

Policy Manual

Title: BUDGET PREPARATION

OBJECTIVE

To indicate the schedule of tasks required to be prepared and completed before the final adoption of the annual budget by Council.

POLICY STATEMENT

The aim is to have the first draft completed by 31 March and before Council for the May round of meetings.

TIMETABLE

	TIMING
PRINCIPAL ACTIVITIES	
Capital Works Program - including capital expenditure and capital funding possibilities and options (i.e. general revenue, grants, loans or reserve funding). The Capital Works Program is to be on a rolling basis.	February
Operating Revenue and Expenditure	February
CAPITAL BUDGET	
Memo to Councillors, Directors and Managers	1 February
Responses Required By	15 March
Draft Completion date	31 March
STAFFING BUDGETS	
Staffing Requests by	28 February
Costings by	15 March
Draft completion date	31 March
OPERATIONAL BUDGETS	
Responses required by	15 March
Draft completion date	31 March
MAJOR PROJECTS	
Major projects and initiatives submitted to Council prior to 31 March.	31 March
ADVERTISING AND ADOPTION	
First Draft of the Budget presented to Council by	30 April
Second Draft of the Budget presented to Council by	31 May
Rates Advertised by	15 June
Consideration of Submission & Adoption of Budget by	31 July

Relevant Legislation: Local Government Act 1995
Local Government (Financial Management) Regulations 1996

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute G.44/3/04, 16 March 2004

Policy Manual

Title: SPECIFIC RESERVE FUNDS

OBJECTIVE

To control Reserve Funds so that they are correctly allocated and utilised in the Fund established for that purpose.

POLICY STATEMENT

Cash is to be set aside in Reserve Funds to reduce the impact on future budgets and to minimise the necessity for future loan borrowing.

Any surplus funds at year end, that are not budgeted to be carried over, are, where appropriate, to be placed into specific reserves.

All cash backed reserves must be published in the annual budget papers.

Relevant Legislation:	Local Government Act 1995 Local Government (Financial Management) Regulations 1996
Council Adoption Reference:	Minute G.45/8/01, 21 August 2001
Reviewed:	Minute G43/3/04, 16 March 2004

Policy Manual

Title: FINANCE INVESTMENT

OBJECTIVE

The purpose of this policy is to outline how the City of Mandurah will conservatively and prudently invest surplus community funds in order to achieve a high return on investment, taking into consideration the level of risk. The City of Mandurah has the following investment objectives:

- To take a conservative approach to investments, but with a focus to add value through prudent investment of funds;
- Achieve a return on investment equal to or higher than the 11am cash rate or UBSA Bank Bill Rate;
- Maintain a balanced and diversified investment portfolio with consideration to risk, using a recognised rating criteria;
- To have direct access to day to day funds without penalty.

POLICY STATEMENT

1. INVESTMENT STRATEGY

The City of Mandurah should apply the following strategies in order to help achieve its objectives:

- Funds for day to day purposes shall be invested in either managed Cash Funds or direct investments; and
- All other funds, such as Trust and Reserve funds, shall be invested in either managed Cash Plus funds or direct investments.

2. STATUTORY COMPLIANCE

All investments are to be made in accordance with:

- Local Government Act 1995 – section 6.14; and
- The Trustees Act 1962 – Part III Investments, as amended by the *Trustees Amendment Act 1997*.

3. APPROVED INSTITUTIONS

Investments shall be made with institutions that meet this policy's guidelines on diversification and credit risk.

Relevant Legislation: Local Government Act 1995

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute G.31/2/05, 15 February 2005

4. AUTHORISED INVESTMENTS

Authorised investments are limited to:

- Bank accepted/endorsed bank bills;
- Bank interest bearing deposits including fixed term deposits and floating rate notes;
- State/Commonwealth Government Bonds;
- Managed Cash Funds;
- Managed Cash Plus/Cash Enhanced Funds;
- Other specific securities approved by Council.

5. INVESTMENT GUIDELINES

Council's direct investments:

Quotations on investments

Not less than three (3) quotations shall be obtained from authorised institutions whenever an investment is proposed. The best quote on the day will be successful after allowing for administrative and banking costs, as well as having regard to the limits set above.

Term to Maturity

The term to maturity of any City of Mandurah direct investment may range from "at call" to 1 year unless specifically approved by Council.

Investments with Fund Managers

Investments in managed funds will only include those rated either at least A1 short term or A long term. Products will only include cash funds for investments 0 – 3 months and cash-plus/cash enhanced funds for funds invested longer than 3 months.

