

MINUTES
OF THE
SPECIAL MEETING OF THE COUNCIL
AT 6.30PM THURSDAY, 9 APRIL 2020

**Held electronically in accordance with Regulation 14D(2)(a) of the
Local Government (Administration) Regulations 1996.**

Due to the State of Emergency declared in Western Australia, effective 16 March 2020 and the subsequent government directives with regard to public gatherings, the public are unable to attend this meeting. To be considered open to the public, the minutes and audio recording of the meeting will be available on the City's website as soon as practicable after the meeting to meet the requirements of Regulation 14E(3)(b)(i) of the *Local Government (Administration) Regulations 1996*

DISCLAIMER

PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

Any statement, comment or decision made at a Council or Committee meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such.

Any person or entity who has an application before the City must obtain, and should only rely on, written notice of the City's decision and any conditions attaching to the decision, and cannot treat as an approval anything said or done at a Council or Committee meeting.

Any advice provided by an employee of the City on the operation of written law, or the performance of a function by the City, is provided in the capacity of an employee, and to the best of that person's knowledge and ability. It does not constitute, and should not be relied upon, as a legal advice or representation by the City. Any advice on a matter of law, or anything sought to be relied upon as representation by the City should be sought in writing and should make clear the purpose of the request.

In accordance with the Council Policy CP- 088 Creation, Access and Retention of Audio Recordings of the Public Meetings this meeting is electronically recorded. All recordings are retained as part of the City's records in accordance with the State Records Act 2000 and the General Disposal Authority for Local Government Records.

The Audio Recording will be available within 10 days of the meeting and may be accessed at www.melvillecity.com.au/agendas in accordance with the provisions of the Policy.

DISTRIBUTED: 11 APRIL 2020

CONTENTS PAGE

Item Description	Page Number
CORPORATE SERVICES	
C20/6176 Melville Community Stimulus Package	9



MINUTES OF THE SPECIAL MEETING OF THE COUNCIL HELD AT THE MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6:32PM ON THURSDAY 9 APRIL 2020.

1. OFFICIAL OPENING

The Presiding Member welcomed those in attendance to the meeting and officially declared the meeting open at 6.32pm. Mr B Taylor, Manager Governance and Property, read aloud the Disclaimer that is on the front page of these Minutes and then Mayor, Honourable George Gear, read aloud the following Affirmation of Civic Duty and Responsibility.

Affirmation of Civic Duty and Responsibility

I make this Affirmation in good faith on behalf of Elected Members and Officers of the City of Melville. We collectively declare that we will duly, faithfully, honestly and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgement and ability. We will observe the City's Code of Conduct and Meeting Procedures Local Law to ensure the efficient, effective and orderly decision making within this forum.

Mayor Honourable George Gear conducted a roll call at the commencement of the meeting and confirmed the following Elected Members were in attendance for the electronic meeting.

2. PRESENT

Mayor Honourable G Gear

COUNCILLORS

WARD

Cr N Pazolli (Deputy Mayor)	Applecross – Mount Pleasant
Cr S Kepert,	Applecross – Mount Pleasant
Cr D Macphail, Cr N Robins	Bateman – Kardinya - Murdoch
Cr C Robartson, Cr M Woodall	Bull Creek - Leeming
Cr J Barton	Bicton – Attadale – Alfred Cove
Cr K Mair Cr M Sandford	Central
Cr T Fitzgerald, Cr K Wheatland	Palmyra – Melville - Willagee

3. IN ATTENDANCE

Mr M Tieleman	Chief Executive Officer
Mr A Ferris	Director Corporate Services
Mr S Cope	Director Urban Planning
Mr M McCarthy	Director Technical Services (electronic attendance)
Ms C Young	Director Community Development (electronic attendance)
Mr L Hitchcock	Executive Manager Governance and Legal
Mr B Taylor	Manager Governance and Property
Ms C Newman	Governance Coordinator

At the commencement of the meeting, due to the public being unable to attend this meeting, there were no members of the public and no representative from the Press in attendance.

4. APOLOGIES AND APPROVED LEAVE OF ABSENCE**4.1 APOLOGIES**

Cr Barber

Bicton – Attadale – Alfred Cove

4.2 APPROVED LEAVE OF ABSENCE

Nil.

5. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION) AND DECLARATIONS BY MEMBERS**5.1 DECLARATIONS BY MEMBERS WHO HAVE NOT READ AND GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPERS PRESENTED BEFORE THE MEETING.**

Nil.

5.2 DECLARATIONS BY MEMBERS WHO HAVE RECEIVED AND NOT READ THE ELECTED MEMBERS BULLETIN.

Nil.

6. QUESTION TIME**6.1 City of Melville Residents and Ratepayers Association (Inc)**Question 1

We refer to very, very late notice of the Special Meeting of Council scheduled for 6.30 pm Thursday 9 April 2020 in relation to Council's financial response to the COVID-19 crisis.

