



MINUTES

SPECIAL COUNCIL MEETING

1st March 2016
Tuesday

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SHIRE OF DALWALLINU

MINUTES of the Special Meeting of Council held at the Council Chambers, Shire Administration Centre, Dalwallinu on Tuesday, 1st March 2016.

1.0 OPENING & ANNOUNCEMENT OF VISITORS

The Chairperson (President) opened the meeting at 3:01pm.

2.0 ATTENDANCE RECORD

2.1 Present

Shire President	Cr SC Carter
Deputy President	Cr KL Carter
	Cr RS Nixon
	Cr GH Sanderson JP
	Cr KM McNeill JP
	Cr IW Hyde
	Cr AR Dickins
	Cr NW Mills
	Cr MC Huggett

IN ATTENDANCE

Deputy Chief Executive Officer	Mr KT Jones
Chief Executive Officer	Mr AJR Doust
Manager of Works	Mrs A Hoy

2.2 Apologies

Nil

3.0 PUBLIC QUESTION TIME – (Matters that pertain to the agenda only)

Nil

4.0 MATTERS FOR CONSIDERATION - ADMINISTRATION

Council at its meeting on 23rd February 2016 resolved to the following:

“Defer a decision on this item until after the road inspection on 1st March 2016.”

4.1 Road Construction Programme 2015/2016

Applicant: Shire of Dalwallinu
File No. RO/28 Roads - Programmes – Annual Programmes
Attachments: Nil
Author: Mr Tony Doust

Disclosure of Interest: Nil
Date of Report: 22nd February 2016
Senior Officer: Mr Tony Doust

Purpose of Report

To consider the actual position with the adopted Road Construction Programme for 2015/16 and revised estimates, allocation of additional Roads to Recovery Funding, and determine the extra works required to meet Grant funding requirements.

Background

The position with the Road construction programme and Grant funding is a matter that needs to be reviewed by the Councillors. All councillors were previously advised of the position with the road construction programme after the completion of the first six months of the financial year. The following provides a summary of the position at that time:-

Adopted Road Construction Programme (excluding Wandrra) 2015/16

	Road Programme		Grant Funding	Own Matching	Own Resources	Budget	Actual Expenditure to 1st Jan 2016
	Regional Road Group						
A	Dalwallinu-Kalannie Road	R369	\$92,717	\$46,359		\$139,076	\$0
A	Goodlands Road	R370	\$55,907	\$27,953		\$83,860	\$0
	Roads to Recovery						
A	Goodlands Road	R371	\$192,942			\$192,942	\$25,399
AB	Dalwallinu-West Road C/F 2014/15	C/F R377	\$184,785			\$184,785	\$0
B	Nugadong West Road	R372	\$311,546			\$311,546	\$137,304
C	Martin Road	R373	\$11,123		\$46,088	\$57,211	\$0
B	Wubin East Road	R374	\$143,320			\$143,320	\$0
B	Pithara West Road	R375	\$105,045			\$105,045	\$0
B	Miling North Road	R376	\$105,045			\$105,045	\$12,790
	Own Resources						
A BD	Dowerin-Kalannie Road	R390			\$72,200	\$72,200	\$0
E	Wubin East Road	R391			\$82,520	\$82,520	\$0
B	Glamoff Road	R378			\$67,829	\$67,829	\$9,046
B	Hourigan Road	R379			\$89,176	\$89,176	\$0
B	Warren Road	R380			\$105,045	\$105,045	\$0
BC	Warren Road (Final Seal)	R383			\$36,100	\$36,100	\$0
C	Locke Road	C/F R381			\$126,486	\$126,486	\$0
C	Richards Road C/F 2014/15	C/F R382			\$120,629	\$120,629	\$10,527
C	Nugadong East Road	R384			\$161,046	\$161,046	\$99,758
C	Lehman Road	R385			\$89,101	\$89,101	\$0
C	Dalwallinu-North Road	R386			\$57,211	\$57,211	\$0
C	Dinnie Road	R387			\$57,211	\$57,211	\$0
	Goatcher Road	R401			\$0	\$0	\$14,564
B	Glamoff Road	R399			\$58,368	\$58,368	\$37,913
D	O'Dea Road	R400			\$91,929	\$91,929	\$0
	Total		\$1,202,430	\$74,312	\$1,260,939	\$2,537,681	\$347,301

Comment

Following the review by the Chief Executive Officer the Works and Services Manager was requested to consider the position and provide an estimated revised programme to the 30th June 2016 The following is the revised position:-

