



**Minutes of the Meeting of the
Southern Metropolitan Regional Council
held at the City of Melville Council Chambers
10 Almondbury Rd, Booragoon
on Thursday 26 June 2008
Commencing at 5.05pm**

1. Declaration of Opening / Announcement of Visitors

The Chairman welcomed members and declared the meeting open at 5.05pm. The Chairman also welcomed Mayor Michael Lekias AM JP, seated in the public area.

2. Record of Attendance / Apologies / Leave of Absence (previously approved)

Present:

Cr Doug Thompson (Chairman)	City of Fremantle
Cr Bruce Mason (<i>from 5.34pm</i>)	City of Canning
Mayor Stephen Lee	City of Cockburn
Mayor Alan Ferris	Town of East Fremantle
Cr Sandra Lee	Town of Kwinana
Cr Clive Robartson OAM (Deputy Chairman)	City of Melville
Cr Richard Smith	City of Rockingham
Mr Dominic Carbone (<i>from 5.15pm</i>)	City of Canning
Mr Steve Atwell	City of Canning
Mr Michael Littleton	City of Cockburn
Mr Peter McKenzie	Town of Kwinana
Mr Marten Tieleman	City of Melville
Mr Kumar Vadivale (<i>from 5.15pm</i>)	City of Melville
Mr Stewart Marshall	City of Rockingham
Mr Stuart McAll	SMRC – Chief Executive Officer
Mr Chris Wiggins	SMRC – Manager Administration & Finance
Mr Brendan Doherty	SMRC – Manager Engineering Services
Ms Debbie Winfield	SMRC – Executive Assistant to CEO - Minutes

Apologies

Nil

3. Disclosure of Interests

Nil

4. Response to Previous Public Questions Taken on Notice

Nil

5. Public Question Time

Nil

6. Applications for Leave of Absence

Nil

7. Petitions / Deputations / Presentations

The Chairman advised that a presentation item on odour management control that had been advised in the agenda had been withdrawn.

8. Confirmation of Minutes of Previous Meetings

8.1 SMRC Council Minutes – 29 May 2008

COUNCIL RESOLUTION/S

01.06.08 MOVED Cr Sandra Lee SECONDED Mayor Stephen Lee

That the Minutes of the previous Meeting of the Southern Metropolitan Regional Council, held on Thursday 29 May 2008 at the Town of Kwinana Council Chambers Cnr Gilmore Ave and Sulphur Rd Kwinana be received as a true and accurate record with the following change:

On page 1 of the minutes, under item 2 'Record of Attendance/Apologies/ Leave of Absence (previously approved)', Mr Maurice Ferialdi, Town of Kwinana be recorded as an attendee.

CARRIED 6/0

Cr Lee also referred to page 30 of the June 2008 Information Bulletin, Unconfirmed Minutes for the Public Relations Committee Meeting held on 20 June 2008, and advised that Ms Karen Brown was recorded as an attendee but had not attended the meeting. The Chairman advised this would be corrected.

In response to a question from Mayor Lee concerning Council Resolution 08.05.08 point 3 of the Council meeting 29 May 2008, the CEO advised a letter had not yet been sent to the Mayors and CEOs of the participating Councils in regard to the implications of the WCF gate fee for RRRC participants increasing 5% as compared to 13% in the 2008/09 financial year.

9. Questions by Members of which Due Notice has been Given

Nil

10. Questions Without Notice

Nil

11. Announcement of Confidential Matters for which Meetings may be Closed to the Public

The Chairman advised that Confidential Report Item 19.1 – 'Design and Construct MRF Contract', would be brought forward in the agenda and dealt with at this point in the meeting.

19. Confidential Matters for which the Meeting may be Closed to the Public

COUNCIL RESOLUTION/S

02.06.08 MOVED Mayor Ferris SECONDED Cr Robartson

That Item 19.1 **Design & Construct MRF Contract** held behind closed doors in accordance with section 5.23 (2) (c) and (2) (e) (ii) of the LGA 1995.

CARRIED 6/0

At 5.10pm the meeting was closed to the public.

