

MINUTES

OF THE

SPECIAL MEETING OF COUNCIL

HELD ON

WEDNESDAY, 26 JUNE 2013

AT 6.30PM IN THE COUNCIL CHAMBERS

MELVILLE CIVIC CENTRE

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.

CONTENTS PAGE

	Item Description	Page Number
C13/6060	Consideration and Adoption of 2013/2014 Budget	4



MINUTES OF THE SPECIAL MEETING OF COUNCIL HELD IN THE COUNCIL CHAMBERS, MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6.30PM ON WEDNESDAY, 26 JUNE 2013.

1. OFFICIAL OPENING

The Presiding Member welcomed those in attendance to the meeting and declared the meeting open at 6.30pm. Mr N Fimmano, A/Governance & Compliance Program Manager, read aloud the Disclaimer that is on the front page of these Minutes and then His Worship the Mayor, R Aubrey, 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 Standing Orders to ensure the efficient, effective and orderly decision making within this forum.

2. PRESENT

His Worship the Mayor R Aubrey

COUNCILLORS

Deputy Mayor D Macphail
Cr A Nicholson
Cr R Willis, Cr C Robartson
Cr P Reidy
Cr J Barton, Cr S Taylor-Rees
Cr N Foxtton
Cr R Hill

WARD

City
City
Bull Creek/Leeming
Applecross/Mount Pleasant
Bicton/Attadale
University
Palmyra/Melville/Willagee

3. IN ATTENDANCE

Dr S Silcox	Chief Executive Officer
Mr M Tieleman	Director Corporate Services
Ms C Young	Director Community Development
Mr J Christie	Director Technical Services
Mr S Cope	Director Urban Planning
Ms K Johnson	Executive Manager Organisational Development
Mr L Hitchcock	Executive Manager Legal Services
Mr B Taylor	Manager Information, Technology & Support
Ms D Whyte	Senior Management Accountant
Mr N Fimmano	A/Governance & Compliance Program Manager
Ms D Beilby	Minute Secretary

At the commencement of the meeting there were no members of the public and one member from the Press in the Public Gallery.

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

Cr N Pazolli – Applecross/Mount Pleasant

4.2 APPROVED LEAVE OF ABSENCE

Cr R Kinnell – Palmyra/Melville/Willagee Ward
Cr M Reynolds – University Ward

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

Nil.

7. CONFIRMATION OF MINUTES**7.1 NOTES OF SPECIAL AGENDA BRIEFING FORUM – 18 JUNE 2013**
Notes 18 June 2013**COUNCIL RESOLUTION**

At 6.33pm Cr Macphail moved, seconded Cr Willis -

That the Notes of the Special Agenda Briefing Forum held on Tuesday, 18 June 2013, be received.

At 6.33pm the Mayor submitted the motion, which was declared

CARRIED (10/0)

8. DECLARATIONS OF INTEREST**8.1 FINANCIAL INTERESTS**

Nil.

8.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

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**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)**

At 6.34pm Cr Reidy moved, seconded Cr Foxton -

That the following email forwarded to Elected Members from the Chief Executive Officer on 25 June 2013 relating to Item C13/6060 – Consideration and Adoption of the 2013/2014 Budget, be tabled, in accordance with Clause 9.11 of the Standing Orders Local Law - Tabling of Documents, and be included in the Minutes of this meeting.

At 6.34pm the Mayor submitted the motion, which was declared

CARRIED (10/0)

“I wish that this e-mail be tabled at the Budget Special meeting so that it becomes part of the officer’s report.

As discussed by officers on numerous occasions the process of amending the budget significantly at the last minute is a poor process which lacks rigour as it fundamentally changes Council’s adopted Policy positions (CP-008 Financial Sustainability – Forward Financial Planning and Funding Allocation Policy [Clause 1.7], CP-024 Asset Financing and Borrowing Policy), the adopted Long Term Financial Plan and the adopted Community and Corporate Plan objectives.

Additionally, the Budget would be delayed, causing potential revenue impacts, as we would need to run the modelling to determine the appropriate Schedules, rates in the dollar, etc, stated in the Budget Papers and Council would need to reconvene at some later stage to adopt the revised Budget.