In determining the composition of the portfolio between direct investments and managed fund investments, Council officers shall have regard for the following:

- The ongoing performance of investment products
- The City of Mandurah's cash flow requirements.

6. PERFORMANCE BENCHMARKS

Investment	Performance Benchmark
Cash	11 am cash rate
Cash Plus & Direct Investments	UBSA Bank Bill Index

7. DIVERSIFICATION AND CREDIT RISK

Investments made shall be within the percentage limits set out in the table below. When placing investments, consideration should be given to the relationship between credit rating and interest rate. The Standard and Poor's system of rating has been used in this policy.

Relevant Legislation: Local Government Act 1995

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute G.31/2/05, 15 February 2005

Long Term Rating	Short Term Rating	Direct Investments Maximum % with any one Institution	Managed Funds Maximum % with any one Institution	Maximum % Total Portfolio
AAA Category	A1+	30%	45%	100%
AA Category	A1+	20%	45%	90%
A Category	A1	15%	30%	80%
BBB Category	A2	10%	n/a	15%

If any of the funds/securities held are downgraded as such that they no longer fall within the above listed credit ratings and exposure limits, they shall be divested as soon as possible.

The Standard and Poor’s rating system relevant to this policy is as follows:

Short Term rating order (0 to 3 months)

- A1+Extremely strong capacity to meet financial commitments
- A1Strong capacity to meet financial commitments
- A2Satisfactory capacity to meet its financial commitments

Long Term (longer than 3 months)

- AAA to AAA-Extremely strong capacity to meet financial commitments
- AA+ to AA-Very strong capacity to meet financial commitments
- A+ to A-Strong capacity to meet financial commitments
- BBB+ to BBB-Adequate capacity to meet financial commitments

8. REPORTING AND RECORD KEEPING

Documentary evidence must be held for each investment and details thereof maintained in an Investment Register.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the City of Mandurah’s behalf as the 30th of June each year and reconciled to the Investment Register.

A monthly report shall be submitted to Council with details of the investment portfolio including performance figures and percentage exposure to categories as restricted by this policy.

An annual report (fiscal year) shall be submitted to Council reviewing the performance of the portfolio and investment strategy as required by s.18(3) of the *Trustees Act* 1962.

Relevant Legislation: Local Government Act 1995

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute G.31/2/05, 15 February 2005

Policy Manual

Title: LOANS

OBJECTIVE

To control and outline fair and equitable loan guidelines for the loan requirements of Council, community and associations.

POLICY STATEMENT

Loan Fund - Five Year Plan

1. A four-year Capital Funding Plan (Principal Activities Plan) is established and maintained, to include loans, debt service, reserves and other capital funding sources.
2. Achieve a target of less than 20% for the Debt Service to Rates Revenue Ratio.
3. Achieve a target of less than 10% for the Debt Service to Total Revenue Ratio.
4. In times of low interest rates (i.e. less than 7½%) Council will examine borrowing options for fixed terms.
5. In times of higher interest rates (i.e. greater than 10%) Council will explore the options of borrowing with two year rollovers.
6. In times of mid range interest rates (7.5% to 10.0%) Council has the discretion to borrow for fixed terms or with frequent rollovers.

Reallocation of Surplus Loan Funds

In accordance with the provisions of Section 6.20 of the *Local Government Act 1995*, Council may resolve to expend unused monies for another purpose if one month's local public notice is given of the proposed change of purpose.

No public notice is required if the change of purpose is disclosed in the annual budget.

Relevant Legislation:

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute 29/9/04, 21 September 2004

Capital Loans to Sporting Associations

No organisation may receive an interest free loan and a self-supporting loan for the same project. As local governments are empowered to provide loans or guarantees for loans for Sporting and Community Associations, Council will make available interest-free loans, self supporting loans and provide guarantees for loans under the procedure guidelines below. Licenses and Leases will be appropriately modified prior to funds being advanced under this program.

- 1. Interest Free Loans** (*refer to FS 01 of the Finance Procedure Guide for conditions*)
 - a) A Reserve Fund shall be created as per the requirements of the *Local Government Act 1995* for the purpose of making interest free loans available.
 - b) An allocation of \$50,000 shall be made available each year for the provision of interest free loans as per the guidelines set out in FS 01 of the Procedure Guide.