Members of the public departed the Council Chambers

19.1 Design and Construct MRF Contract

COUNCIL RESOLUTION/S

03.06.08 MOVED Mayor Ferris SECONDED Cr Robartson

That with regard to the Design and Construction of Materials Recovery Facility Agreement the CEO be granted delegated authority to sign the final deed of settlement with Recycling Design & Technologies Pty Ltd prepared in accordance with the core obligations set out in the report and legal advice.

CARRIED 6/0

COUNCIL RESOLUTION/S

04.06.08 MOVED Mayor Ferris SECONDED Cr Robartson

That the meeting no longer be held behind closed doors.

CARRIED 6/0

At 5.15pm, the meeting was reopened to the public.

Members of the public re-entered the Council Chambers.

The Chairman advised that item 12 would be considered at this point in the meeting, and the agenda then considered in its normal sequence.

12. Business Not Dealt with from a Previous Meeting

Nil

13. Report of Officers

13.1 Regional Councillors' Allowances 2008/09

Mayor Stephen Lee put forward an alternative motion to the officer recommendation.

ALTERNATIVE MOTION/S

MOVED Mayor Stephen Lee SECONDED Mayor Ferris

- 1) That the following annual allowances payable to regional elected members during 2008-2009 be considered in the 2008-2009 Annual Budget;
 - a) An annual fee in lieu of attendance sitting fees be paid as follows:

Chairman	\$14,000
Members	\$ 7,000
 - b) A local government annual allowance of \$10,000 be paid to the Chairman in addition to the annual fee payment.
 - c) A local government annual allowance of \$2,500 be paid to the Deputy Chairman (25% of Chairman's allowance) in addition to the annual fee payment.
 - d) An annual allowance of \$1,000 be paid to the Chairman and each member in lieu of reimbursement of information technology expenses.
 - e) Payment for annual fees and allowances be paid quarterly in the following months, i.e. Oct, Jan, April & June.
 - f) Where an annual fee in lieu of sitting fees is paid, the fee shall be reduced on a pro-rata basis for non-attendance of three cumulative ordinary council meetings, this includes leave of absence or non attendance for other reasons (except whilst on council business).

In response to a question from Cr Robartson, the Chairman advised that the alternative motion was the substantive motion.

Mayor Stephen Lee spoke for the alternative motion, citing the growth, size and complexity of the SMRC warranted the proposed increase in the annual allowances.

AMENDMENT TO MOTION/S

MOVED Cr Robartson SECONDED Cr Smith

That the substantive motion be amended so that in point (b), "\$10,000" be deleted and "\$3,000" inserted, point (c) be set at 25% of the Chairman allowance and in point (d), the words "and each member" be deleted.

Cr Robartson considered the amount of \$3,000 for an annual allowance for the Chairman adequately reflected the SMRC Chairman's role.

The Chairman advised that the role of SMRC Chairman was employing one day per week of his time, and as a result he was adjusting his employment to allow him to take this time off each week to undertake the duties of Chairman without encroaching on his employer's time.

Cr Mason entered the Council Chambers at 5.34pm.

COUNCIL RESOLUTION/S

05.06.08 MOVED Cr Robartson SECONDED Cr Smith

That the substantive motion be amended so that in point (b), "\$10,000" be deleted and "\$3,000" inserted, point (c) be set at 25% of the Chairman allowance and in point (d), the words "and each member" be deleted.

AMENDMENT LOST 2/5

Item 13.1 continued

COUNCIL RESOLUTION/S

06.06.08 **MOVED** Mayor Stephen Lee **SECONDED** Mayor Ferris

- 1) That the following annual allowances payable to regional elected members during 2008-2009 be considered in the 2008-2009 Annual Budget;
 - a) An annual fee in lieu of attendance sitting fees be paid as follows:

Chairman	\$14,000
Members	\$ 7,000
 - b) A local government annual allowance of \$10,000 be paid to the Chairman in addition to the annual fee payment.
 - c) A local government annual allowance of \$2,500 be paid to the Deputy Chairman (25% of Chairman's allowance) in addition to the annual fee payment.
 - d) An annual allowance of \$1,000 be paid to the Chairman and each member in lieu of reimbursement of information technology expenses.
 - e) Payment for annual fees and allowances be paid quarterly in the following months, i.e. Oct, Jan, April & June.
 - f) Where an annual fee in lieu of sitting fees is paid, the fee shall be reduced on a pro-rata basis for non-attendance where three cumulative ordinary council meetings, this includes leave of absence or non attendance for other reasons (except whilst on council business).