The Budget is built on the City’s Community and Strategic Plans, Policy positions, Capital Programmes, service levels, etc, as well as prior input and prioritisation by Council over a period of months. There are no material change in circumstances to any of the Plans and Strategies which would reasonably prompt such late notice of the proposed amendments. I am mindful of the Department of Local Government’s Integrated Planning Framework, adhered to by the City, which is geared to logical decision making process leading from community planning to the final adoption of the annual budgets.”

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)**

Ward	:	All
Category	:	Operational
Subject Index	:	Budget Estimates Operational and Forward Works Programme
Customer Index	:	Impacts on all Ratepayers of the City of Melville
Disclosure of any Interest	:	The responsible officer and Elected Members 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	:	Item C12/6047 – Special Meeting of the Council 26 June 2012 – Consideration and Adoption of the 2012/2013 Budget
Works Programme	:	As per 2013/2014 budget document
Funding	:	As per 2013/2014 budget document
Responsible Officer	:	Marten Tieleman 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>

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****KEY ISSUES / SUMMARY**

The 2013/2014 Budget Document is presented for consideration and adoption by Council.

BACKGROUND

The City of Melville is required to prepare an Annual Budget in accordance with the Local Government Act 1995 and the Financial Management Regulations. The purpose of an Annual Budget, in simplistic terms, is to outline the various revenue and expenditure streams and set the required rating levels to achieve a balanced and sustainable financial position. The 2013/14 Budget has been prepared with a slightly different focus compared to other years with a stronger linkage with the Long Term Financial Plan (LTFP). The LTFP was adopted by the Council in December 2012 and aligning the Budget with this Plan ensures income and expenditure levels are set with reference to both current and future needs.

DETAIL

The City of Melville commenced its formal Budget preparation in February 2013 with input from key officers from the various service areas. Budget practices and processes continue to evolve each year and the 2013/14 Budget was no exception. As a result of the adoption of the Long Term Financial Plan, the Budget was prepared with greater acknowledgment of longer term financial sustainability. The Budget was also prepared with consideration and review of the Corporate Plan (2012-2016) by Council and no key changes to the Corporate Plan were identified. A number of briefing sessions were held with Elected Members during the process to provide documents such as the Corporate Plan, other updates, discuss current issues and provide opportunity for feedback.

The 2013/14 Budget has been finalised in a balanced position, with the support of \$1.8m opening funds from the 2012/13 financial year. To arrive at a balanced position is never an easy task when trying to minimise the impact on ratepayers whilst maintaining service levels and ensuring intergenerational equity.

It should however be noted that the 2013/14 Budget does not provide for the appropriate level of asset renewal funding as determined by Asset Management Plans (and as forecast in the Long Term Financial Plan). The current situation where new assets are being funded from funds which should be set aside for the renewal of existing assets is not sustainable in the long term as it means that the funds will not be available for the renewal of depreciating assets in the future. Adding new assets also increases the maintenance and future renewal liability by increasing the City's asset base.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)**

The Budget Book [6060A June 2013](#) outlines key information including:

- A Budget overview;
- A comparison to the Long Term Financial Plan;
- Detailed Rating information;
- Budget in a Statutory format as per legislation and regulations;
- Information on other charges such as the Waste levy, Security levy etc;
- A schedule of Fees and Charges;
- Operating Income and Expenditure schedules by service area;
- Capital Income and Expenditure schedules by service area;
- Reserve levels and proposed transfers.

[6060B June 2013](#) provides an alternate Rate Setting Statement, showing the impact on Rate revenue should Federal Assistance funding be treated differently. This has also been outlined under the 'Alternate Options' section of this report.

[6060C June 2013](#) provides a Ratepayer Profile for the City.

[6060D June 2013](#) provides details, including Objects and Reasons, supporting the City's differential rate.

