

**MINUTES OF THE SPECIAL (BUDGET) MEETING OF THE DOUGLAS SHIRE COUNCIL
HELD AT THE DOUGLAS SHIRE COUNCIL CHAMBERS, 64-66 FRONT STREET, MOSSMAN
ON FRIDAY 24 JANUARY 2014, COMMENCING AT 10.00AM**

PRESENT

Cr Julia Leu (Mayor), Cr David Carey, Cr Bruce Clarke, Cr Terry Melchert, Cr Abigail Noli, Jeff Tate (A/Chief Executive Officer), Darryl Crees (General Manager Corporate Services), Paul Hoye (General Manager Operations), John Rehn (Manager Governance), Julian Porter (Manger Finance & IT) Wouter Van der Merwe (Manager Water & Waste), Geoff Habersfeld (Financial Consultant) and Nicole Barton (Minutes Officer)

ACKNOWLEDGEMENT OF COUNTRY

Cr Leu acknowledged the Kuku Yalanji people who are the Traditional Custodians of the Land and paid respect to their Elders both past and present and extended that respect to other Indigenous Australians present.

APOLOGIES

There were no apologies for the meeting.

CONFLICT OF INTEREST/MATERIAL PERSONAL INTEREST

There were no conflicts of interests/material personal interests.

MAYORAL MINUTE

There was no Mayoral Minute for the meeting.

MAYOR'S BUDGET ADDRESS

Today is another landmark event in the short history of the new Douglas Council. I am extremely pleased that we are able to adopt our first budget which covers the period 01 January to 30 June 2014. It is, of course a requirement that this budget be adopted before 01 February 2014.

The budget is designed to maintain an appropriate level of services and provide a capital works program that continues to renew infrastructure in the Council area. It is a conservative and disciplined budget intended to assist the new Douglas to stabilise its financial position over the coming years.

Councillors, I refer you to the budget pack which outlines the legislative requirements applicable to our new Council for its inaugural budget, the budget development process that has been followed, the principles used in building the Capital works program, the costs of de-amalgamation and a summary of other factors that should also be taken into account when considering the budget financial reports.

A number of factors should also be taken into account when considering the budget financial reports: This first 6 month period of the new Council will be tight financially. Only Category 1 Capital expenditure is being incurred, with a review of the forward plan for 2014/2015 onwards to occur. The organisational structure is based on lean management principles and all staff have taken ownership of the budget in their particular sections of Council. All expenses, contracts and other arrangements will be closely monitored. There will be weekly monitoring of the budget and monthly reports to Council.

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I want to pay tribute to Jeff Tate - A/CEO, Darryl Crees – General Manager Corporate Services, Paul Hoyer – General Manager Operations, Julian Porter – Manager Finance and IT, Geoff Haberfeld, our finance team, all Managers and staff who have contributed to the budget development process. Due to the legislative requirements this has been an abnormal budget process and I know the absolute best efforts of our staff.

The 6 monthly rate notice is exactly the same as the first 6 month notice in 2013. Not only have your rates not gone up by 1 cent, if you pay your bill by credit card, your rates have gone down as we have dropped the credit card surcharge imposed by Cairns Regional Council in 2012. There are also no increases to the fees and charges.

This is a fantastic result and directly contravenes the dire predictions of QTC in late 2012. We have a good cash position and opening balance of just under \$16 million (less the \$1.9 million we have already paid towards the de-amalgamation costs). We also have a significant capital works budget of just over \$6 million which translates to a \$6 million re-investment in our infrastructure.

The costs of de-amalgamation are below the QTC estimate and we are now in a position to deliver a financially responsible budget with and I repeat a zero rate increase.

The Operational Plan highlights key initiatives for this first 6 month period and lays the foundation for the future.

Again, I commend the exceptional efforts of Jeff Tate and our staff. On day one of the new Council, just over 3 weeks ago we had a fully operational organisation which opened its doors and it was business as usual, in terms of service delivery to our community.

I am now very pleased to present this inaugural budget for adoption.

1. OPERATIONAL PLAN JANUARY 2014 – JUNE 2014

Darryl Crees – General Manager Corporate Services

Moved Cr Clarke

Seconded Cr Carey

“That Council adopt the Operational Plan January 2014 – June 2014.”

Carried unanimously.

2. REVENUE POLICY 2013/14

Darryl Crees – General Manager Corporate Services

Moved Cr Carey

Seconded Cr Noli

“That Council adopt the Revenue Policy 2013/14 as attached to the report.”

Carried unanimously.