- 1.1. *Why was the community not given adequate notice of the Agenda for this meeting. We note that the Agenda was only finalised after 2.30 pm Wednesday 8 April, just over 24 hours prior to the meeting?*

and

Question 2

- 1.2. *What is the explanation as to why this meeting needs to be held this week, versus over the next few weeks?*

6. *Question Time, City of Melville Residents and Ratepayers Association (Inc) continued*

Response

A Report from the CEO and officer recommendations was included in the Agenda for the Ordinary Meeting of the Council to be held on the 21st of April 2020 for Council to consider. Given the anxiety and the need for certainty in the community, five Elected Members, supported by the Mayor, requested this item be brought forward to a Special Council Meeting to be held on the 9 April at 6.30pm. Confirmation of this was received from the Mayor yesterday (8 April 2020).

Clause 5.5(2) of the Local Government Act 1995 makes provision for Special Meetings of Council to be called at any time by giving each Elected Member notice of the time, date, place and purpose of the meeting.

Question 3

1.3. *Why are you still not in a position to enable the public to attend this meeting and physically present deputations on what is a significant issue for all residents and ratepayers?*

Response

During this State of Emergency it is not business as normal in respect to City and Council operations.

The City has been constantly reviewing and working through the implications of the stage one to three COVID-19 restrictions as they have been announced. As the restrictions have changed, the City has had to continually review the meeting process to respond accordingly.

The City is working towards improvements of this nature, however in making changes to legislation as a matter of urgency, the Department of Local Government has made provisions applicable during the period of this declared COVID-19 state of emergencies for Councils to continue to consider matters and make decisions. The City is complying with that legislation.

The City will continue to work towards having meetings such as this open to the public in the future where practicable and/ or audio streamed in real time.

Question 4

1.4. *Why wasn't the recording of Tuesday's ABF Zoom meeting put up on-line Wednesday to enable the public to review prior to Council deciding on this stimulus package. We note that as of 8.00am 9 April the audio is still not on-line?*

6. *Question Time, City of Melville Residents and Ratepayers Association (Inc) continued*

Response

The audio of the Agenda Briefing Forum was loaded onto the City's website today (9 April 2020).

The Agenda Briefing Forum was the first meeting recorded in the new electronic environment and it takes time for City staff to learn how to finalise the conversion and editing processes prior to publishing this information in an appropriate format on the website. They have done a very good job of implementing these changes very quickly.

Question 5

1.5. *Will Council continue to erode proper public participation in such significant matters via Council meetings?*

Response

The Council is not eroding proper public participation. During this pandemic the way it goes about its business invariably needs to change. The State Government has recognised this and has moved quickly to put appropriate legislative mechanisms in place to enable the decision making processes of local government and involvement of Citizens to continue, albeit in a modified manner in these unusual times. Every effort is being made to assist the public in participation, through existing opportunities, including contact with Elected Members, and the opportunity to submit questions and deputations in writing. The audio is made available promptly after the meetings and as stated earlier we are working to make real time audio streaming available as well.

Question 6

What is the current value of the City's a) cash at bank, b) term deposits, c) share or fund investments, and d) investment properties?

Response

The 21 April 2020 Council Agenda contains the reports Investment Statements C_6000 and Statements of Financial Activity C_6002 which details the information requested. The City does not have share or managed fund investments.

Question 7

Council's proposed 20/21 rate reductions across residential and commercial properties amounts to giving \$9,955,514 back to ratepayers, representing circa 10% of last year's total rates revenue; why has council not decided to simply reduce all 20/21 rates across the board by 20-30%, ie why has Council limited the rate reduction to a \$200 flat rebate to residential homeowners?

6. *Question Time, City of Melville Residents and Ratepayers Association (Inc) continued*

Response

The total stimulus package is estimated at circa \$15m and is considered to be a strong commitment by the Council to the residents, businesses, sporting groups and associations and community groups. The 11% or \$10m in rate concession is a considerable concession unmatched at this stage by any other local government.

The ultimate % amount of any rate concession is however a matter for the Council to determine.

After discussion with elected members the flat \$ concession proposed was considered to provide greater relief to those residents on lower incomes in preference to a set % across all ratepayers.

The City is also mindful that:

- It has a significant asset base and a number of specific reserves which provide funding for the maintenance and replacement of the City's infrastructure;
- The City will need funding and cash flow to support its role in the economic recovery phase;
- Further measures may be considered in the context of the 2020-2021 budget.

Question 8

What is the ratio of the total stimulus package (\$14,814,000) to the total value of all cash, share and fund investments and investment properties?

Response

The total stimulus package is estimated at \$14.9m which represents 7.4% of the City's liquid investments as at 31 March 2020.

It is noted that the calculation in the question does not take into account the nature of the City's investments or the need for working capital to support the operations and capital works programs that will be important in the economic recovery phase of this crisis

Investment properties have been excluded as they are long term holdings held for a future purpose to be determined by the Council.