Estimated Road Construction Programme (excluding Wandrra) 2015/16

	Road Programme		Grant Funding	Own Matching	Own Resources	Budget	Estimated Expenditure to 30th June 2016
	Regional Road Group						
A	Dalwallinu-Kalannie Road	R369	\$92,717	\$46,359		\$139,076	\$139,076
A	Goodlands Road	R370	\$55,907	\$27,953		\$83,860	\$83,860
	Roads to Recovery						
A	Goodlands Road	R371	\$192,942			\$192,942	\$57,740
AB	Dalwallinu-West Road C/F 2014/15	C/F R377	\$184,785			\$184,785	\$120,000
B	Nugadong West Road	R372	\$311,546			\$311,546	\$158,519
C	Martin Road	R373	\$11,123		\$46,088	\$57,211	\$30,000
B	Wubin East Road	R374	\$143,320			\$143,320	\$75,000
B	Pithara West Road	R375	\$105,045			\$105,045	\$50,000
B	Miling North Road	R376	\$105,045			\$105,045	\$19,695
	Own Resources						
A BD	Dowerin-Kalannie Road	R390			\$72,200	\$72,200	\$72,200
E	Wubin East Road	R391			\$82,520	\$82,520	\$82,520
B	Glamoff Road	R378			\$67,829	\$67,829	\$9,046
B	Hourigan Road	R379			\$89,176	\$89,176	\$47,000
B	Warren Road	R380			\$105,045	\$105,045	\$47,000
BC	Warren Road (Final Seal)	R383 C/F			\$36,100	\$36,100	\$36,100
C	Locke Road	R381 C/F			\$126,486	\$126,486	\$110,000
C	Richards Road C/F 2014/15	R382			\$120,629	\$120,629	\$20,246
C	Nugadong East Road	R384			\$161,046	\$161,046	\$99,758
C	Lehman Road	R385			\$89,101	\$89,101	\$45,000
C	Dalwallinu-North Road	R386			\$57,211	\$57,211	\$45,000
C	Dinnie Road	R387			\$57,211	\$57,211	\$45,000
	Goatcher Road	R401			\$0	\$0	\$14,564
B	Glamoff Road	R399			\$58,368	\$58,368	\$37,913
D	O'Dea Road	R400			\$91,929	\$91,929	\$70,000
	Total		\$1,202,430	\$74,312	\$1,260,939	\$2,537,681	\$1,515,237

There are a number of issues that arise from the revised estimated expenditure and the reduction from the original budget. They include the following:-

1. Can we complete the works required based on the revised level of expenditure within the budget parameters?
2. Reasons for the significant variation/reduction in the estimated final cost.
3. Unspent grant funds "Roads to Recovery"
4. Level of Own Resource funding to meet the requirements of the Roads to Recovery Programme.

With regard to item 1 the Works & Services Manager has prepared the revised estimates and subject to no abnormal weather conditions, the work can be completed on the basis of using the resources for each project as per the adopted budget.

The reason for the significant reduction in the cost of completing the scheduled works on each project is the change in methodology in regard to the use of the materials on the side of the road and the elimination of the requirement for gravel stockpiling, carting and spreading. The Manager of Works & Services and Works Supervisor will expand on this practice.

The adopted budget included funding of \$1,053,806 from the Roads to Recovery Programme (R2R) allocated to the Shire of Dalwallinu for the year 2015/16. The programme requirements include the condition that the funding is spent by 30th June 2016 otherwise it may be reallocated to other Local Governments. The revised expenditure for the projects included in the adopted budget under the R2R funding is projected to be \$510,954. This is \$542,852 below the level of R2R funding in the adopted budget. Whilst it may be possible to review the own resource expenditure and included some of the projects in the R2R programme it is important to ensure we will meet the required level under the R2R funding conditions.

In addition to the reduced expenditure in the R2R funded work for 2015/16, on Tuesday 9th February 2016 the Chief Executive Officer became aware of information advising of a change in the level of funding under the R2R programme, approved by the Federal Minister in June 2015. The Shire Office was advised of this change at that time, however it appears that the advice was overlooked. The new funding levels for the Shire of Dalwallinu are \$1,505,733 for 2015/16 and \$1,739,569 in 2016/17. The level for the remaining two years of the programme will be as previously advised \$526,904 in 2017/18 and 2018/19. Again the condition is that the funds received in each year must be spent by the 30th June in each year. Given the change in the level of funding it will be necessary to amend the Works Construction Programme to include the additional R2R funding of \$451,927 (\$1,505,733 - \$1,053,806) not included in the adopted budget and reallocate the R2R expenditure included in the 2015/16 works construction programme that will not been expended. It will also be necessary to review the own resource expenditure to make sure this meets the required level. Any additional works not included in the revised programme will need to be undertaken by contractors as the Shire's works staff and plant will be fully committed to completing the amended programmed of works included in the original budget.

The following information provides a summary of the position of own resource funding:-

Summary of Own Resource expenditure 2015/16		
	Adopted Budget	Revised Estimates
Grant Revenue		
Regional Road Group	148,624	148,624
Roads to Recovery	1,053,808	1,505,733
FAGS (Roads)	1,100,754	1,100,754
Main Roads Direct Grant	222,400	222,400
Total Grants	2,525,586	2,977,511
Road Expenditure		
Regional Road Group	222,936	222,936
Roads to Recovery	1,053,808	510,954
Own Resource Construction	1,311,056	781,347
Footpath Construction	69,026	69,026
Road Maintenance	542,567	650,000
Other	321,637	321,637
Total Road Expenditure	3,521,030	2,555,900
Matching own Resources	995,444	(421,611)
Reference amount to match	840,421	840,421
Surplus (deficiency in matching)	155,023	(1,262,032)

The above chart shows that if all works in the adopted budget are completed and the grants included in the budget are received then own resource matching requirements will be met. The revised estimates show that there will be a deficiency of \$1,262,032, given the reduction in expenditure in the R2R and own resource works, as well as the additional R2R funding for 2015/16 that was not included in the adopted budget. This can be reduced by allocating the additional funding for new works and also utilize the decrease in the level of expenditure resulting from the revised programme that relates to external costs for materials and contracts.

This is estimated to be between \$500,000 and \$600,000. The work will need to be completed by contractors. Even after this, the own resource expenditure will need to be carefully managed during the remainder of the year to ensure the required level is achieved. Use of internal resources, wages, overheads, plant costs and depreciation will need to be on programmes that are eligible for matching purposes.

The Works & Plant Committee considered this matter at its meeting on the 16th February 2016 and requested that a report on works (sealing/resealing) required on Shire roads that are suitable to be undertaken by contractors, be prepared and presented to Council.

The following report prepared by the manager of Works & Services, on works that are considered necessary:-

Additional Road Works for Consideration

Road Class	Road Number	Road Name	Comments	slk start	slk end	Total slk	Primer Seal width	Proposed works	Cost
C	0014	Sanderson Rd	Incorrectly sealed by works manager in 2013	6.7	7.7	1	7	Reconstruct failed Primer Seal	\$ 132,090
B	24	Hourigan Rd	All	0	6.12	6.12	3.6	Waterbind & Primer Seal	\$ 415,744
B	116	Glamoff Rd	Rabbit Proof Fence to Goodlands	11.5	14.5	3	3.6	Salt Lake areas Waterbind & Primer Seal	\$ 203,796
B	94	Rabbit Proof Fence Rd	GNH to Dalwallinu Kalannie	27.2	31.6	4.4	3.6	South bound Wubin East In ersion Waterbind & Primer Seal	\$ 298,901
A	26	Locke Rd	Bell Rd to Dally West	6	10	4.02	3.6	Waterbind & Primer Seal	\$ 270,369
B	8	Buntine Marchagee	All	0	15	15	7	Final Seal as Road widened previously	\$ 200,550

The total cost of the above works is \$1,521,450.

It is estimated that additional road works to the value of \$1,000,000 will be required to meet the funding allocated to the Shire in the 2015/16 year for Roads to Recovery and achieve the level of own resource road expenditure that is a condition of this programme.

Policy Requirements

Nil

Legislative Requirements

Local Government Act 1995 – Section 6.8 Unbudgeted Expenditure

National Land Transport Act 2014 – Part 8 - Roads to Recovery Programme

Strategic Implications

Important to maintain the Shire roads at a high standard.

Sustainability Implications

Environment

There are no known environmental implications.

Economic

There are no known economic implications.

Social (Community Consultation)

Nil

Financial Implications

Additional funding due to the incorrect amount of the Roads to Recovery grant to be received for the year 2015/16 included in the adopted budget and revised estimates for works completed/to be completed, as per the comment section of the report.

Voting Requirements

Absolute Majority

Officer Recommendation

Council approves the following additional works to be included in the 2015/16 Road Construction Programme and where practical these works be undertaken by contractors engaged under the WALGA Preferred Supply Program:-

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....

Note:

As a result of the road inspection earlier today, Council reviewed the proposals suggested by the Manager of Works & Services and believed it was important to undertake resealing works on roads to maintain the existing assets.

Resolution

MOTION 8544

Moved Cr KL Carter
Seconded Cr GH Sanderson

Council approves the following additional works, estimated cost \$1,000,000, to be included in the 2015/16 RTR Road Construction Programme and where practical these works be undertaken by contractors/suppliers engaged under the WALGA Preferred Supply Program and local cartage contractors be used for the delivery of aggregate:-

1. Reseal up to 15km of the Nugadong West Road
2. Reseal up to 10km of the Pithara East Road
3. Reseal up to 15km of the Buntine Marchagee Road
4. Reseal up to 10km of the Glamoff Road

CARRIED BY ABSOLUTE MAJORITY 9/0

5.0 CLOSURE

There being no further business, the Chairperson closed the meeting at 3:05pm.

6.0 CERTIFICATION

I, **Steven Clifford CARTER**, certify that the Minutes of the meeting held on 1st March 2016, as shown on page numbers 1 to 9 were confirmed as a true record at the meeting held on the 22 March 2016.

CHAIRPERSON

DATE