



SHIRE OF RAVENSTHORPE

MINUTES

**Special Meeting of Council held in the
Council Chambers, Ravensthorpe,
Monday 4 December, 2017
Commencing at 5.35pm**

SPECIAL MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBERS, RAVENSTHORPE,
MONDAY 4 DECEMBER, 2017 AT 5.35PM

CONTENTS	PAGE NUMBER
1. DECLARATION AND OPENING	3
2. RECORD OF ATTENDANCE / APOLOGIES	3
3. PUBLIC QUESTION TIME	3
4. DISCLOSURE OF INTEREST	4
5. SPECIAL BUSINESS	4
5.1 SALE OF LOT 168 MAITLAND STREET, HOPETOUN	4
9. MATTERS BEHIND CLOSED DOORS	7
10. CLOSURE OF MEETING	7

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

5.35pm – The presiding person, Cr K Dunlop, declared the meeting open.

2. RECORD OF ATTENDANCE

MEMBERS: Cr Keith Dunlop (Shire President)

Cr Julianne Belli (Shire Deputy President)

Cr Kerry Dickinson

Cr Ian Goldfinch

Cr Thomas Major

Cr Graham Richardson

Cr Peter Smith

STAFF: Ian Fitzgerald Chief Executive Officer

Jenny Goodbourn Manager of Corporate and Community
Services

GALLERY: Darryl and Jan Quinn
Madeleine and Ken Norman
Cindy Gordon
Eleanor O'Driscoll

APOLOGIES:

NIL

ON LEAVE OF ABSENCE:

NIL

ABSENT:

NIL

VISITORS:

NIL

3. PUBLIC QUESTION TIME

Mrs O'Driscoll and Cindy Gordon made comment on the low sale price and impact on the other commercial property in Hopetoun.

Mrs Quinn made comments in relation to low sale price and lack of opportunity to make comment.

The Chief Executive Officer read an extract from the Ravensthorpe Hopetoun Future Fund Deed which states Council is to accept recommendations from the Board unless it was contrary to the Deed and this proposal was not.

4. DISCLOSURE OF INTEREST

NIL

5. SPECIAL BUSINESS

5.1 SALE OF LOT 168 MAITLAND STREET, HOPETOUN

File Ref:

Applicant:	Ravensthorpe Hopetoun Future Fund
Location:	Lot 168 (#96) Maitland Street, Hopetoun
Disclosure of Officer Interest:	None
Date:	29 November 2017
Author:	Ian Fitzgerald – Chief Executive Officer
Authorising Officer:	Ian Fitzgerald – Chief Executive Officer
Attachments:	None

Summary:

The property at Lot 168 Maitland Street is managed by the Ravensthorpe Hopetoun Future Fund, but is legally held under the name of the Shire of Ravensthorpe – as trustee for the fund.

The property has been listed for sale for some time and an offer has now been received which the Board of the Ravensthorpe Hopetoun Future Fund has recommended be accepted. Council adopted this recommendation at the October Council meeting.

As required by the Local Government Act 1995, - section 3.58 (3), the proposed disposition of the property was advertised for comment. One objection to the proposed disposition has been received and the matter is now referred back to Council for their consideration.

Background:

As a part of the agreement negotiated with BHP on the closure of their mine, the Maitland Street property was transferred to the Shire of Ravensthorpe as trustee for Ravensthorpe Hopetoun Future Fund.

Comment:

As the Future Fund is not able to hold property in their own name, the title is registered in the name of the Shire of Ravensthorpe.

The Future Fund, through Council staff, have managed the property and been responsible for collecting of rents and payment of maintenance.

The property has been listed for sale for some time and an offer was received and presented to the Board of the Future Fund. The Board by majority agreement recommended to Council that the offer be accepted.

Any funds received will be placed in the Future Fund bank account and held for use as outlined in their deed.

As required by the Local Government Act once Council had approved the proposed disposition it was advertised and comment invited.

One objection has been received to the proposed disposition of the property. The objection states that in their opinion “the acceptance of an offer \$350,000 less than valuation is an injustice to community funds”.

Whilst the property has the potential to bring in 6 streams of income – 2 commercial tenancies and 4 residential tenancies there is currently only 1 of each and the maximum tenancies of the past 3 years has been 2 commercial and 2 residential. The latest financial report for the property (1 July – 29 November 2017) shows a loss of over \$9,000. The current economic climate and population movement suggests the rental demand and especially for commercial property is unlikely to improve.

In addition, the Board, in a recent viewing of the property noted that a considerable amount of maintenance work would be required in the not too distant future. The lack of tenancies and required maintenance and thus a drain on Future Fund finances was at the forefront of the Board’s decision to recommend acceptance of the offer.

In accepting the offer the funds received from the sale of approximately \$400,000 net of fees plus the funds currently held separately for development of the unfinished commercial units of \$490,000 would see an additional \$890,000 available for investment and therefore making a greater pool of funds (from interest earned) available for distribution by approved grants to the community. Based on the current investment rates this would generate an additional \$22,000 in interest income for the Future Fund.

Further, from what the records indicate, the property was gifted to the Future Fund so any sale revenue is a bonus – not as if the property was purchased and now being sold at a loss.

Consultation:

Future Fund Board Members

Ray White Real Estate

Statutory Obligations:

Local Government Act 1995

Policy Implications:

N/A

Budget / Financial Implications:

Nil for the Shire of Ravensthorpe

Proceeds from the sale will go to the Ravensthorpe Hopetoun Future Fund for their investment.

Strategic Implications:

N/A

Sustainability Implications:

- **Environmental:**
There are no known significant environmental considerations.
- **Economic:**
There are no known significant economic considerations.
- **Social:**
There are no known significant social considerations.

Voting Requirements:

Absolute majority

OFFICER RECOMMENDATION AND COUNCIL DECISION	ITEM 5.1
Moved: Cr Goldfinch	Seconded: Cr Smith
That Council:	
a) Note the objection received to the proposed disposition	
b) Proceed with the disposition of the property as recommended by the Board of the Ravensthorpe Hopetoun Future Fund	
c) Record that in their opinion the disposition of the property is in the best long term financial interests of the Ravensthorpe Hopetoun Future Fund	
d) Advise the person who lodged the objection of Council's decision and the reasons for that decision.	
Carried by absolute majority: 6/1	Res: 134/17

6. MATTERS BEHIND CLOSED DOORS

NIL

7. CLOSURE OF MEETING – 5.50PM

These minutes were confirmed at the meeting of the 21 December 2017

Signed: 
(Presiding Person at the meeting of which the minutes were confirmed.)

Date: 21 December 2017