Question 9

Will Council a) undertake a full bottom up review of the 20/21 budget and very outdated 2013 long term financial plan/model given at <https://www.melvillecity.com.au/our-city/publications-and-forms/corporate-services/revisionof-long-term-financial-statements-revised> (Review); b) engage a community reference group to assist in the Review; and b) commit to considering further rate reductions as a result of the Review. If not, why not?

6. *Question Time, City of Melville Residents and Ratepayers Association (Inc) continued*

Response

The Long Term Financial Model that underlies the Plan is updated annually as new economic data informs changes to the assumptions underlying the model, to reflect decisions/commitments by Council during each year and also additional information from the City's asset condition surveys and planning is gathered. The Plan references the goals in the Strategic Community Plan, the Corporate Plan and many of the inputs into the Plan such as the Active Reserves Infrastructure Strategy (ARIS) report involve significant community consultation.

The Long Term Financial Plan is expected to be updated later this calendar year and will be dependent upon the decisions made by the Council in considering the Melville Community Stimulus Package, Community and Corporate Plan reviews and economic indicators.

The budget process for 2020-2021 commenced in January 2020 however, due to this current crisis, will be fundamentally reviewed. At this stage we are still targeting adoption of the Budget in June 2020. The annual budget process is a comprehensive process and the principles and parameters are discussed and reviewed as part of this process with elected members.

The COVID-19 crisis has had a significant financial impact in the 2019-2020 year which is being reviewed. As stated earlier, the work previously undertaken on the 2020-2021 budget is being reviewed recognising the uncertainties that now exist and the difficulty in predicting future outcomes.

The use of a community reference group has not been discussed to assist in any budget review at this stage. Any further rate concessions will be discussed with elected members when the Long Term Financial Model and Plan are reviewed later in the calendar year.

Question 10

Will Council consider a salary reduction/moratorium for the City's management team as part of the forward budget?

Response

Yes. This has been discussed by Senior Management and will be further considered by Council in the 2020-2021 budget process.

Question 11

How will Council assure the community that it will; a) undertake proper due diligence on ALL capital works proposed by the administration; b) the City has the capability and capacity to improve its project management and reporting of its capital works programs; and c) undertake proper community consultation and engagement prior to the City's administration starting/ploughing ahead/accelerating capital works.

6. *Question Time, City of Melville Residents and Ratepayers Association (Inc) continued*

Response

At an Elected Member Information Session on 10 March 2020 a workshop on the capital works program was proposed as part of the 2020-2021 annual budget process.

At the Agenda Briefing Forum held 7 April 2020 in relation to Item C20/6176 Melville Community Stimulus Package Elected Members reiterated this by requesting a future workshop/briefing to discuss capital works and significant maintenance that could be brought forward and opportunities to provide or assist with grants to community organisations.

The City has a strong project management framework and has processes in place to manage its approach, capacity and reporting around the capital works program. The City has a project improvement team and is also creating a project management office to further strengthen its project management capabilities.

The project management framework includes consideration of community consultation prior to and during a project and the City has committed to continue to strengthen this aspect.

7. DECLARATIONS OF INTEREST**7.1 FINANCIAL INTERESTS**

Nil.

7.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

Nil.

8. DEPUTATIONS

Nil.

9. APPLICATIONS FOR NEW LEAVES OF ABSENCE

Nil.

10. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil.

11 REPORTS OF THE CHIEF EXECUTIVE OFFICER

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

Ward	:	All
Category	:	Operational
Subject Index	:	Budgeting – Estimates Operational and Forward Works Programme COVID-19
Customer Index	:	Impacts on all Ratepayers of the City of Melville
Disclosure of any Interest	:	Elected Members and officers are property owners / ratepayers in the City of Melville however; this is an exempt interest in accordance with Section 5.63 (1) (a) & (b) of the Local Government Act 1995
Previous Items	:	C20/6173 - 2019-2020 Mid Year Budget Review - Ordinary Meeting of Council held 17 March 2020 C19/5688 - Consideration and Adoption of the 2019-2020 Budget - Ordinary Meeting of Council held 18 June 2019
Works Programme	:	2019-2020 and 2020-2021
Funding	:	Estimated Cost \$14.914m
Responsible Officer	:	Alan Ferris Director Corporate Services

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)**KEY ISSUES / SUMMARY**

- The City recognises the COVID-19 pandemic as both a health, social and economic crisis.
- The City recognises the impact it is having on Melville households and businesses and has the financial capacity to provide assistance at this time.
- The stimulus packages being provided by the Federal and State Government are acknowledged.
- This report details a proposed City of Melville specific Stimulus Package for our Community.
- The Melville Community Stimulus Package has been developed to provide immediate relief in 2019-2020, identifies the proposed parameters for the development of the 2020-2021 Annual Budget and outlines current and future economic recovery actions.
- The package is proposed with due consideration to the City's current and future financial sustainability.
- A Hardship Policy has been developed by WALGA and the City is reviewing this for Council consideration at a future meeting.

