

Bunbury - Harvey Regional Council

Minutes (Confirmed)



For the Ordinary Council Meeting of

25th June 2015

BUNBURY-HARVEY REGIONAL COUNCIL

**MINUTES (CONFIRMED) FOR THE ORDINARY MEETING OF COUNCIL TO BE HELD ON
25TH JUNE 2015**

TABLE OF CONTENTS

ITEM NR	SUBJECT	PAGE NR.
1.	Attendance, Apologies & Leave of Absence	3
2.	Public Question Time	3
3.	Summary of response to previous questions taken on notice	3
4.	Applications for Leave of absence	3
5.	Confirmation of Minutes	4
6.	Petitions and Memorials	4
7.	Declarations of Interests	4
8.	Announcements (by the presiding member without discussion)	4
9.	Reports of Committees	4
10.	Business of Previous Meeting	4
11.	Reports of Officers	4
11.1	Financial Statements for period ending 31 May 2015	4-7
11.2	Payments of Accounts for May 2015	7-8
11.3	DRAFT Meeting Schedule 2015/2016	8-10
12.	General Business	10
12.1	Operational Update – June 2015	10-12
13.	Confidential Reports	12
14.	Notices of Motion	12
15.	Next Meeting	13
16.	Closure	13

These Minutes are confirmed as being true & correct by Council **Resolution Nr: OC81023-1334**

Cr Neville McNeill
Chairman

Tony Battersby
Chief Executive Officer

• **Meeting was declared open 3:57pm**

1. Attendance, Apologies & Leave of Absence

Phil Harris (Director Works & Services – City of Bunbury) – Attended
Andrew Brien (Chief Executive Officer – City of Bunbury) – Attended
David Ransom (Manager Finance – City of Bunbury) – Attended

Name	Attended	Apologies	Leave of Absence
Cr. Judy Jones (City of Bunbury)	✓		
Cr. Neville McNeill (City of Bunbury)	✓		
Cr. Murray Cook (City of Bunbury)	✓		
Cr. Peter Monagle (Shire of Harvey)	✓		
Cr. Greg Campbell (Shire of Harvey)	✓		
Tony Battersby – CEO	✓		
Michael Parker – CEO Shire of Harvey	✓		
Chris Welham – Accountant	✓		
Martinette Pieterse – Secretary to CEO	✓		

2. Public Question Time

Nil

3. Summary of Response to previous Questions taken on notice

Nil

4. Applications for leave of absence

Nil

5. **Confirmation of Minutes**

Minutes of the Ordinary meeting of Council held 28th May 2015, with amendment made to the dollar figure in the table for Organic Waste per tonne to \$31.00.

OC81023-1329	Moved:	Cr Greg Campbell	
	Second:	Cr Peter Monagle	
			5/0
			Unanimous
			CARRIED

6. **Petitions and Memorials**

Nil

7. **Declarations of Interests**

Nil

8. **Announcements (by the presiding member without discussion)**

Cr Neville McNeill thanked Ian Watkins on behalf of council for preparing and facilitating the Management Workshop.

9. **Reports of Committees**

Nil

10. **Business of Previous Meeting**

Nil

11. **Reports of Officers**

11.1 **Financial Statements for the period ended 31 May 2015**

Reporting Officer: Chris Welham, Accountant
File Number:
Attachments: Appendices 1 to 7

Summary

The following comments are provided on the key elements of Council's financial performance.

1. Statement of Comprehensive Income (**attached** at Appendix 1)

a. Year-to-date Financial Performance to 31 May 2015

	ACTUAL	BUDGET	VARIANCE	
Year-to-date income	4,061,069	4,506,924	(445,855)	<i>unfavourable</i>
Year-to-date expenditure	3,228,916	3,220,793	(8,123)	<i>unfavourable</i>
Year-to-date operating surplus	832,153	1,286,131	(453,978)	<i>unfavourable</i>

2. Capital Works (**attached** at Appendix 3)

Year-to-date capital expenditure	433,404	431,080	(2,324)	<i>unfavourable</i>
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3. Balance Sheet (**attached** at Appendix 4)

Current Assets of \$7,249,901 includes:	Actual	Forecast
Cash and Cash Equivalents	6,950,239	7,018,050
Trade and Other Receivables	297,840	302,732
Inventories	1,822	1,822
Current Liabilities of \$240,843 includes:		
Trade and Other Payables	109,921	180,056
Provisions	130,922	151,259
Working Capital (Current Assets <i>less</i> Current Liabilities) is	7,009,058	6,991,289
Equity (Total Assets <i>less</i> Total Liabilities) is	9,830,877	9,812,532
Reserves of \$4,748,676 include:		
Plant and Infrastructure Reserve	433,954	356,112
Site Post Closure Rehabilitation Reserve	3,280,464	3,029,018
Waste Minimisation Reserve	529,847	609,327
Banksia Road Construction Reserve	504,411	507,921

4. Investments

Total of \$6,814,235 includes:	
ANZ Banking Group	2,932,153
Commonwealth Bank	657,005
National Australia Bank	3,121,256
Westpac	103,821

Background

A financial management report is provided to Councillors on a monthly basis which includes the following summaries:

- Statement of Comprehensive Income (**attached** at Appendix 1)
- Banksia Road Operations (**attached** at Appendix 2)
- Statement of Financial Activity (**attached** at Appendix 3)
- Capital Works Expenditure Summary (**attached** at Appendix 4)
- Balance Sheet Summary (**attached** at Appendix 5)
- Statement of Net Current Assets (**attached** at Appendix 6)
- Fees and Charges Summary (**attached** at Appendix 7)
- Debtors Report (**attached** at Appendix 8)

These summaries include the February Budget Review changes adopted by Council and revised end-of-year forecasts based on a monthly review of year-to-date income and expenditure for all accounts.

Legislative Compliance

In accordance with the provisions of Section 6.4 of the Local Government Act 1995 and Regulation 34(1) of the Local Government (Financial Management) Regulations 1996, a Local Government is to prepare each month a Statement of Financial Activity (Attached at Appendix 2) reporting on the revenue and expenditure as set out in the annual budget under Regulations 22 (1) (d) for this month.

At the Council Meeting on 10 July 2014, Council adopted that a variance between actual and budget-to-date of greater than or equal to 10% and \$15,000 is considered to be a material variance for reporting purposes in the Statement of Financial Activity for 2014/15.

The following is an explanation of significant variances identified in the Statement of Comprehensive Income and the Statement of Financial Activity:

Statement of Comprehensive Income	YTD Actual to YTD Budget Variance
Operating Income	
Fees and Charges	
Casual Tipping Fees Casual tipping is less than expected due to the fall off in waste from Perth area with the diversion of waste to Perth Waste's own new landfill.	\$ (190,420) 11%
Sale of scrap Metal. The forecast has been reduced by \$30,000 due to reduced market prices.	\$ (45,051) 38%
Banksia Road Compost Sales. The forecast has been reduced by \$100,000. It was expected that one customer would take the entire Banksia Road stockpile but this did not eventuate. The CEO is researching the market for new corporate customers.	\$ (99,159) (72)%
Interest Earnings	
Interest earned is under revised budget after the reversal of overestimated accruals	\$(37,828) (15)%
Other Revenue	
Landfill Levy Income. This is 21% below budget year-to date due to lower tonnages being received from Perth metro area so far this year because Perth Waste has been using their own new landfill.	\$(110,360) (21)%
Operating Expenditure	
Depreciation Expense A recalculation to the end of the financial year has indicated that depreciation is higher than budgeted.	(56,494) (15)%
Other Expenditure	
Landfill Levy Expense is below budget in line with decreased Levy received from customers as above. Note the landfill levy expense is fully recouped by on-charging to customers plus a margin of 8.7%.	\$100,439 21%
Statement of Financial Activity	YTD Actual to YTD Budget Variance
Interest Earnings Interest earned is under revised budget after the reversal of overestimated accruals.	\$(37,828) (15)%
Other Revenue This is 15% below budget year-to date which is mainly due to lower tonnages being received from Perth metro area so far this year because Perth waste has been using their own new landfill.	\$(91,730) (15)%
Depreciation Expense A recalculation to the end of the financial year has indicated that depreciation is higher than budgeted.	(56,494) (15)%
Other Expenditure includes \$100,439 saving in landfill levy expense. Note the landfill levy expense is fully recouped by on-charging to customers plus a margin of 8.7%.	\$ 100,237 15%

***Cr Judy Jones wants more active/strategic approach to getting buyers to purchase compost!**

Executive Recommendation

The Financial Statements for the period ending 31 May 2015 be received.

OC81023-1330

Moved: Cr Judy Jones
Second: Cr Murray Cook

5/0
Unanimous
CARRIED

11.2 Payments of Accounts for May 2015

Reporting Officer: Chris Welham, Accountant
File Number: -
Attachments: Summary of Accounts Paid for May 2015

Précis

Section 13 (2) of Government (Financial Management) Regulations 1996 require that where Local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing detail for each account paid since such list was prepared. This item is presented to Council to advice of payments made for May 2015.

Background

As noted above.

Officer Comment

The attachment details all payments made for May 2015.

Consultation

NIL

Financial Implications

As per the declaration within the schedule summary, the accounts have been checked and are fully supported by vouchers and invoices and which have been duly certified as to the receipt of goods and the rendition of services and as to prices, computations and costings. Sufficient allocations are contained within the 2014/2015 budget to cover payment of the accounts.

Statutory Environment

Sections 12 and 13 of the Local Government (Financial Management) Regulations 1996 apply.

Strategic Implications

NIL

Policy Implications

NIL

Voting Requirement

Simple Majority

Officer Recommendation

That the attached summary of schedule of accounts paid for May 2015 be received.

OC81023-1331

Moved:

Cr Murray Cook

Second:

Cr Peter Monagle

5/0

Unanimous

CARRIED

11.3 DRAFT Meeting Schedule 2015/2016

Reporting Officer:

Tony Battersby, Chief Executive Officer and

File Number:

-

Attachments:

-

Précis

Regulation twelve (12) of the Local Government (Administration) Regulation 1996 requires that once a year a local government is to give local public notice of Ordinary meetings proposed for the next twelve (12) months. This item is presented to Council to consider a schedule of meeting for the next twelve (12) months to enable the Chief Executive Officer (CEO) to give local public notice of the intended meetings.

Background

Regulation twelve (12) of the Local Government (Administration) Regulations 1996 requires that once a year a local government is to give local public notice of Ordinary Council meeting (and Committee meeting that are required to be open to the public) proposed for the next twelve (12) months.

Officer Comment

The schedule has allowed for the December 2015 Ordinary Council meeting to be held on the third Thursday of the month at 11:00am, the earlier date and time is to accommodate a Council Christmas lunch following the meeting. The schedule also allow for one (1) Ordinary Council meeting to be held at the Stanley Road Waste Management Facility at which meetings a site tour of the facilities will be conducted.

Consultation

Local Public Notice of meeting is required.

Financial Implications

Advertising costs are provided for in the 2015/2016 budget.

Statutory Environment

Regulation twelve (12) of the Local Government (Administration) Regulations 1996 requires that:

1. At least once each year a local government is to give local public notice of the dates on which, the time and place at which:
 - The Ordinary Council meetings; and
 - The Committee Meetings that are required under the Act to be open to members of the public are to be held in the next twelve (12) months.

2. A local government is to give local public notice of any change to the date, time or place of a meeting referred to in sub regulation one (1).
3. Subject to sub regulation four (4), if a special meeting of a council is to be open to members of the public then the local government is to give local public notice of the date, time, place and purpose of the special meeting.
4. Subject to sub regulation four (4), if a special meeting of a council is to be open to members of the public but, in the Chief Executive Officer's opinion, it is not practicable to give local public notice of the matters referred to in sub regulation three (3), then the local government is to give public notice of the date, time, place and purpose of the special meeting in the manner and to the extent that, in the Chief Executive Officer's opinion, is practicable.

Day	Date	Time	Venue
Thursday	27 August 2015	4:00pm	Shire of Harvey office, Australind
Thursday	24 September 2015	4:00pm	Shire of Harvey office, Australind
Thursday	29 October 2015	4:00pm	Shire of Harvey office, Australind
Thursday	26 November 2015	4:00pm	Shire of Harvey office, Australind
Thursday	17 December 2015	11:00am	Shire of Harvey office, Australind
JANUARY 2016 (COUNCIL RECESS)			
Thursday	25 February 2016	4:00pm	Shire of Harvey office, Australind
Thursday	31 March 2016	4:00pm	Shire of Harvey office, Australind
Thursday	28 April 2016	3:30pm	Stanley Road Waste Facility site office, Australind
Thursday	26 May 2016	4:00pm	Shire of Harvey office, Australind
Thursday	23 June 2016	4:00pm	Shire of Harvey office, Australind
Thursday	28 July 2016	4:00pm	Shire of Harvey office, Australind

Strategic Implications

Nil

Policy Implications

Nil

Voting Requirement

Simple Majority

Officer Recommendations

That Council request the Chief Executive Officer to give Local Public Notice of the following meeting schedule:

Day	Date	Time	Venue
Thursday	27 August 2015	4:00pm	Shire of Harvey office, Australind
Thursday	24 September 2015	4:00pm	Shire of Harvey office, Australind
Thursday	29 October 2015	4:00pm	Shire of Harvey office, Australind
Thursday	26 November 2015	4:00pm	Shire of Harvey office, Australind
Thursday	17 December 2015	11:00am	Shire of Harvey office, Australind
JANUARY 2016 (COUNCIL RECESS)			
Thursday	25 February 2016	4:00pm	Shire of Harvey office, Australind
Thursday	31 March 2016	4:00pm	Shire of Harvey office, Australind
Thursday	28 April 2016	3:30pm	Stanley Road Waste Facility site office, Australind
Thursday	26 May 2016	4:00pm	Shire of Harvey office, Australind
Thursday	23 June 2016	4:00pm	Shire of Harvey office, Australind
Thursday	28 July 2016	4:00pm	Shire of Harvey office, Australind

OC81023-1332

Moved: Cr Peter Monagle
Second: Cr Greg Campbell

5/0
Unanimous
CARRIED

12. General Business

12.1 Operational Update for June 2015

Reporting Officer: Tony Battersby, Chief Executive Officer
File Number: -

- **BHRC 2015/2016 Draft Budget**
Draft Budget Attached – **council happy to have special meeting to adopt the budget on Thursday 16/07/2015 at 4:00pm.**

- **Stanley Road Expansion**

Talis Consultants will be conducting some feasibility costing into the following:

1. Constructing lined cells at Stanley Road for medium to long term solutions of waste disposal for the City of Bunbury and the Shire of Harvey, will require DER approval.
2. Application of amendment to current licence put through to the DER on expansion of existing footprint along the southern side of cell 1- 2 and the valley between cell 1 – 2 and cell 3 to be filled with waste to allow for capping. These two amendments would allow for a further three years air space to be landfilled which equates to four years with the existing air space on cell 3 - **Awaiting on formal response from DER.**

- **Bunbury Wellington Regional Grouping (BWRG)**

Round two of funding applications open on 10th January 2014.

The Wellington Regional Group has been successful with two of the three funding projects, Mobile Composting Aerators successful, Concrete Bunkers successful. Funding agreement to be signed and sent back, time frames to be adjusted.

Amended investment agreement supplied by the Waste Authority with time frames adjusted, all documentation signed and sent back.

Talis Consultancy representatives conducted a presentation to the Southwest Group of Councils on the draft report on Regional Waste. Report will be finalised in next three weeks and made available to all parties.

- **Waste to Energy**

Worsley conducted an on-site meeting between Talis Consultants, myself and representatives from Worsley on the feasibility of modifying their existing boilers to accept municipal waste or the cost to construct a purpose built waste to energy facility.

I have requested a meeting with Worsley to follow up any findings and outcomes from previous meeting.

- **Banksia Road Compost Facility – Odour Complaint**

Site meeting at Banksia Road Compost Facility was held between the City of Bunbury CEO Andrew Brien, Shire of Harvey CEO Michael Parker, BHRC Tech Officer Jai Pearce and BHRC CEO Tony Battersby to discuss and determine whether an odour problem did exist at the site.

It was established that any odours being emitted from the site would not be considered to be nuisance or offensive to any neighbouring properties and any odour that could be detected at close proximity to the compost stockpiles were of a natural earthy odour.

A meeting was requested with the Shire of Dardanup CEO Mark Chester to discuss the Breach of Covenant and Default by Lessee of Lease between the Shire of Dardanup and Bunbury Harvey Regional Council (odours being emitted from the Bunbury Harvey Organics Waste Facility located on Lot 1. Banksia Road Dardanup are deemed to be a “nuisance” pursuant to Clause 5.9.1 of the lease).

The meeting was held on Wednesday 3rd June 2015 at the City of Bunbury Administration Building the attendees were Shire of Dardanup CEO Mark Chester, Shire

of Dardanup Officers Luke Botica, Robert Quinn, Ashley Bean, City of Bunbury CEO Andrew Brien, Shire of Harvey CEO Michael Parker and BHRC CEO Tony Battersby.

Discussions were held on procedures the Shire of Dardanup had taken to get to the outcome of taking this matter to Council and not dealing with it through the DER licence. The Shire of Dardanup CEO informed the group that it was chosen to take this course of action due to the facility being compliant with the licence conditions and to utilise the lease agreement while still with them to enforce the matter.

It was agreed by all parties that operational changes implement at the facility had produced a positive effect with eliminating the offensive odour. Additional operational changes and monitoring was agreed upon and are contained with-in the **attached letter**.

Confidential Report from Intuit Earth - Attached

- **Workforce/Management Plan of BHRC**

Workforce Plan – **Attached**

- **Skip Bin Waste Separation - Pilot**

To be considered by Council in 2015/2016 draft budget.

- **Wellington Group Regional Waste Education Program**

Current memorandum expires on 30th June 2015, a new budget with option of two fulltime Officers has been distributed to all member Council Officers for budget consideration, and feedback so far is opting toward the two fulltime Officers.

Awaiting confirmation from Wellington Group of Councils on their preferred option, so a new memorandum can be completed and signed.

- **Bomag Landfill Compactor**

The Bomag Landfill Compactor has had a major engine failure and will require an engine replacement. Cost and availability of new engine are currently being obtained with the cost likely to be in the vicinity of \$60,000 to \$80,000.

The scheduled replacement of the Bomag will be further delayed for a further three to four years to counter offset the cost of the engine replacement.

New engine to be fitted this week with additional maintenance work completed while Bomag in operational, new compactor lugs put on wheels.

- **Staff Matters**

Jack Stidworthy – two weeks annual Leave June 2015.

Corey Stidworthy – four weeks annual leave June – July 2015

13. Confidential Reports

Report from Intuit Earth.

14. Notices of Motion

Nil