- 2. Self Supporting Loans** (*refer to FS 01 of the Finance Procedure Guide for conditions*)
 - a) Self Supporting Loans will be made available to associations each year.
 - b) The loans are available as per the conditions set out in FS 01 of the Procedure Guide.
 - c) Council shall fully research the ability of the applicant to repay the loan and may require five guarantors to ensure the protection of such public monies. Council shall retain the right to determine the order of priority of all applicants.

- 3. Guaranteed Loans** (*refer to FS 01 of the Finance Procedure Guide for conditions*)
 - a) Guaranteed Loans will be made available to associations each year.
 - b) The loans are available as per the conditions set out in FS 01 of the Procedure Guide.
 - c) Council shall research the ability of the applicant to repay the loan and retains the right to determine the order of priority of all applicants.
 - d) The City of Mandurah will act as guarantor for the loans.

Relevant Legislation:

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute 29/9/04, 21 September 2004

Policy Manual

Title: PAYMENTS FROM THE TRUST FUND OR THE MUNICIPAL FUND

OBJECTIVE

To control and manage Council payments with the emphasis on prompt turnaround times for all payments.

POLICY STATEMENT

1. Cash Payments

No payments, other than petty cash or cash advances, are to be made in cash.

2. Cheque Payments

The signatories are to be the Director Corporate Development, Manager of Financial Services or the City Accountant.

3. On-Line Computerised Payments

All payments are to be authorised in accordance with procedure by any two of the Director Corporate Development, Manager Financial Services, or City Accountant.

4. Payments Listing

A listing of all payments is to be compiled each month and presented to the Governance and Infrastructure Committee and recorded in the minutes of that meeting. The listing is to show the: -

- a) the payee's name;
- b) the amount of the payment;
- c) the date of the payment; and
- d) sufficient information to identify the transaction

Relevant Legislation:

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute G.44/3/04, 16 March 2004

Policy Manual

Title: DONATIONS

OBJECTIVE

To control and manage donations to individuals and community groups operating within the City of Mandurah.

POLICY STATEMENT

Donations to individual and community groups will be made in accordance with this policy and delegated authority. (*Refer DA – CS 1.3*)

General Donations And Appeals

Donations to be limited to Mandurah based individuals, organisations and charities and a limit of \$50 per donation is to apply.

This policy excludes exceptional circumstances such as natural disaster and similar State and National appeals, which will be referred to the Governance and Infrastructure Committee as the need arises.

Collection Tins - Appeals for Community, Charitable and Worthy Organisations

The Director Corporate Development and Director Community Development will determine the placement of collection tins and associated saleable items at the Administration Office reception area with the following provisos:

- a) no liability accepted by the City of Mandurah for the loss or destruction of any such items;
- b) no more that two organisations may, at any time, leave collection items etc;
- c) a time limit of 12 weeks maximum be applied to the period for which such organisations may leave collections items etc within the Administration Office;
- d) no organisation may be permitted to canvas staff for donations during working hours;

Relevant Legislation:

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute G.44/3/04, 16 March 2004

- e) placement of such collection items will be the responsibility of the organisation concerned and staff will not be responsible for such collections or the sale of items and any such donations will be on the honour system.

Sporting Donations

The City of Mandurah will support residents of Mandurah who have obtained State and/or National representative status towards their costs of competing at the State/National Championships, subject to the following prerequisites:

- a) Applicants must be residents of Mandurah for a period of at least 12 months prior to the application.
- b) All applicants to provide verification from the State body of their State/National Team representation including details of selection criteria.
- c) Donations to be \$200.00 per person, paid to eligible applicants, with the total released not being limited to the amount set aside in Council's budget.
- d) Donations will only be considered prior to the event.
- e) Other non-sporting donation requests, because of their diversity, should be determined on their individual merits.
- f) Sporting donations be limited to one per individual per financial year.
- g) Donations may be paid to the same person in each consecutive financial year.
- h) The Director Corporate Development and Director Community Development may approve and release sporting donations in accordance with delegated authority. (*Refer DA – CS 1.3*)

School Donations

- a) Council will donate an amount of \$200 per annum to all education institutions operating in Mandurah for presentation of an annual book award.
- b) Schools will be notified of the availability of award funds in October each year with funds being forwarded to the schools upon request. Arrangements are then to be made for the presentation of the award by the Mayor, a Councillor or the Chief Executive Officer.

Incidental Requests - One-Off Payments

- a) The Mayor and the Chief Executive Officer may approve one-off payments up to an amount of \$500 per application for local community projects in accordance with delegated authority. (*Refer DA – CS 1.3*)
- b) A monthly report of payments approved will be provided to the Governance and Infrastructure Committee.