BACKGROUND

The City of Melville recognises the COVID-19 pandemic as both a health, social and economic crisis, and as such the City recognises the impacts on Melville households and businesses.

Federal and State Governments have announced significant response actions and stimulus packages in the face of the COVID-19 crisis which are welcomed by the City.

The Premier has urged the local government sector to consider the immediate implementation of any initiatives that would provide relief and economic stimulus for local economies, including the provision of financial support and relief to households and businesses.

The City administration has developed a proposed Melville Community Stimulus Package to complement the response actions being provided by the State and Federal Governments which is being recommended to the Council for consideration and adoption of a final package. The proposed package contains immediate support, adjustments to the 2020-2021 budget parameters and economic recovery actions.

DETAIL

The City's financial strategy is based on sound financial management principles. The Local Government Act requires local governments to operate within an integrated strategic planning framework and to have in place a long term financial plan which demonstrates the City is sustainable over the long term.

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

The City has a strong history of prudent financial management and is positioned well to respond to the COVID-19 crisis.

The 2019-2020 Mid Year Budget review was recently undertaken, with the result being an estimated surplus at 30 June 2020 of \$734,397. The impact of the pandemic over second half of the financial year will however impact on that forecast. The preparation of the 2020-2021 Annual Budget was underway prior to the COVID-19 pandemic. The Council had been briefed on parameters on 10 March 2020.

In light of the current environment, the City's financial position has been reviewed and adjustments are proposed for both the 2019-2020 and 2020-2021 financial years. These adjustments have been termed the Melville Community Stimulus Package and designed to complement the packages being offered by the Federal and State Governments.

The COVID-19 pandemic will have an impact on the community and the wider economy for many years. The package is proposed with due consideration to current and future financial sustainability.

2019-2020 Immediate Actions

Stimulus Option	Comments	Financial Impact	Action
Stop all interest charges on outstanding payments to the City	Stop all interest charges from 1 March to 30 June 2020.	\$80,000	Council Resolution required
Waive any loan repayments for sporting clubs/associations, in Council owned buildings.	Waiving of loan repayments suggested for six months to the end of August 2020.	\$220,000	Council Resolution required
Waive any lease payments and outgoings for not for profits/sporting associations in Council owned buildings.	The City has written to lease holders informing them of a temporary deferment.	\$120,000 six months	Council Resolution required
Waive any lease payments for commercial tenancies in Council owned buildings where hardship can be demonstrated.	The City has written to lease holders informing them of a temporary deferment.	Up to \$1,265,000 for six months	Council Resolution required
Amend parking fees to first hour free all areas	April to June 2020.	\$150,000	Council Resolution required
Weekly payment runs for suppliers instead of fortnightly	Will assist with supplier cash flow	\$0	Implemented
Total		\$1,835,000	

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

2020-2021 Budget Parameters

Stimulus Option	Comments	Financial Impact	Actions
Reduction in Rates payable for 2020-2021	<p>Flat rate reduction for residential properties \$200 for Improved \$165 for Unimproved</p> <p>Commercial 10% reduction for all properties</p> <p>Propose to show as a concession on the Rates Assessment.</p> <p>The Rate base would revert back to the 2019-2020 base in 2021-2022 subject to revaluations.</p>	<p>Residential concession = \$8,132,935</p> <p>Commercial concession = \$1,822,579</p> <p>Total = \$9,955,514</p> <p>With additional growth properties estimate of \$10 million</p>	<p>Resolution for adoption in budget</p> <p>WALGA have sought State Government approval to delay the GRV due in 2020-2021 to 2021-2022</p>
No increase in fees and charges	The fees and charges to remain at 2019-2020 values	\$ 240,000	Resolution for adoption in budget
Financial Grant support payment for clubs/associations	<p>One off cash payment to 100 plus clubs and associations to assist with cash flow.</p> <p>Need to determine equitable method i.e. small, medium, large (based on criteria)</p>	Total Package of up to \$750,000	<p>Need to consider State Government support announced 30 March 2020.</p> <p>Resolution for adoption in budget</p>
Reduce penalty interest on rates payment or underground power charges	<p>Current 8% for rates and 4% for Underground Power.</p> <p>Reduce to 2% for both to provide some level of incentive</p>	\$320,000	Resolution for adoption in budget.
Allow flexible payments of rates with no instalment administration fee and reduced penalty interest (2%)	<p>Current administration fee is \$17.50 for paying in 4 instalments.</p> <p>Reduce this to nil.</p> <p>Reduce penalty interest to 2%.</p>	\$430,000	Resolution for adoption in budget