CARRIED 5/2

13.2 Schedule of Accounts

COUNCIL RESOLUTION/S

07.06.08 **MOVED** Mayor Ferris **SECONDED** Cr Sandra Lee

That:

1. That the schedule of payments as listed in the attachment, amounting to \$1,344,323.33 for the municipal fund, be received.
2. The schedule of payments, as presented, be incorporated in the minutes of the meeting.

CARRIED 7/0

13.3 Review of the Regional Executive Committee

MOVED Cr Sandra Lee **SECONDED** Cr Smith

The council adopts the New Regional Executive Committee policy, and the amended Policy 15 Meetings – Council and Committees, as detailed in the report and attachments # 2 and # 3 respectively.

AMENDMENT TO MOTION

Cr Robartson moved the following amendment to the motion.

The council adopts the New Regional Executive Committee policy with the following amendment:

- a) The committee shall comprise of council members, employees and other persons in accordance with s5.9 of LGA 1995.
 - a. One Council member of the SMRC
 - b. The CEO of the SMRC

Item 13.3 continued

- c. One senior officer from each of the member Councils
- d. One external person (Business advisor)
- e. A presiding member be elected by the REC

And the amended Policy 15 Meetings – Council and Committees, as detailed in the report and attachments # 2 and # 3 respectively.

Discussion ensued regarding the Regional Executive Committee's structure and reporting mechanism. Councillors considered that it was appropriate at this time to review the Regional Executive Committee, however, it was also considered that further advice and information were required in order to do this effectively.

CR ROBERTSON WITHDREW THE AMENDMENT

CR SANDRA LEE AND CR SMITH WITHDREW THE ORIGINAL MOTION

COUNCIL RESOLUTION/S

08.06.08 MOVED Cr Sandra SECONDED Cr Smith

That the item be deferred to the next meeting of the SMRC Council.

CARRIED 7/0

13.4 Financial Statement for the Period Ended 31 May 2008

COUNCIL RESOLUTION/S

09.06.08 MOVED Mayor Ferris SECONDED Cr Robartson

That the Statement of Financial Activity by Business Plan of the Southern Metropolitan Regional Council for the month ended 31 May 2008 be received.

CARRIED 7/0

13.5 Draft 2008/09 Annual Budget

Mayor Stephen Lee foreshadowed a rescission motion for Council's resolution on 29 May 2008 in regard to this item.

COUNCIL RESOLUTION/S

10.06.08 MOVED Mayor Stephen Lee SECONDED Mayor Ferris

That the resolution of the Ordinary Meeting of Council held 29 May 2008 minute number 08-05-08 and part 2 of the resolution being

"2. The proposed waste composting facility (WCF) gate fee for the 2008/09 financial year be set at \$106.50 per tonne (the 5% increase as initially proposed in the draft budget papers and briefed to Council on the 24th April 2008) with the budget papers being amended to reflect the projected deficit from the WCF to be subsidised from the projected surplus generated from the materials recovery facility (MRF) and that the member Councils be requested to set aside the difference in the event that the SMRC needs to call on those funds" be CONSIDERED FOR REINDING to accept an alternative gate fee option as detailed in the draft 2008/09 Annual Budget.

CARRIED 6/1

Item 13.5 continued

COUNCIL RESOLUTION/S

11.06.08 MOVED Mayor Stephen Lee SECONDED Mayor Ferris

That the resolution of the Ordinary Meeting of Council held 29 May 2008 minute number 08-05-08 and part 2 of the resolution being

"2. The proposed waste composting facility (WCF) gate fee for the 2008/09 financial year be set at \$106.50 per tonne (the 5% increase as initially proposed in the draft budget papers and briefed to Council on the 24th April 2008) with the budget papers being amended to reflect the projected deficit from the WCF to be subsidised from the projected surplus generated from the materials recovery facility (MRF) and that the member Councils be requested to set aside the difference in the event that the SMRC needs to call on those funds" be RECIENDED.