Relevant Legislation:

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute G.44/3/04, 16 March 2004

Policy Manual

TITLE: RATES COLLECTION AND GENERAL DEBTORS

OBJECTIVE

To control and manage the collection of rates and administering general debtors.

POLICY STATEMENT

1. A copy of the rate assessment marked "Final Notice" shall be issued 60 (sixty) days after issue of the original assessment, allowing 14 (fourteen) days for payment of the account.
2. A letter advising of impending legal action for recovery of outstanding rates shall be issued 90 (ninety) days after issue of the original assessment, allowing 7 (seven) days for payment.
3. Outstanding rate accounts for which satisfactory arrangements to pay have not been made within 120 (one hundred and twenty) days after issue of the original assessment, shall then be forwarded to a debt collection agency appointed by the Chief Executive Officer.
4. Rates remaining unpaid shall be recovered by the issue of a Warrant of Execution through the Local Court.
5. Back Rating Of Properties:
 - a) That on provision of a valuation from the Valuer General's Office indicating that a previously incorrect valuation has been applied, (either under valued or over valued) that Council's Rates Clerk shall forward a refund or adjusted assessment calculated to the date the valuation was effective, within the limitations of the *Local Government Act 1995*.
 - b) That where a property settlement has occurred, back rates raised in 1(a) shall only be backdated to the date of settlement, thus not effecting the previous owners.
6. Interim valuations shall only be applied where additional levies of at least \$10.00 result in the year in which the new valuation takes effect. Where additional levies of less than \$10.00 would otherwise result, the interim valuation is to be applied from 1 July in the next financial year.

Relevant Legislation: Local Government Act 1995

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute G.44/3/04, 16 March 2004

7. Ratepayers subjected to back rates are to be given the option to pay the same by instalments over an extended period.
8. Locality Names:
 - a) That Council's current policy of using the correct locality name only in the property address on rate notices be maintained.
 - b) That where a ratepayer wishes the "marketed estate name" to be used, that Council officers insert this as an additional description within the postal address.

9. Renumbering of Streets

Objective: To ensure that due consideration is given to residents therefore minimising their inconvenience.

The Rates Supervisor may renumber streets where it is deemed appropriate and will advise the Manager of Financial Services and inform the relevant Ward Councillors prior to any action being taken.

The following procedure be followed:

1. Write to owners and occupiers advising:
 - (a) Why the street requires renumbering.
 - (b) The new street number and effective date (preferably a Saturday) allowing a minimum of 14 days.
 - (c) That the authorities listed under 2 below have been advised.
 - (d) Include Change of Address Advice Forms for the owner/occupier to advise other organisations.
 - (e) That an amount of up to \$50 per property is available to the owner on production of satisfactory receipts for out-of-pocket expenses incurred.
2. Inform Australia Post, Water Authority of Western Australia, Australian Electoral Commission, State Energy Commission and Telecom of renumbering and effective date. Include a list detailing old and new numbers, occupiers' name where known, lot number and where possible provide a map.
3. Write to owners/occupiers on effective date advising that the new numbers are now effective and should be displayed.

Relevant Legislation: Local Government Act 1995

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute G.44/3/04, 16 March 2004

Delegated Authority - Rate Collection

- a) The Chief Executive Officer may vary Rates Collection procedure dependent upon the prevailing economic situation.
- b) Arrangements with ratepayers wishing to make application for alternative instalment arrangements and extensions which will be completed within the current financial year, will be made in accordance with delegated authority. (*Refer DA – SFS 1.3*)
- c) Extended instalment arrangements, which will be finalised outside the current financial year, will be made in accordance with delegated authority. (*Refer DA – SFS 1.3*)

Sundry Debtors

- a) Whenever practical, prepayment be sought for works, services and facilities.
- b) In all other cases invoices be forwarded within seven (7) days of the debt being incurred.
- c) If the account is outstanding beyond thirty (30) days, a reminder notice be forwarded requesting a payment within seven (7) days.
- d) Where the account remains outstanding after a further fourteen (14) days from reminder notice, a "Notice of Intended Legal Action" be forwarded.
- e) The Director of Corporate Development may proceed with legal action to recover debts overdue by sixty (60) days.
- f) A sundry debtor report be submitted quarterly to the Governance and Infrastructure Committee.

Exemption Policy

- a) Rating exemptions that are clearly defined in accordance with Section 6.26 of the *Local Government Act 1995* may be granted in accordance with delegated authority. (*Refer DA – SFS 1.3*)
- b) Exemptions will be granted from 1 July of the financial year in which application is received or from the relevant date e.g. settlement or lease where applicable. Exemptions shall not be backdated into prior financial years.
- c) Exemptions granted in accordance with Section 6.26 to be reviewed every two years where practicable and the list submitted to Council on an informational basis.