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

Stimulus Option	Comments	Financial Impact	Actions
No surcharges for payment by credit card	Credit card surcharge is 0.6%. Reduce this to nil.	\$200,000	Resolution for adoption in budget
Amend parking fees to first hour free all areas	Applies to whole financial year	\$700,000	Council Resolution required
Reduce Property Surveillance and Security Service Charge	Lower the annual charge by \$10 per resident. Community Surveillance and Security Reserve balance at 30 June 2019 was \$653,000.	\$411,000 based on est. 42,000 properties	Resolution for adoption in budget
Reduce Private Swimming Pool inspection fees	\$10 lower than 2019-2020 fee.	\$ 28,000	Resolution for adoption in budget
Hardship Policy	A Hardship Policy to be developed to ensure fair, equitable, consistent and dignified support to ratepayers suffering hardship.		Resolution for adoption in budget
Total		\$13,079,000	
GRAND TOTAL		\$14,914,000	

Economic Recovery

The City's focus has been on the health of our staff and our community and planning to ensure the City can continue to deliver essential services during this challenging time. The closure of our much used public facilities including libraries, community centres, LeisureFit centres, our playgrounds and organised sporting clubs has and will have a long lasting impact on our community's well-being.

With most of our key buildings closed, there is now an opportunity for the business to adjust and complete high priority maintenance and capital work. As such the capital works and maintenance programs are being reviewed to identify appropriate projects and maintenance opportunities that can be brought forward. This may mean repackaging items of work so that those sectors of the market can respond to the opportunity. An example would be the work on the 25m and 50m pools and the HVAC system at LeisureFit Booragoon. Ideally, these works would be commenced while the facility is shut so all or part of this project can be completed.

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

The City is also reviewing existing projects and identifying those which can be fast tracked and/or progressed, to be shovel ready when the market has recovered and there is greater capacity and certainty. There may also be an opportunity to link in with other Government funding stimulus packages if the City has shovel ready projects.

Given the uncertainty, the draft Annual Budget for 2020-2021 will be presented with a focus on work on our facilities that can be fast tracked in line with the capacity of the market to respond. Given most of the capital will be funded from the City's reserves funds it can be brought forward if required.

It is acknowledged that the City can play a significant role in assisting in the economic recovery of the City and the State economy, by creating jobs and activity through its capital works and maintenance programs, as well as supporting small business by working with key agencies and partners more intensively to help with business recovery needs

The economic recovery needs to be considered in the context of the financial support identified and agreed. The City will need cash flow to support all three phases of financial support to our community.

Despite the current pressures and focus, we are also planning for the end of this current crisis and the reopening of these facilities (even though this may be some time till this happens). Our facilities are critical to social connection and community well-being and will play a very important role in the overall community recovery. This reopening and bringing back on line of facilities will need a considered approach as we bring services and staff back to the business.

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

The City is receiving considerable community feedback regarding the financial impact on households and business. While there has been no formal community engagement, the sentiment of the community has been considered in the preparation of this report.

II. OTHER AGENCIES / CONSULTANTS

The Western Australian Local Government Association (WALGA) held a State Council Meeting on 27 March 2020 and resolved the following:

1. Notes the significant contribution of Local Governments in supporting their communities through the COVID-19 pandemic from a financial, economic, community and social perspective.
2. Requests each Local Government give consideration to the following suite of actions, for Local Governments with the capacity to do so, to provide a coordinated and consistent response to the COVID-19 pandemic:
 - a) Consider not increasing rates for the 2020-21 financial year
 - b) Adoption of the WALGA template rates hardship policy by Local Governments that do not currently have a policy
 - c) Consider rate relief options to support small businesses affected by the COVID-19 pandemic

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

- d) Review fees and charges considering whether fees can be reduced, waived or deferred during the COVID-19 pandemic
 - e) Bring forward capital works and infrastructure spending with aggressive application of reserves and borrowing
 - f) Prioritise Local Government spending with businesses and contractors located within the Local Government
 - g) Implement business friendly payment terms to support business cash flow
 - h) Consider supporting Community sporting and cultural groups by either establishing grant programs or waiving fees and charges
 - i) Redeploy staff affected by facility closures to tasks that support the community
3. Notes the State Government is urgently drafting legislative and regulatory amendments to support the actions outlined in point 2 above
4. Notes the advocacy for the following:
- a) An increase in Local Government borrowing capacity beyond current Western Australian Treasury Corporation borrowing limits
 - b) Suspension of the Western Australian Treasury Corporation's borrowing guarantee charge of 0.7 percent on top of the loan interest rate for the 2020-2021 financial year
 - c) No increase to street lighting and utility tariffs in 2020-2021
 - d) Deferral of triennial Gross Rental revaluations due to take effect from the 2020-2021 financial year
 - e) Request the Office of the Auditor General to cease performance audits for the 2020-2021 financial year
 - f) Freezing of the waste levy for the 2020-2021 financial year

STATUTORY AND LEGAL IMPLICATIONS*Local Government Act 1995***1.3. Content and intent**

Section 1.3 (3) In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity.

3.1. General function

(1) The general function of a local government is to provide for the good government of persons in its district.

Divisions 5 and 6 of the *Local Government Act 1995* refer to the setting of budgets and the raising of rates and charges and fees and charges.

FINANCIAL IMPLICATIONS

There are a number of options to fund the Melville Community Stimulus Package as noted in the body of this report.

The City has been reviewing the 2019-2020 financial position to determine potential savings in addition to the \$734,397 identified during the Mid Year Budget Review.

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

The City operates a number of cash backed reserves and it is proposed to draw down on these reserves to fund the majority of the Melville Community Stimulus Package. As at 30 June 2019 the City had cash backed reserves of \$157m. The transfer of funds from reserves must align with the purpose of individual reserves. However, Council have the ability to amend the purpose of reserves.

Four key reserves have been identified as funding options:

- a) **Rates Equalisation Reserve** – purpose is to temporarily retain any surplus carried forward funds as shown in the audited Annual Financial Report Rate Setting Statement in excess of the estimated surplus funds brought forward amount identified in the following years Annual Budget Rate Setting Statement to subsequently be used to reduce the need to raise rates in future years or to meet any budget shortfalls identified during budget reviews.

Estimated reserve balance 30 June 2020 \$5.7m with a proposed transfer from reserve of approximately \$5.7m.

- b) **Risk Management Reserve** – purpose is to fund prior years insurance premium contingencies, the self insured element of insurance claims, risk reduction initiatives or projects and any losses arising from investment activities.

A change in reserve purpose will be required to be adopted by Council.

Estimated reserve balance 30 June 2020 \$7.1m with a proposed transfer from reserve of approximately \$7.1m.

- c) **Private Swimming Pool Inspection Fee Reserve** – purpose is to temporarily retain any surpluses that may arise from the Swimming Pool Inspection fees to be used to offset any deficits that may occur in future years operations of the Private Swimming Pools Inspection Program.

Estimated reserve balance 30 June 2020 \$154,000 with a proposed transfer from reserve of approximately \$28,000.

- d) **Community Surveillance and Security Reserve** – purpose is to temporarily retain any surpluses that may arise from the Property Surveillance and Security Service Charge to be used to offset future years Property Surveillance and Security Service Charges or for the purchase of plant and equipment used for community surveillance and security services.

Estimated reserve balance 30 June 2020 \$684,000 with a proposed transfer from reserve of approximately \$411,000.

Many of the other cash backed reserves are used to fund the maintenance and replacement of key infrastructure assets. These reserves will be used to fast track projects outlined to aid with economic recovery. The value of these works is yet to be determined.

The total funded allocation from these four reserves for the Melville Community Stimulus Package is \$13,365,000. The balance of the package of \$1,549,000 will be funded from operational savings in 2019-2020, savings in the 2020-2021 budget or reduced funds to be set aside for reserves.

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

The Melville Community Stimulus Package is a significant financial commitment by the City. The removal of interest charges will present some cash flow risks to the City which will need to be managed. The economic recovery phase may also require the bringing forward of expenditure and cash flow that would otherwise be targeted for future years.

The Melville Community Stimulus Package will provide much needed support to the community and assist in improving the overall community well being.

POLICY IMPLICATIONS

Current Council Policy CP-008 Financial Sustainability – Forward Financial Planning and Funding Allocation states the need to plan for the current and future needs of its citizens in a socially, culturally, environmentally and financially sustainable manner.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The City could do nothing, however this is not considered appropriate.

The three stages and options outlined in this report are consistent with the response from other local governments. It is considered appropriate for the City to use its financial capacity to support the range of initiatives outlined in the report.

CONCLUSION

Covid-19 is a significant health, social and economic crisis that will have a long lasting impact on the local community, the State and Federal governments and the world community and economy.

The City has operated within strong financial principles and has the financial capacity to support our community now through the Melville Community Stimulus Package.

The Melville Community Stimulus Package provides a financially responsible approach to the crisis and positions the City play a strong role in the economic recovery phase.

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)**OFFICER RECOMMENDATION (6176)****APPROVAL**

At 6:55pm Cr Fitzgerald moved, seconded Cr Mair –

1. That the Council notes the report and the financial implications of the Melville Community Stimulus Package which is estimated at \$14.914m.
2. That the Council by Absolute Majority approves the 2019-2020 immediate actions being:
 - a) Stop all interest charges from 1 March to 30 June 2020 on outstanding payments to the city;
 - b) Waive any loan repayments for sporting clubs and associations, in council owned buildings for 6 months ending August 2020;
 - c) Waive any lease payments and outgoings for not for profits/sporting associations in council owned buildings for 6 months ending August 2020;
 - d) Waive any lease payments for commercial tenancies in Council owned buildings where hardship can be demonstrated for 6 months ending August 2020 ; and
 - e) Amend parking fees to first hour free in all areas
3. That the Council approves by Absolute Majority the 2020-2021 Budget Parameters being:
 - a) The proposed reduction in rates payable for 2020-2021 facilitated through rates concessions of \$200 for all general rates for improved properties, \$165 for general rates for unimproved properties and 10% reduction in commercial rates based on 2019-2020 valuations;
 - b) No increase in fees and charges;
 - c) Amend parking fees to first hour free in all areas;
 - d) Financial grant support payment for clubs/associations with the total package to be up to but no more than \$750,000;
 - e) Reduce penalty interest on rates payments and underground power to 2%;
 - f) Supporting flexible payments of rates by removing instalment administration fee and reducing the penalty interest to 2%;
 - g) Removing surcharges for payment by credit card;
 - h) Reduction in the property surveillance and security service charge of \$10.00; and
 - i) Reduction in private swimming pool inspection fees of \$10.00.

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

4. That the Council notes the planning regarding the economic recovery and the focus on work for the City facilities.
5. That the Council note that the Risk Management Reserve purpose will need to be amended as part of the 2020-2021 budget adoption.
6. That the Council note that a Hardship Policy will be presented as part of the 2020-2021 budget adoption.

Procedural Motion

At 6:56pm Cr Sandford moved, seconded Cr Pazolli –

That the matter be deferred to the Ordinary Meeting of Council scheduled to be held 21 April 2020.

At 7:07pm the Mayor declared the motion

LOST (4/8)

Vote on Deferral	
Cr Barton	Yes
Cr Kepert	Yes
Cr Pazolli	Yes
Cr Sandford	Yes
Cr Fitzgerald	No
Cr Macphail	No
Cr Mair	No
Cr Robartson	No
Cr Robins	No
Cr Wheatland	No
Cr Woodall	No
Mayor Gear	No

At 6:57pm Mr Hitchcock left the meeting and returned at 6:59pm.

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)**Amendment 1****COUNCIL RESOLUTION**

At 7:12pm Cr Pazolli moved, seconded Cr Robartson –

That point 3 of the Officer Recommendation be amended by deleting the words:

- **“That the Council approves by Absolute Majority the 2020-2021 Budget Parameters being”**

and replacing them with

- **“That the Council directs the CEO to prepare the 2020-2021 Budget on the basis of the following budget parameters”**

At 7:26pm the Mayor declared the motion

CARRIED UNANIMOUSLY (12/0)

Amendment 2**COUNCIL RESOLUTION**

At 7:26pm Cr Woodall moved, seconded Cr Robartson –

That the Council amend Officer Recommendation 6176 by inserting a new part 7 as follows:

- “7. **That the Council directs the Chief Executive Officer to investigate the feasibility of waiving (partially or fully) all licensing fees payable by small businesses to the City as part of the 2020-2021 budget.”**

At 7:33pm the Mayor declared the motion

CARRIED UNANIMOUSLY (12/0)

Reasons for the Amendment provided by Cr Woodall

1. Many cafes, restaurants and other small businesses across the City are experiencing a significant decrease in trade and revenue as a result of the COVID-19 pandemic.
2. The City currently charges a number of licensing fees to small businesses, particularly for those that sell food and/or liquor. These fees are charged upfront for a 12-month period.
3. The Director of Corporate Services has advised me that a partial or full waiver of licensing fees for these businesses might cost approximately \$100,000 to \$300,000 in 2020-2021.
4. Given the next payment of licensing fees would occur in the second half of this year, I believe it is appropriate that we consider whether these fees could be waived as part of the 2020-2021 budget.

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

Amendment 3

COUNCIL RESOLUTION

At 7:33pm Cr Wheatland moved, seconded Cr Robins –

That the Council amend the Officer Recommendation 6176 by inserting a new part 8 as follows:

- 8. a) That the Council directs the Chief Executive Officer to investigate the feasibility of supporting the Casual employees from the City of Melville Facilities, that have had their employment impacted by COVID-19, through redeployment, partial or full subsidies to maintain their jobs, in line with the Federal Government’s JobKeeper package, that was not extended to Local Governments.**
- b) That all levels of government be approached with regard to federal government initiatives in relation to extending the financial assistance to local government.**

At 8:01pm the Mayor declared the motion

CARRIED (11/1)

Vote on Amendment	
Cr Barton	Yes
Cr Fitzgerald	Yes
Cr Pazolli	Yes
Cr Macphail	Yes
Cr Mair	Yes
Cr Sandford	Yes
Cr Robartson	Yes
Cr Robins	Yes
Cr Wheatland	Yes
Cr Woodall	Yes
Mayor Gear	Yes
Cr Kepert	No

Reasons for the Amendment provided by Cr Wheatland

1. The City of Melville is committing to Residents and ratepayers, businesses and permanent staff, and this crisis is impacting everyone. The casual workers that are with the City of Melville will become victims of this crisis and we need to do our best to support everyone within our City that is impacted by this pandemic.
2. Local Governments have been denied the same support that the Federal Government has offered to all other employers, and it’s not our job to discriminate against how a person employed in a recreation centre or a child care centre is different to any other employee who has had their workplace temporarily closed due to social distancing restrictions.
3. All Councils have been told to keep staff in employment to help maintain spending and activity in local economies and here we see a significant group that would likely not be accommodated. In supporting these group of workers we would be also helping to support the local economy and would assist our communities in the recovery phase of COVID-19.
4. The city is in a good financial position and is well placed to support those who cannot access financial support from State or Federal governments.