PUBLIC CONSULTATION/COMMUNICATION

Whilst no specific public consultation has taken place in regards to the 2013/2014 Budget, community consultation has occurred for a number of the major projects identified within the budget document. A notice of intention to impose differential rates was also advertised in the Melville Times on Tuesday, 7 May 2013 and the 21 day public comment period ended on Tuesday 28 May 2013. No formal comments were received.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

- Fire and Emergency Services Agency with respect to the Emergency Services Levy;
- Landgate (The Valuer General) in relation to the Gross Rental Valuations used as a basis for calculation of Municipal General and Specified Area Rates;
- Office of Energy and Western Power with respect to Underground Power Projects.
- Southern Metropolitan Regional Council (SMRC) in relation to the Waste Disposal operation run by them on behalf of the City and four other local authorities.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****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.

The 2013/2014 budget as presented is considered to meet these statutory obligations.

FINANCIAL IMPLICATIONS

Specific financial implications are as detailed in the forgoing Detail section of this report and the attached 2013/2014 budget document. Implications for Melville ratepayers will include:-

- Various increases in the levels of user fees and charges as detailed in the 2013/2014 Fees and Charges Schedule.
- An increase in the residential general improved rate in the dollar from 5.0961 cents (2012/2013) in the dollar of gross rental value to 5.401866 cents in the dollar in 2013/2014. A 6% increase in the minimum rate from \$658.00 to \$697.50;
- An increase in the residential unimproved rate in the dollar from 6.4224 cents (2012/2013) in the dollar of gross rental value to 6.807744 cents in the dollar in 2013/2014. A 6% increase in the minimum rate from \$658.00 to \$697.50;
- An increase in the commercial/industrial rate in the dollar from 5.9649 cents (2012/2013) in the dollar of gross rental value to 6.322794 cents (2013/2014) and the minimum rate from \$771.00 to \$817.30 reflecting a 17% differential to the residential rates in the dollar and minimum.
- An Underground Power Service Charge of \$1,210 to recover the cost of cash calls in the 2013/2014 financial year for the North Attadale Underground Power project area.
- An Underground Power Service Charge to recover the cost of internal property connections to the new underground power network in the Attadale North Underground Power project area. This charge is only charged where a suitable connection does not currently exist and the charge amount will vary depending on the extent of works to be undertaken.
- A \$24.50 increase in the domestic refuse charges from \$379 to \$403.50 pa with the council funded pensioner's residential refuse rebate maintained at \$40.00 pa upon full payment of the charge by 30 June 2014.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)**

- The Community Security & Liaison Service Charge has increased from \$50.00 to \$51.20.
- The Swimming Pool Inspection Fee has increased from \$27.00 to \$33.40 per annum inclusive of GST.
- Maintaining the charge for payment by instalments at \$16.00 per annum;
- Maintaining an instalment interest charge of 4%;
- Maintaining the Credit / Debit Card Surcharge Fee which is used to offset bank fees associated with credit card payments by ratepayers at 0.70% including GST.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement	Level of Risk	Risk Mitigation Strategy
Insufficient budget funding achieved to carry out works & services and maintain the City's assets.	Major consequences which are almost certain, resulting in a High level of risk.	Ensure sound Financial policy positions are adopted by Council and that the consequences of insufficiently funding the City's operations are well understood.
An excessive quantum of funding is requested by some officers and directed towards areas of expenditure that are not a priority of the Community and Council or a Technical or Statutory requirement.	Minor consequences which might occur at some stage, resulting in a Medium level of risk.	Ensure budget development process is sound & subject to independent review by all Managers, Finance & Council.

POLICY IMPLICATIONS

The budget has been developed on the principles outlined in Council's policies CP-008 Financial Sustainability – Forward Financial Planning and Funding Allocation Policy and CP-024 Asset Financing and Borrowing Policy, and CP-025 Accounting Policy.

Variation from policy CP-008 has occurred in respect to policy clause 2.2 in that the Annual 2013/2014 Budget does **not** include a two year budget.