CARRIED 6/1

Discussion ensued and in response to a question, the SMRC Chief Executive Officer stated that he recommended the officers recommendation option 1 as the preferred option for the SMRC in that it would provide the business with greater financial strength.

COUNCIL RESOLUTION/S

12.06.08 MOVED Mayor Stephen Lee SECONDED Mayor Ferris

1. That the 2008-2009 Annual Budget of the Southern Metropolitan Regional Council be adopted which includes:
 - a. expense account 10100 Members 2008/09 Annual Fees and Allowances increased to \$75,500 as resolved by council in Item 13.1.
 - b. income account 20055 Interest Received increased to \$81,000
 - c. Option 3 RRRC 08/09 Gate Fees
 - d. That a discount on the MRF monthly charge be offered based on the estimated 2008/09 operating surplus of a maximum \$857,000 credited to RRRC Project Participants on the basis of population proportional entitlement
 - e. The 2008/09 MRF discount of 12 instalments be credited to participant's monthly MRF invoices commencing from July 2008 on the proviso that the surpluses are achieved in accordance with monthly budgets.
2. The RRRC Future Contingency Reserve be re-named to the RRRC Contingency & Development Reserve, for the purpose of funding contingency expenditure, shortfalls in revenue and capital development associated with the Regional Resource Recovery Centre.
3. The 2008-2009 Fees and Charges (option 1) as detailed in the 2008-2009 Annual budget be approved.
4. The 2008-2009 borrowing program to re-finance existing loans as detailed in the 2008-2009 Annual Budget be approved.
5. A comprehensive report be prepared and presented to the July 2008 Regional Council meeting which details the method of determining the proportion of operating surplus to be distributed to member councils and also the mechanism used to distribute that surplus. The report is to also examine the equity of the existing participants agreement especially in light of the fact that some member councils will shortly be going to weekly pick up for their recyclables, plus the report should also examine any other issue that may arise as a result of the above investigations.

CARRIED 7/0

Item 13.1 continued

Reason for Decision

Option 3 was developed as compromise position between option 1 & 2 as it applies the principle of full cost recovery to the gate fees of the WCF whilst returning the estimated \$857,000 back to member councils on a population proportional basis as set out in the establishment agreement. The determination of the amount to be distributed back to member councils and the method of distribution stipulated in this recommendation may need further review and consideration by the regional council.

13.6 National Greenhouse and Energy Reporting (NGER)

COUNCIL RESOLUTION/S

13.06.08 MOVED Mayor Stephen Lee SECONDED Cr Sandra Lee

That the Regional Council approves:

- 1. The amendment to the existing business plan of the Regional Community Greenhouse Gas Abatement Project; to include the National Greenhouse and Energy Reporting (NGER).**
- 2. That the SMRC write to the project participants to consider the amendment to the Regional Community Greenhouse Gas Abatement Project business plan.**

CARRIED 7/0

13.7 Chief Executive Officer's Salary and Performance Review

COUNCIL RESOLUTION/S

14.06.08 MOVED Cr Sandra Lee SECONDED Mayor Ferris

- 1) That an Occasional Committee be established, comprising of the following SMRC elected members:**

Cr Doug Thompson	City of Fremantle
Cr Bruce Mason	City of Canning
Mayor Stephen Lee	City of Cockburn
Mayor Alan Ferris	Town of East Fremantle
Cr Sandra Lee	Town of Kwinana
Cr Clive Robartson OAM	City of Melville
Cr Richard Smith	City of Rockingham

for the purposes of conducting the Chief Executive Officer's performance and salary review for the 2006/07 period.

- 2) That delegated authority be granted to the Occasional Committee to appoint a consultant to assist with the review process should the Committee deem it necessary.**

CARRIED 7/0

20. Future Meetings of Council

DATE 2008	VENUE
31 July	City of Rockingham
25 September	City of Canning
27 November	City of Cockburn

21. Declaration of Closure of Meeting

There being no further business, the Chairman declared the meeting closed at 6.09pm.