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

Amendment

At 8:02pm Cr Robins moved, seconded Cr Wheatland –

That the Council amend part 3a of Officer Recommendation C20/6176 to read as follows:

- a) **The proposed reduction in rates payable for 2020-2021 facilitated through a rates reduction of 10% for all general rates for improved properties with a minimum concession of \$200, 10% for general rates for unimproved properties with a minimum concession of \$165, and 10% reduction in commercial rates based on 2019-2020 valuations;**

At 8:17pm the Mayor declared the motion

LOST (1/11)

Vote on Amendment	
Cr Robins	Yes
Cr Barton	No
Cr Fitzgerald	No
Cr Kepert	No
Cr Pazolli	No
Cr Macphail	No
Cr Mair	No
Cr Sandford	No
Cr Robartson	No
Cr Wheatland	No
Cr Woodall	No
Mayor Gear	No

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

At 8:14pm Cr Wheatland left the meeting and returned at 8:15pm.

At 8:30pm during discussion and debate the mover and the seconder consented to the inclusion of “31” before the word “August” in points 2 b), c) and d).

Substantive Motion as Amended**COUNCIL RESOLUTION (6176)****APPROVAL**

At 6:55pm Cr Fitzgerald moved, seconded Cr Mair –

1. **That the Council notes the report and the financial implications of the Melville Community Stimulus Package which is estimated at \$14.914m.**
2. **That the Council by Absolute Majority approves the 2019-2020 immediate actions being:**
 - a) **Stop all interest charges from 1 March to 30 June 2020 on outstanding payments to the city;**
 - b) **Waive any loan repayments for sporting clubs and associations, in council owned buildings for 6 months ending 31 August 2020;**
 - c) **Waive any lease payments and outgoings for not for profits/sporting associations in council owned buildings for 6 months ending 31 August 2020;**
 - d) **Waive any lease payments for commercial tenancies in Council owned buildings where hardship can be demonstrated for 6 months ending 31 August 2020 ; and**
 - e) **Amend parking fees to first hour free in all areas**
3. **That the Council directs the CEO to prepare the 2020-2021 Budget on the basis of the following budget parameters:**
 - a) **The proposed reduction in rates payable for 2020-2021 facilitated through rates concessions of \$200 for all general rates for improved properties, \$165 for general rates for unimproved properties and 10% reduction in commercial rates based on 2019-2020 valuations;**
 - b) **No increase in fees and charges;**
 - c) **Amend parking fees to first hour free in all areas;**
 - d) **Financial grant support payment for clubs/associations with the total package to be up to but no more than \$750,000;**

C20/6176 – MELVILLE COMMUNITY STIMULUS PACKAGE (AMREC)

- e) Reduce penalty interest on rates payments and underground power to 2%;
 - f) Supporting flexible payments of rates by removing instalment administration fee and reducing the penalty interest to 2%;
 - g) Removing surcharges for payment by credit card;
 - h) Reduction in the property surveillance and security service charge of \$10.00; and
 - i) Reduction in private swimming pool inspection fees of \$10.00.
4. That the Council notes the planning regarding the economic recovery and the focus on work for the City facilities.
 5. That the Council note that the Risk Management Reserve purpose will need to be amended as part of the 2020-2021 budget adoption.
 6. That the Council note that a Hardship Policy will be presented as part of the 2020-2021 budget adoption.
 7. That the Council directs the Chief Executive Officer to investigate the feasibility of waiving (partially or fully) all licensing fees payable by small businesses to the City as part of the 2020-2021 budget.
 8.
 - a) That the Council directs the Chief Executive Officer to investigate the feasibility of supporting the Casual employees from the City of Melville Facilities, that have had their employment impacted by COVID-19, through redeployment, partial or full subsidies to maintain their jobs, in line with the Federal Government's JobKeeper package, that was not extended to Local Governments.
 - b) That all levels of government be approached with regard to federal government initiatives in relation to extending the financial assistance to local government.

At 8:31pm the Mayor declared the motion

CARRIED UNANIMOUSLY (12/0)

At 8:25pm Mr Hitchcock left the meeting and returned at 8:25pm.

At 8:33pm Mayor Honourable George Gear conducted a roll call at the conclusion of the meeting and confirmed the following Elected Members were still in attendance.

Mayor Honourable G Gear, Cr N Pazolli (Deputy Mayor), Cr S Kepert, Cr D Macphail, Cr N Robins, Cr C Robartson, Cr M Woodall, Cr J Barton, Cr K Mair Cr M Sandford, Cr T Fitzgerald, Cr K Wheatland.

12. CLOSURE

There being no further business to discuss, Mayor Honourable George Gear declared the meeting closed at 8:33pm.