Relevant Legislation: Local Government Act 1995

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed: Minute G.44/3/04, 16 March 2004

Previous Year Write-Offs

The write-off of previous years debts will be done in accordance with delegated authority.
(Refer DA – SFS 1.4)

Installment Options for Payment of Rates and Charges

In accordance with Section 6.45 (1) of the *Local Government Act 1995* the following instalment options will be offered for the payment of current rates and charges. All arrears must be paid with the first instalment for each option as follows:

Option 1 - Pay in full within 35 days of date of issue (ie. by due date on original rate notice).

Option 2 - Pay half within 35 days of date of issue (ie by due date on original notice) and the balance in approximately 3 months.

Option 3 - Pay in 4 equal instalments with intervals of no less than 2 months and as specified within the Local Government Regulations.

After 35 days ratepayers forfeit the right to undertake the instalment options provided, however it will be at officers' discretion to place ratepayers on an instalment scheme should it be considered the best alternative.

Where options are provided with the final notice ratepayers must chose to undertake the instalment option by the due date on the final notice.

Note: Private arrangements may be made where necessary however both parties are to agree on the proposal, including any conditions imposed.

An administration fee and instalment interest will be imposed at the rate set within the budget each financial year.

Early Payment - Should a ratepayer choose to undertake instalments and then clear their account within 2 weeks of the original due date, then administration and interest costs will be reversed. Should full payment be received after this date, no adjustment will be made to the costs.

Relevant Legislation: Local Government Act 1995

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed:

Policy Manual

Title: CHARGES/FEES - EQUIPMENT

OBJECTIVE

To provide guidelines for the community to hire Council equipment within specific terms, conditions and rates.

POLICY STATEMENT

1. Tiered and Bleacher Seating Mandurah Aquatic and Recreation Centre (MARC)

- a) The price structure for the hire of tiered seating is be as per the Schedule of Fees and Charges.
- b) Transportation of any units used outside the Centre is at the hirer's expense. A hire bond will be held in trust against damage when they are removed from the MARC Centre. (Please refer to Schedule of Fees and Charges).
- c) Schools are given a discount of 25% on hire rates.

2. Small Equipment Hire

- a) The equipment hire fees are adopted as per Schedule of Fees and Charges.
- b) A 50% discount will be given to City of Mandurah community groups, which are involved in fund raising.
- c) Hiring will be within buildings or reserves under Council control, unless local hire companies are unable to provide similar equipment.

Relevant Legislation:

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed:

Policy Manual

Title: BANK GUARANTEES

OBJECTIVE

To control and manage the acceptance of Bank Guarantees in lieu of cash bonds

POLICY STATEMENT

The City of Mandurah will accept bank guarantees in lieu of cash bonds where the bank guarantees are from the following financial institutions: -

- Commonwealth Bank
- National Bank
- ANZ Bank
- Westpac Banking Corporation
- Bankwest

Relevant Legislation:

Council Adoption Reference: Minute G.45/8/01, 21 August 2001

Reviewed:



Reference: FS-12

POLICY

SPECIFIED AREA RATES FOR CANALS AND WATERWAYS

Policy Objective:

- Ensure that payment is made for planned and reactive maintenance of relevant areas in accordance with the City's Canal Management Guidelines.
- Recover debt service costs in respect of major maintenance or asset replacement items which are the responsibility of residents.
- Ensure that management of funds is conducted in an open and transparent manner.

Policy:

- 1 The City may contribute to Canal & Waterway costs to reflect:
 - costs attributable to areas under the direct control of the City; and/or
 - costs attributable to public usage the level of which is agreed between the City and the residents' representatives.
- 2 Each year the City will provide residents with:
 - A statement of the budget for that year together with details of how the specified area rate was calculated.
 - A statement of expenditure against budget for the previous year.
- 3 The City will not create reserve accounts for specified area rates unless one of both the following events apply:
 - There is a specific asset management plan which defines outcomes and costs associated with asset replacement programmes.
 - There is the need to transfer an under-utilisation of specified area rate receipts from one year to another.

Procedure:

Originating Section: Finance

Reviewer: Manager Business Services

Approved: G.48/6/09
16 June 2009

Relevant Legislation: *Local Government Act*
1995 S 6.37

Delegated Authority:

Other References: