

MINUTES
SPECIAL COUNCIL MEETING
Tuesday 23rd June 2015

Minutes of the Special Meeting of the Yilgarn Shire Council held in the Council Chambers, Antares Street, Southern Cross on Tuesday, 23rd June 2015.

PRESENT

Cr O Truran, Shire President, Cr's W A Della Bosca, J Della Bosca, G Guerini, K Chrisp, B Close (entered the meeting at 4.45pm)

Council Officers: E Piper, Acting Chief Executive Officer
 J Bingham, Deputy Chief Executive Officer
 W J Dallywater, Manager Environmental Health & Building
 Robert Bosenberg, Manager of Works

APOLOGIES AND LEAVE OF ABSENCE

Cr D Pasini

DISCLOSURES OF INTEREST

Nil

INFORMATION SESSION

Nil

PUBLIC QUESTION TIME

Nil

CONFIRMATION OF PREVIOUS COUNCIL MINUTES

Nil

ANNOUNCEMENTS

Nil

Submission to:	Special Meeting of Council – Tuesday, 23rd June 2015
Agenda Reference:	7.1
Subject:	Differential Rating for the Year Ending 30th June 2015
File Reference:	8.1.1.5
Author:	Eddie Piper – Acting Chief Executive Officer
Disclosure of Interest:	Nil
Date of Report:	16th June 2015

Background

At its Meeting held on 21st May 2015 Council resolved as follows:

“That Council propose the following Differential General Rates for the year ending 30th June 2016

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Land Category	Proposed Rate	Proposed Minimum Rate
GRV – Residential	10.69c	\$370
GRV – Commercial	7.31c	\$370
GRV – Mine-sites	30.00c	\$370
GRV – Single Persons Quarters	30.00c	\$370
UV – Rural	1.82c	\$370
UV – Mining Tenement	18.05c	\$360

In view of the major reduction in the GRV Mine-sites and GRV SPQs and the reduction in the UV Mining Tenements the President and Acting Chief Executive Officer received approval from the meeting to make a deputation to the Department of Local Government and Communities to seek its advice as to whether the Minister would approve the requested Differential Rates.

Comment

The President and ACEO attended a meeting in Perth on Tuesday 15th June 2015 where the Shire's request for Differential was discussed. It was the outcome of the meeting that the Ministerial staff of the DLG&C would recommend that the Minister reject Council's request. From there a compromise was sought and found being the GRV Min-sites and GRV SPQs be further reduced by 7.5c to 22.5c in the \$.

It was pointed out that this was a reduction of 17.5c in the \$ or 43.75% on the 2014/15 rate.

The proposed Differential Rates were advertised in the West Australian Newspaper and the Merredin Mercury and at the close of the receipt of submissions three (3) were received. They were from Cliffs, Hanking and the Chamber of Minerals and Energy.

Copies of the submissions (previously circulated) and a report by the ACEO on these submissions are attached.

Statutory Environment

Local Government Act 1995 section 6.33 Relates to Differential Rating

Policy Implications

Nil

Financial Implications

This is a substantial reduction on actual Rate Revenue of 2014/15; however, the DCEO will present a Balanced Budget for 2015/16. Projects and some services may be affected. Full details will be offered at subsequent budget briefings and at the Adoption of the Budget meeting.

Voting Requirements

Absolute Majority

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Recommendation

That Council:

- 1. Receive the submissions from Cliffs Asia Pacific Iron Ore Pty Ltd, Hanking Australia Pty Ltd and the Chamber of Minerals and Energy of Western Australia.**
- 2. Endorse the Report on Submissions of Differential Rating prepared by the Acting Chief Executive Officer.**
- 3. Amend its previous resolution (21 May 2015 Item 8.5) by changing GRV – Mine sites and GRV – SPQs to 22.50c in \$ resulting in the proposed Differential General Rates for the year ending 30th June 2016 being:**

Land Category	Proposed Rate	Proposed Minimum Rate
GRV – Residential	10.69c	\$370
GRV – Commercial	7.31c	\$370
GRV – Mine-sites	22.50c	\$370
GRV – SPQs	22.50c	\$370
UV – Rural	1.82c	\$370
UV – Mining Tenements	18.05c	\$360

106/2015

Moved Cr G Guerini

Seconded Cr J Della Bosca

That Council:

- 1. Receive the submissions from Cliffs Asia Pacific Iron Ore Pty Ltd, Hanking Australia Pty Ltd and the Chamber of Minerals and Energy of Western Australia.***
- 2. Endorse the Report on Submissions of Differential Rating prepared by the Acting Chief Executive Officer.***
- 3. Amend its previous resolution (21 May 2015 Item 8.5) by changing GRV – Mine sites and GRV – SPQs to 22.50c in \$ resulting in the proposed Differential General Rates for the year ending 30th June 2016 being:***

<i>Land Category</i>	<i>Proposed Rate</i>	<i>Proposed Minimum Rate</i>
<i>GRV – Residential</i>	<i>10.69c</i>	<i>\$370</i>
<i>GRV – Commercial</i>	<i>7.31c</i>	<i>\$370</i>
<i>GRV – Mine-sites</i>	<i>22.50c</i>	<i>\$370</i>
<i>GRV – SPQs</i>	<i>22.50c</i>	<i>\$370</i>
<i>UV – Rural</i>	<i>1.82c</i>	<i>\$370</i>
<i>UV – Mining Tenements</i>	<i>18.05c</i>	<i>\$360</i>

CARRIED (ABSOLUTE MAJORITY) 5/0

❖ Cr B Close entered the meeting at 4.45pm.

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Submission to:	Special Meeting of Council – Tuesday 23rd June 2015
Agenda Reference:	8.1
Subject:	Budget 2014/15 – Unbudgeted Reserve Transfers
File Reference:	8.1.1.5
Author:	John Bingham – Deputy Chief Executive Officer
Disclosure of Interest:	Not applicable
Date of Report:	22 nd June 2015

Background

An un-budgeted transfer to Reserves needs to be treated as any other proposed payment that hasn't already been included in Council's budget. While it may not be considered to be 'expenditure' as it is still Council's money, funds in a reserve account are set aside for a specific purpose and their use is restricted, so a transfer requires Council approval.

Summary

Approval is sought for the following:

Total unbudgeted transfers TO Reserves: \$1,235,966.

Plant: \$197,200 – Increase Level of Reserve for 2015/16.

Refuse Disposal: \$250,000 – Development of Landfill Site and Transfer Station.

Tourism: \$350,000 – Tourist & Visitor Information Centre project.

Unspent Grant:

- \$392,361 - CLGF Regional Groups 2012/13 Caravan Park Upgrade; and
- \$46,405 - Wheat-Belt Creating Aged Friendly Communities Grant 2014/15.

Total unbudgeted transfers FROM Reserves: \$265,496.

Building: \$62,918 – 2014/15 actual costs for Lifestyle Accommodation Units.

Long Service Leave: \$10,123 – 2014/15 actual costs for LSL. Original budget transfer is \$57,440.

Recreation Facility: \$64,991 - 2014/15 actual costs for various small capital works projects.

Sewerage: \$73,158 – 2014/15 actual deficit of Sewerage Scheme operations. Original budget transfer to is \$52,736.

Unspent Grant: \$54,306 – 2014/15 actual costs for DLG Asset Management Grant, DLG Strategic Planning Grant and Police Department Grant for CCTV. No transfer was originally budgeted for.

Statutory Environment

Section 6.8 of the LG Act

Policy Implications

None

Financial Implications

Adjusted Reserves for Budgeted financials 2014/15

Strategic Implications

None

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Voting Requirements
Absolute Majority

Recommendation

That Council approve the unbudgeted Reserve transfers for financial year 2014/15:

Total unbudgeted transfers TO Reserves: \$1,235,966:

- 1. Plant: \$197,200 – Increase Level of Reserve for 2015/16.**
- 2. Refuse Disposal: \$250,000 – Development of Landfill Site and Transfer Station.**
- 3. Tourism: \$350,000 – Tourist & Visitor Information Centre project.**
- 4. Unspent Grant: \$392,361 - CLGF Regional Groups 2012/13 Caravan Park Upgrade; and \$46,405 - Wheat-Belt Creating Aged Friendly Communities Grant 2014/15.**

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- 3. Recreation Facility: \$64,991 - 2014/15 actual costs for various small capital works projects.**
- 4. Sewerage: \$73,158 – 2014/15 Actual deficit of Sewerage Scheme operations. Original budget transfer to is \$52,736.**
- 5. Unspent Grant: \$54,306 – 2014/15 actual costs for DLG Asset Management Grant, DLG Strategic Planning Grant and Police Department Grant for CCTV. No transfer was originally budgeted for.**

107/2015

Moved Cr K Chrisp

Seconded Cr W Della Bosca

That Council approve the unbudgeted Reserve transfers for financial year 2014/15:

Total unbudgeted transfers TO Reserves: \$1,235,966:

- 1. Plant: \$197,200 – Increase Level of Reserve for 2015/16.*
- 2. Refuse Disposal: \$250,000 – Development of Landfill Site and Transfer Station.*
- 3. Tourism: \$350,000 – Tourist & Visitor Information Centre project.*
- 4. Unspent Grant: \$392,361 - CLGF Regional Groups 2012/13 Caravan Park Upgrade; and \$46,405 - Wheat-Belt Creating Aged Friendly Communities Grant 2014/15.*

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- 4. Sewerage: \$73,158 – 2014/15 Actual deficit of Sewerage Scheme operations. Original budget transfer to is \$52,736.*
- 5. Unspent Grant: \$54,306 – 2014/15 actual costs for DLG Asset Management Grant, DLG Strategic Planning Grant and Police Department Grant for CCTV. No transfer was originally budgeted for.*

CARRIED (ABSOLUTE MAJORITY) 6/0

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108/2015

Moved Cr B Close

Seconded Cr G Guerini

That Council adjourn the meeting until 5.30pm 24/6/2015.

CARRIED 6/0

109/2015

Moved Cr B Close

Seconded Cr G Guerini

That Council re-convene the meeting at 5.30pm 24/6/2015.

CARRIED 5/0

❖ Cr B Close entered the meeting at 5.40pm.

Submission to:	Ordinary Meeting of Council – Thursday 18 th June, 2015
Agenda Reference:	10.1
Subject:	Tender R02-2014/2015 Lifestyle Accommodation Development Earthworks and Installation of Utility Services – Up-dated
Location/Address:	Lots 250, 251, 650, 252 Cnr Antares & Canopus Street, Southern Cross
Name of Applicant:	Manager Environmental Health & Building Services
File Reference:	1.3.3.18
Author:	Manager Environmental Health & Building Services – W J Dallywater
Disclosure of Interest:	Not applicable
Date of Report:	10 th 18 th & 19 th June, 2015

Background

While Fleetwood has been awarded the tender to construct the four new transportable Lifestyle Accommodation houses for the Shire to be placed on the 4 lots fronting onto Canopus Street, Southern Cross, the Shire still needed earthworks and the supply and installation of utility services to be carried out prior to the houses being delivered to site. A second tender (Tender R02-2014/2015) was advertised in the West Australian newspaper on Saturday 30th May 2015 to carry out Earthworks, and the supply and installation of Concrete Works, Hydraulic Services, and Electrical Services for the Lifestyle Accommodation Development consisting of 12 residences in Southern Cross. The tender closes at 12:00 noon on Wednesday 17th June 2015.

Comment

Tender documents have been forwarded to 13 companies, and at this time it appears that at least 2 companies are interested in the project as they either have or intend to come to site to look at the location in order to prepare a tender submission. The Project Manager, Mr Simon de Been of Kal Engineering Consultants, was on-site Friday 12th June to meet with interested tenderers and discuss the project and answer any questions they had.

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There were 2 Tenders received at the close of the tender period. Below is a summary of the two Tenders:-

Tenderer / Schedule of Works	A & P Wright Pty Ltd	BCL Group Pty Ltd
Schedule 1 - Earthworks	\$206,961.50 excl GST	\$302,291.42 excl GST
Schedule 2 – Concrete Works	\$219,872.00 excl GST	\$164,670.00 excl GST
Schedule 3 – Hydraulics – Water Services	\$59,090.40 excl GST	
Schedule 3 – Hydraulics – Sewer Extension	\$66,120.00 excl GST	
Schedule 3 – Hydraulics – Total Cost	\$125,210.40 excl GST	\$165,951.40 excl GST
Schedule 4 - Electrical	\$178,410.00 excl GST	\$152,502.94 excl GST
TOTAL	\$730,453.90 excl GST	\$785,415.76 excl GST

The Project Manager has carried out part of the assessment process but still needs to complete the financial and reference checks of the two tenderers. In saying this, based on the assessment so far, the Project Manager's preferred Tender is A & Wright Pty Ltd who has scored better on the weighted evaluation assessment. Attached is an E-mail report from the Project Manager as a spread sheet of the evaluation results.

As a full evaluation of the tenders cannot be presented to Council for a formal decision, it is recommended that Council accept the preferred tender and the Acting Chief Executive Officer be authorised to sign the contract once the evaluation has been completed. Under Section 543 (b) of the Local Government Act 1995 Council is not able to delegate authority to the Acting Chief Executive Officer to accept a tender over the delegation limit. Alternatively a Special Meeting of Council could be held to formally accept a tender. This will enable the project to continue rather than waiting until the July Council Meeting for a decision.

In terms of when the tenderers commencement and completion time:-

A & P Wright Pty Ltd – commence mid-August 2015 – completion mid-November 2015;

BCL Group Pty Ltd – commence 5th July 2015 – completion 20th September 2015.

Speaking to Fleetwood they can re-schedule the construction work of the houses to be in-line with these works being completed in December or otherwise make provisions to store the houses on their site.

An advantage in waiting to commence this work and accepting A & P Wright's tender is that they would only be working on this project and therefore not splitting resources with other projects; it would allow for the Southern Cross Caravan Park Upgrade project designs and specifications to be completed and then go to tender with the good possibility that they would tender for that work while here; A & P Wright are a plumbing and drainage company originally but have branched out to provide other services; and it allows time for the town planning re-zoning process to be completed.

The Project Manager has advised that both BCL Group Pty Ltd and A & P Wright Pty Ltd can carry out the works satisfactorily.

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ACEO's Comments –

The Shire has budgeted to spend \$1,047,419.00 on the construction of the 4 Lifestyle Houses – Stage 1, and \$30,000.00 for concept plans, which is a total of \$1,077,419.00.

Budget Income – Shire & Grant Funding	Budget Expenditure	Description	Actual Expenditure	Total
\$1,077,419.00 LG + \$424,361.00 RfR	\$1,077,419.00	Survey Work	\$2,855.00	\$1,501,780.00
		Concept Designs S Dubczuk Architect	\$14,803.85	
		Advertising Tender	\$402.35	
		Town Planning Works to date	\$2,087.60	
		Engineering Designs	\$40,763.50	
		Tender Documents Prepared	\$1,250.00	
		Project Manager	\$22,550.00	
		Fleetwood for 4 Houses, 4 Garden Sheds, Landscaping & Fencing, & Concrete works	\$837,605.00	
			\$922,318.00	
		Earthworks, Concrete, & Utility Services	\$730,453.90	
			\$1,652,772.00	\$1,652,772.00
				- \$150,992.00

Council has allocated a total of \$1,501,780 for the whole project and is committed by acceptance of the Tender for 4 houses for \$837,600. There has been a claim for “extras” (omissions by the tenderer) of approximately \$145,000, and some minor costs such as Town Planning and Project Management costs amounting to approximately \$30,000.

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The acceptance of this Tender at \$730,450 will cause an over-run of the Budget of \$150,992 plus any agreed settlement of the “extras” claimed.

Council has little choice but to accept the over-run and accept the Tender.

The matter of the claim for “extras” regarding the housing tender will be dealt with at the July 2015 Council Meeting.

The DCEO has included expenditure of \$1,671,000 in the Draft 2015/2016 Budget for this project.

Statutory Environment

Compliance with the Local Government Act 1995 Section 5.42 and the Local Government Act (Functions and General) Regulations, 1996 (as amended in March 2007)

Strategic Implications

Community Business Plan – Theme 1 – Social

Our Goals – Cultivating and inclusive, secure and welcoming community that encourages families, youth and the aged to remain and contribute to our Shire in the long term

Strategy 1.3 Investigate funding opportunities for improving tourist infrastructure and opportunities in the Shire.

Policy Implications

Council Policy 3.5 Purchasing and Tendering Policy

OBJECTIVES:

To provide compliance with the Local Government Act, 1995 and the Local Government Act (Functions and General) Regulations, 1996 (as amended in March 2007)

To deliver a best practice approach and procedures to internal purchasing for the Shire

To ensure consistency for all purchasing activities that integrates within all the Shire operational areas.

PURCHASING THRESHOLDS:

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Amount of Purchase	Policy
Up to \$10,000	Where practicable, obtain verbal or written quotations
\$10,000 to \$99,999	At least one written quotation.
\$100,000 and Above	Conduct a public tender process

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$100,000 threshold (excluding GST). If a decision is made to seek public tenders for Contracts of less than \$100,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

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Financial Implications

See ACEO's comments above.

Voting Requirements

Simple Majority

Recommendation

That Council accept the preferred Tender from A & P Wright Pty Ltd for the total price of \$703,453.90 subject to the Acting Chief Executive Officer being satisfied with the financial and reference checks and is authorised to sign the contract once the evaluation of the tender has been completed to the Acting Chief Executive Officer's satisfaction.

110/2015

Moved Cr W Della Bosca

Seconded Cr G Guerini

That Council (i) accept the preferred Tender from A & P Wright Pty Ltd for the total price of \$730,453.90 subject to the Acting Chief Executive Officer being satisfied with the financial and reference checks and is authorised to sign the contract once the evaluation of the tender has been completed to the Acting Chief Executive Officer's satisfaction; (ii) instruct the Acting Chief Executive Officer to negotiate a variation to the original price.

CARRIED 6/0

As there was no further business to discuss, the Shire President declared the meeting closed at 6.00pm.

I, Onida T Truran confirm the above Minutes of the Special Meeting held on Tuesday 23rd June and Wednesday 24th June 2015 are confirmed on _____ 2015 as a true and correct record of the June Ordinary Meeting of Council.

Cr Onida Truran
SHIRE PRESIDENT