Variation from policy CP-025 has occurred with respect to interest earned on Reserve funding. A 50% share of the interest earned on the balance of the Land and Property Reserve has been budgeted to remain within the Municipal fund. Should the alternate Rate Setting Statement as shown in [6060B June 2013](#) be adopted this would not occur.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

Council may choose to adopt a rate increase of greater or less than the recommended amounts however in doing so it would need to identify which Operating Programme it wishes to see amended or what Capital Works it wishes to be added to or does not wish to proceed with. In regards to the Capital Works Programme, reductions in the quantum of the programme are likely to result in a deferment of expenditure to future years at an increased cost and a further exacerbation of Council's asset management deferred liability. The projects presented to Council for funding are considered to be the priority projects however there are many more that are also worthy of funding that could be suggested for inclusion should others be removed. Council needs to maintain and improve the level of asset refurbishment and renewal funding that will enable it to refurbish and renew its assets when they reach the end of their useful lives and will need to build reserves to enable it to do so.

An increase or decrease of 1% of rates equates to approximately \$561,000.

Clause 1.7 of Council Policy CP-008 Financial Sustainability – Forward Financial Planning And Funding Allocation states as follows:

In view of the potential risk of significant reductions in untied government grants, such as the Federal Governments Financial Assistance Grant (FAG), due to redistribution to other less financially sustainable local authorities, the City of Melville will seek to reduce it's reliance on such grants to fund its day to day operations and maintenance requirements. This will be achieved over time as funds permit by ensuring such funds are earmarked to finance the cost of non-recurrent projects or by transferring them to an appropriately designated cash backed reserve account. Such reserves will then be used to purchase investments or fund revenue earning projects that will assist the City to reduce it's reliance on rate revenue by using some or all of the returns on those investments or revenue earning projects to fund current operations. This principle recognises that untied grants may be of a temporary nature and that in order to ensure financial sustainability, it would be prudent for the City to maximise its capacity to fund its current operations using own source revenue. The untied roads portion of the Federal Assistance Grant will however be used solely to maintain or renew roads infrastructure as that portion of the grant is calculated with reference to the City's road network and maintenance needs. That the proposed council budget be presented to the Council with the untied FAG Funds applied to reserve accounts as per this clause and that an alternative budget proposal option to be presented with the untied FAG Funds applied to the current budget operational or capital expenditures. The Council can then decide on the appropriate budget to adopt;

Rate setting statements showing the two different treatments requested to be applied by Council are attached [6060B June 2013](#).

Should the \$1.5 million ear marked to be transferred to the Land & Property Reserve be applied to reducing general rates, the current reduction in interest being credited to the Reserve would also need to cease. This would have the estimated net impact of reducing total rate revenue by \$1.085m or 1.94% and if applied evenly across all classes of differentially rated properties would result in improved residential properties rate revenue reducing by \$801,307, vacant residential land by \$29,387 and commercial land and properties by \$254,306.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)**

This adjustment would have a one off impact in the 2013/2014 financial year in respect to the reduction of rates and should the practice be reversed in the following year the resultant increase would equate to over 1.94% of rates before any other cost increases are provided for.

CONCLUSION

In accordance with the principles expressed in the Long Term Financial Plan (except for the instances highlighted in the previous commentary), the 2013/2014 Budget has been drafted with a long term view of the needs of the City and its residents in mind. A lower level of rate increase could jeopardise the future financial sustainability of the City of Melville or the continuing delivery of services. The City of Melville believes that its community is best served by making long term decisions that take into account the real impacts of rising costs in order to ensure current residents pay an equitable contribution towards the consumption of services and future residents are protected from price shocks, asset failure or reduction of services which would arise if this approach was not taken.

The Budget has been achieved without resorting to loan borrowings.

It should be noted however that the budget has been balanced using funds brought forward from prior years of \$1.8m which have been achieved either through the achievement of savings in actual expenditures when compared to budget or through the achievement of revenue increases in excess of the budgeted amounts. Opening funds represent approximately 3.20% of General Rates and in the event that this level of opening funds was not achieved in any one year a rate increase of that amount would be required simply to maintain status quo. In addition to that rate increases would be required to cover the impact of cost increases which are inevitable. Alternatively the City would be required to significantly curtail services or programs.