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3. STRUCTURE OF GENERAL RATING CATEGORIES FOR 2013/14

Darryl Crees – General Manager Corporate Services

Moved Cr Noli

Seconded Cr Carey

"That Council adopt the following categories and descriptions for the purpose of levying differential general rates for 2013/14:

| <u>Category</u> | <u>Description</u> |
|----------------------|--|
| • Residential A - | Residential properties with a valuation from \$1 to \$490,000. |
| • Residential B - | Residential properties with a valuation from \$490,001 to \$735,000. |
| • Residential C - | Residential properties with a valuation from \$735,001 to \$975,000. |
| • Residential D - | Residential properties with a valuation from \$975,001 to \$1,220,000. |
| • Residential E - | Residential properties with a valuation from \$1,220,001 to \$1,465,000. |
| • Residential F - | Residential properties with a valuation from \$1,465,001 to \$1,710,000. |
| • Residential G - | Residential properties with a valuation from \$1,710,001 to \$1,955,000. |
| • Residential H - | Residential properties with a valuation from \$1,955,001 to \$2,200,000. |
| • Residential I - | Residential properties with a valuation greater than \$2,200,000. |
| • Residential J - | Residential properties not subject to banding. |
| • Residential K - | Residential properties that are building units. |
| • Residential L - | Multi Unit Dwellings (Flats). |
| • Residential M - | Residential land which is subject to section 50 of the Land Valuation Act 2010. |
| • Residential Q - | Land situated at the South Arm and the Heads of the Daintree River that has a land use code of 0600 and is held as a Permit to Occupy. |
| • Commercial E - | Commercial properties not included in Commercial Categories F & H. |
| • Commercial F - | Properties used by Not for Profit Recreation, Sporting and Community Groups that are eligible for Rates Based Financial Assistance. |
| • Commercial H - | Shopping Centres with a secondary land use of Marina with a total area over 5ha. |
| • Rural Productive - | All properties which are used predominantly for Primary Production. " |

Carried unanimously.

4.1 MOWBRAY VALLEY RURAL FIRE BRIGADE – SPECIAL CHARGE

Darryl Crees – General Manager Corporate Services

Moved Cr Carey

Seconded Cr Clarke

"That Council levy a special charge in accordance with sections 92 and 94 of the Local Government Act 2009 and section 94 of the Local Government Regulation 2012 to be known as the Mowbray Valley Rural Fire Brigade Special Charge.

1. The overall plan for this special charge is as follows:
 - (a) The service, facility or activity the subject of the special charge is the annual funding of the Mowbray Valley Rural Fire Brigade.

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- (b) *The rateable land to which the special charge applies is delineated in orange on the map named Mowbray Valley Rural Fire Brigade.*
 - (c) *The estimated cost of carrying out the overall plan is \$181,900.00*
 - (d) *The estimated time for carrying out the overall plan is one (1) year ending on 30 June 2014.*
2. *All rateable land within the area delineated in orange on the map named Mowbray Valley Rural Fire Brigade will specially benefit to the same extent from the purchase and maintenance of equipment by the Brigade in the current or future financial years because each such parcel is within the area for which the brigade is in charge of fire fighting and fire prevention under the Fire and Rescue Service Act 1990.*
 3. *Council makes a special charge of \$40.00 per rateable assessment for the 2013/14 financial year to be levied by two half year levies.*
 4. *The entire budgeted revenue shall be remitted to the Mowbray Valley Rural Fire Brigade to be expended in accordance with their budget."*

Carried unanimously.

4.2 DAINTREE RURAL FIRE BRIGADE – SPECIAL CHARGE

Darryl Crees – General Manager Corporate Services

Moved Cr Carey

Seconded Cr Noli

"That Council levy a special charge in accordance with sections 92 and 94 of the Local Government Act 2009 and section 94 of the Local Government Regulation 2012 to be known as the Daintree Rural Fire Brigade Special Charge.

1. *The overall plan for this special charge is as follows:*
 - (a) *The service, facility or activity the subject of the special charge is the annual funding of the Daintree Rural Fire Brigade.*
 - (b) *The rateable land to which the special charge applies is delineated in orange on the map named Daintree Rural Fire Brigade.*
 - (c) *The estimated cost of carrying out the overall plan is \$3,246.00.*
 - (d) *The estimated time for carrying out the overall plan is one (1) year ending on 30 June 2014.*
2. *All rateable land within the area delineated in orange on the map named Daintree Rural Fire Brigade will specially benefit to the same extent from the purchase and maintenance of equipment by the Brigade in the current or future financial years because each such parcel is within the area for which the brigade is in charge of fire fighting and fire prevention under the Fire and Rescue Service Act 1990.*
3. *Council makes a special charge of \$25.00 per rateable assessment for the 2013/14 financial year to be levied by two half year levies.*
4. *The entire budgeted revenue shall be remitted to the Daintree Rural Fire Brigade to be expended in accordance with their budget."*

Carried unanimously.

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4.3 THORNTON PEAK RURAL FIRE BRIGADE – SPECIAL CHARGE

Darryl Crees – General Manager Corporate Services

Moved Cr Clarke

Seconded Cr Carey

“That Council levy a special charge in accordance with sections 92 and 94 of the Local Government Act 2009 and section 94 of the Local Government Regulation 2012 to be known as the Thornton Peak Rural Fire Brigade Special Charge.

1. *The overall plan for this special charge is as follows:*
 - (a) *The service, facility or activity the subject of the special charge is the annual funding of the Thornton Peak Rural Fire Brigade.*
 - (b) *The rateable land to which the special charge applies is delineated in orange on the map named Thornton Peak Rural Fire Brigade.*
 - (c) *The estimated cost of carrying out the overall plan is \$5,435.10.*
 - (d) *The estimated time for carrying out the overall plan is one (1) year ending on 30 June 2014.*
2. *All rateable land within the area delineated in orange on the map named Thornton Peak Rural Fire Brigade will specially benefit to the same extent from the purchase and maintenance of equipment by the Brigade in the current or future financial years because each such parcel is within the area for which the brigade is in charge of fire fighting and fire prevention under the Fire and Rescue Service Act 1990.*
3. *Council makes a special charge of \$8.00 per rateable assessment for the 2013/14 financial year to be levied by two half year levies.*
4. *The entire budgeted revenue shall be remitted to the Thornton Peak Rural Fire Brigade to be expended in accordance with their budget.”*

Carried unanimously.

4.4 WONGA RURAL FIRE BRIGADE – SPECIAL CHARGE

Darryl Crees – General Manager Corporate Services

Moved Cr Noli

Seconded Carey

“That Council levy a special charge in accordance with sections 92 and 94 of the Local Government Act 2009 and section 94 of the Local Government Regulation 2012 to be known as the Wonga Rural Fire Brigade Special Charge.

1. *The overall plan for this special charge is as follows:*
 - (a) *The service, facility or activity the subject of the special charge is the annual funding of the Wonga Rural Fire Brigade.*

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- (b) *The rateable land to which the special charge applies is delineated in orange on the map named Wonga Rural Fire Brigade.*
 - (c) *The estimated cost of carrying out the overall plan is \$20,880.56*
 - (d) *The estimated time for carrying out the overall plan is one (1) year ending on 30 June 2014.*
2. *All rateable land within the area delineated in orange on the map named Wonga Rural Fire Brigade will specially benefit to the same extent from the purchase and maintenance of equipment by the Brigade in the current or future financial years because each such parcel is within the area for which the brigade is in charge of fire fighting and fire prevention under the Fire and Rescue Service Act 1990.*
 3. *Council makes a special charge of \$35.00 per rateable assessment for the 2013/14 financial year to be levied by two half year levies.*
 4. *The entire budgeted revenue shall be remitted to the Wonga Rural Fire Brigade to be expended in accordance with their budget."*

Carried unanimously.

4.5 BLOOMFIELD RIVER RURAL FIRE BRIGADE – SPECIAL CHARGE

Darryl Crees – General Manager Corporate Services

Moved Cr Carey

Seconded Cr Clarke

"That Council levy a special charge in accordance with sections 92 and 94 of the Local Government Act 2009 and section 94 of the Local Government Regulation 2012 to be known as the Bloomfield River Rural Fire Brigade Special Charge.

1. *The overall plan for this special charge is as follows:*
 - (a) *The service, facility or activity the subject of the special charge is the annual funding of the Bloomfield River Rural Fire Brigade.*
 - (b) *The rateable land to which the special charge applies is delineated in orange on the map named Bloomfield River Rural Fire Brigade.*
 - (c) *The estimated cost of carrying out the overall plan is \$8,900.00.*
 - (d) *The estimated time for carrying out the overall plan is one (1) year ending on 30 June 2014.*
2. *All rateable land within the area delineated in orange on the map named Bloomfield River Rural Fire Brigade will specially benefit to the same extent from the purchase and maintenance of equipment by the brigade in the current or future financial years because each such parcel is within the area for which the brigade is in charge of fire fighting and fire prevention under the Fire and Rescue Service Act 1990.*

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3. Council makes a special charge of \$25.00 per rateable assessment for the 2013/14 financial year to be levied by two half year levies.
4. The entire budgeted revenue shall be remitted to the Bloomfield River Rural Fire Brigade to be expended in accordance with their budget."

Carried unanimously.

5. REFUSE - SPECIAL CHARGE

Darryl Crees – General Manager Corporate Services

Moved Cr Carey

Seconded Cr Noli

That Council levy a special charge in accordance with sections 92 and 94 of the Local Government Act 2009 and section 94 of the Local Regulation 2012 to be known as the Special Refuse Charge, as follows:-

1. That Council makes and levies a special charge on the land identified in this resolution for the purpose of contributing to the costs of operation and maintenance of the Cow Bay, Daintree, Killaloe and Ayton Transfer Stations.
2. The overall plan for the provision of the service be identified as follows:

Overall Plan for the Supply of the Service, Facility or Activity

a) *Rateable Land to which the Special Charge Applies*

- i) All land with improvements north of Ellis Beach that does not receive the Council kerbside waste and recyclables collection service, where the occupier has been provided with an identification card to use the Daintree and Killaloe Transfer Stations free of charge.
- ii) All land with improvements north of the Daintree River that does not receive the Council kerbside waste and recyclables collection service, where the occupier has been provided with an identification card to use the Cow Bay and Ayton Transfer Stations free of charge.

b) *Description of the Service, Facility or Activity*

The special refuse charge is to be applied to a number of rateable parcels of land, with improvements, within the area north of Ellis Beach, which do not currently receive the Council kerbside waste and recyclables collection service. This excludes properties holding Permits to Occupy on the South Arm and the Heads of Daintree River.

The occupiers of the subject land will have special access to the following Transfer Stations for free disposal of waste:

- i) Cow Bay Transfer Station
- ii) Daintree Transfer Station
- iii) Killaloe Transfer Station
- iv) Ayton Transfer Station

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c) *Estimated Cost for Implementing the Overall Plan*

The estimated cost to Council of operating the above mentioned Transfer Stations over the 2013/14 financial year is \$409,224 and the estimated revenue from gate fees for the same period is \$104,541, resulting in an anticipated net operating loss of \$304,683. The special refuse charge is to be levied to contribute to the cost of operation and maintenance of the Transfer Stations and will raise approximately \$49,930, which equates to less than 13% of the yearly operating cost.

d) *Estimated Time for Implementing the Overall Plan*

The special charge will apply for the 2013/14 financial year.

3. *The occupiers of the land to which the special charge applies will have special access to the above mentioned Transfer Stations for the purpose of free disposal of waste.*
4. *A special charge of \$149.12 is hereby made to apply equally to each rateable assessment defined in clause 2(a) for the 2013/14 financial year."*

Carried unanimously.

**6. REVENUE STATEMENT AND RATES AND CHARGES FOR THE
2013/14 FINANCIAL YEAR**

Darryl Crees – General Manager Corporate Services

Moved Cr Carey

Seconded Cr Noli

1. *That Council resolve pursuant to chapter 4, part 3 of the Local Government Act 2009 and chapter 5, part 2 division 3 of the Local Government Regulation 2012 to adopt the attached Revenue Statement for the 2013/14 financial year.*
2. *That Council resolve pursuant to chapter 4 of the Local Government Regulation 2012 to adopt the recommendations contained in the attached Rates and Charges for the 2013/14 financial year, and included with the minutes (Attachment A).*

Carried unanimously.

7. FINANCIAL SUSTAINABILITY REPORT

Darryl Crees – General Manager Corporate Services

Moved Cr Carey

Seconded Cr Clarke

"That Council note the information presented relating to the financial position as at 30 June 2013."

Carried unanimously.

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8. 2013/14 BUDGET (01 JANUARY TO 30 JUNE 2014)

Darryl Crees – General Manager Corporate Services

Moved Cr Carey

Seconded Cr Noli

1. That Council adopt the 2013/14 Budget as presented, including:

- a. Statement of Comprehensive Income
- b. Statement of Capital Funding
- c. Capital Works Program
- d. Measures of Financial Sustainability

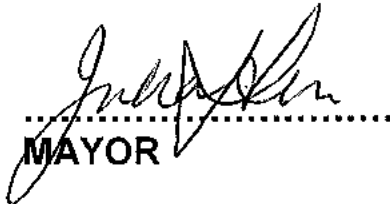
2. That Council resolve to discontinue charging a credit card surcharge fee on all credit card payments received."

Carried unanimously.

CLOSURE OF MEETING

The meeting closed at 10.20am.

CONFIRMED THIS 18 DAY OF February 2014


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MAYOR


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A/CHIEF EXECUTIVE OFFICER