4.2 *A local government that is respected, professional, trustworthy and accountable.*

VOTING REQUIREMENTS

Absolute Majority

OFFICER'S RECOMMENDATION**ITEM 12.1**

That Council:

1. Adopt the 2016/17 Annual Report (Attachment 1); and
2. Endorse the holding of the Annual Electors Meeting at the Function Centre, Ningaloo Centre, Truscott Crescent Exmouth on the 22 March 2018 commencing at 6 pm.

COUNCIL RESOLUTION**ITEM 12.1****Res No: 06-0318****MOVED: Cr Mounsey****SECONDED: Cr Dixon**

That Council:

1. **Adopt the 2016/17 Annual Report (Attachment 1); and**
2. **Endorse the holding of the Annual Electors Meeting at the Function Centre, Ningaloo Centre, Truscott Crescent Exmouth on the 22 March 2018 commencing at 6 pm.**

CARRIED 5/0

13. ELECTED MEMBERS MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

14. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

Nil

15. MATTERS TO BE CONSIDERED BEHIND CLOSED DOORS

Nil

16. CLOSURE OF MEETING

The Shire President closed the Special Council Meeting at 4.16pm.