



SHIRE OF ASHBURTON

SPECIAL MEETING OF COUNCIL

MINUTES

**Meeting Room, Community Recreation Centre,
TOM PRICE**

28 June 2011

**SHIRE OF ASHBURTON
SPECIAL COUNCIL MEETING**

Dear Councillor,

Notice is hereby given that a Special Meeting of the Council of the Shire of Ashburton will be held on Tuesday 28 June 2011 at the Meeting Room, Community Recreation Centre, Tom Price commencing at 7.00pm.

The business to be transacted is shown in the Agenda.

Jeff Breen
CHIEF EXECUTIVE OFFICER

23 June 2011

DISCLAIMER

The recommendations contained in the Agenda are subject to confirmation by Council. The Shire of Ashburton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ashburton for any act, omission or statement or intimation occurring during a Council meeting.

MINUTES – SPECIAL MEETING OF COUNCIL 28 JUNE 2011

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4.06.2 PUBLIC QUESTION TIME

Nil

5.06.0 APPLICATIONS FOR LEAVE OF ABSENCE

No applications were received for leave of absence.

6.06.0 PETITIONS / DEPUTATIONS / PRESENTATIONS

6.06.1 PETITIONS

Nil

6.06.2 DEPUTATIONS

Nil

6.06.3 PRESENTATIONS

Nil

7.06.0 ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

No announcements were made by the Shire President.

8.06.0 DECLARATION BY MEMBERS

Cr's Musgrave, Rumble, Dias, Bloem, and Shields stated they had given due consideration to all matters contained in the agenda before the meeting.

9.06.0 BUSINESS

09.06.01 TEMPORARY INCREASE IN OVERDRAFT

FILE REFERENCE: FI.LN.02.00

AUTHOR'S NAME AND POSITION: Frank Ludovico
Executive Manager Corporate Services

NAME OF APPLICANT/RESPONDENT: N/A

DATE REPORT WRITTEN: 22 June 2011

DISCLOSURE OF FINANCIAL INTEREST: N/A

PREVIOUS MEETING REFERENCE: Agenda Item 12.04.18 Ordinary Meeting of Council 20 April 2011

Summary

When Council reviewed its Budget at the April 2011 meeting Staff foreshadowed the need for a temporary overdraft.

In order to increase its Overdraft, Council needs to resolve this by absolute majority and advertise the proposal for 21 days before access the additional funds.

Background

When Council reviewed its Budget at its April 2011 meeting Staff foreshadowed the need for a temporary overdraft.

The reason for this is that Council's 2010/2011 Budget utilised proceeds from land sales to finance a number of its capital operations, and whilst the land sales were very successful, funds would not be received until the land was serviced. This activity would not be completed until August 2011.

It was anticipated that an overdraft of up to \$2 million would be required for this temporary period of about 2 months.

Since then staff have attempted to manage our expenditure to minimise the temporary increase in overdraft.

In actioning this request, the Bank, asked if we had complied with all statutory conditions including advertising and upon checking with the Department we were advised that there was a need for Council to approve the increase and to advertise the proposal for 21 days.

Consultation

Chief Executive Officer.
Bob Waddell, Local Government Consultant

Statutory Environment

Section 6.20 of the Local Government Act and Reg 20 of the Finance Regulations apply.

Essentially if Councils requires to borrow more money than specified in the 2010/11 Budget, Council must decide to do so by absolute majority. Reg 20 gives exemptions but only for minor variations not exceeding \$5,000 of principal.

An increase in overdraft from \$500,000 (amount detailed in our Budget) to \$2,000,000 is not considered minor.

Financial Implications

It is essential the overdraft is temporarily increased in order to meet Council's financial obligations.

Strategic Implications

2007-2011 Strategic Plan – 6 A Well Managed and Contemporary Corporation
Optimize performance, Statutory Compliance, Good Governance.

Voting Requirement

Absolute Majority Required.

Council Decision / Officers Recommendation

MOVED: Cr Shields

SECONDED: Cr Bloem

The Council approve the temporary increase on Council's overdraft up to \$2 million and that council advertise the proposal in accordance with section 6.21 of the Local Government Act.

**CARRIED 5/0
ABSOLUTE MAJORITY**

**10.06.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY
DECISION OF MEETING**

Nil

11.06.0 NEXT MEETING

Not Applicable

12.06.0 CLOSURE OF MEETING

The Shire President declared the meeting closed at 7.25 pm.