Reductions in the level of rate increase, whilst possible using short term measures such as deferment of asset maintenance or renewal, is not recommended as this simply creates a greater financial burden for future generations. Such action would also be a departure from Council policy CP-008 and the good governance provisions of the Local Government Act 1995 referred to earlier in this report. Evidence is also emerging that decisions taken by other local or state authorities in past years to impose rate increases pegged to the Consumer Price Index (CPI), has now resulted in them now being required to pass on successive rates or charges increases well in excess of CPI.

The 2013/2014 budget is recommended to the Council for approval.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1 Consideration and Adoption of the 2013/2014 Budget (ATTACHMENT)**

The Budget Papers for 2013/2014 form part of the Attachments to the Agenda.
[6060A June 2013](#)

1.1.1. Ratepayer Profile (ATTACHMENT)**6060C June 2013**

The Ratepayer Profile forms part of the Attachments to the Agenda..

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)**NOTING**

At 6.37pm Cr Robartson moved, seconded Cr Reidy -

That the 2013/2014 Ratepayer Profile [6060C June 2013](#) be noted.

At 6.37pm the Mayor submitted the motion, which was declared

CARRIED (10/0)**1.1.2 Differential Rating (ATTACHMENT)****6060D June 2013****Background**

The Local Government Act 1995 outlines procedures by which a local government can impose differential rates.

Detail

Section 6.36 of the Act requires that all local governments, which impose differential rates or a differential minimum, must give prior notice of its intention and invite submissions from electors and ratepayers. Consideration of all submissions is then to be undertaken.

The Act requires that information regarding differential rates be included with the Rate Notice detailing all rates imposed, together with a summary of the Objects and Reasons for those rates.

A Notice of Intention to Impose Differential Rates was advertised in the Melville Times newspaper on Tuesday, 7 May 2013.

A copy of the Notice of Intention to Levy Differential Rates forms part of the Attachments to the Agenda, which was distributed to the Members of the Council on 7 June 2013. The 21 day submission period closed on Tuesday, 28 May 2013 with no submissions having been received by, or subsequent to, the close of business on that date.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.2 Differential Rating (Continued)**

Unless amended by the Council, the proposed rates in the dollar and minimum rates for residential properties for 2013/2014 will be 5.401866 cents in the \$ of GRV (12/13 5.0961 cents) with a minimum rate of \$697.50 (12/13 \$658.00) for all Residential Improved Land and 6.807744 cents in the \$ of GRV (12/13 6.4224 cents) with a minimum rate of \$697.50 (12/13 \$658.00) for all Residential Unimproved Land.

The proposed differential rate for all Commercial / Industrial properties in 2013/2014 is 6.322794 cents in the \$ of GRV (12/13 5.9649 cents) with a minimum rate of \$817.30 (12/13 \$771.00). Note this applies to all improved and unimproved Commercial / Industrial Land.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)**NOTING**

At 6.38pm Cr Macphail moved, seconded Cr Willis -

That the Differential Rating Submissions Report 6060D June 2013 be noted.

At 6.39pm the Mayor submitted the motion, which was declared

CARRIED (10/0)**1.1.3 Adoption of Percentage for Reporting of Material Variances**

Each financial year, a local government is to adopt a percentage or value, calculated in accordance with Australian Accounting Standards, to be used in statements of financial activity for reporting material variances. The level adopted for the year 2012/2013 was 10.0% or \$50,000 whichever is the greater. It is proposed that the level adopted for the reporting of material variances for 2013/2014 should remain the same as in 2012/2013.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)**APPROVAL**

At 6.39pm Cr Foxtan moved, seconded Cr Reidy -

That in accordance with Regulation 34 of the Local Government (Financial Management) Regulations 1996, the level to be used in statements of financial activity in the year 2013/2014 for reporting material variances, be 10% or \$50,000, whichever is the greater.

At 6.39pm the Mayor submitted the motion, which was declared

CARRIED (10/0)

1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges

COMMENT

Before proceeding to the recommendations with respect to the 2013/2014 Budget, it is appropriate to identify requirements of the Local Government Act 1995 in regard to the Budget process.

The following matters require a decision by Absolute Majority:

- Adoption of the Annual Budget
- Granting of discount or other incentives for early payment
- Granting of concessions
- Setting the interest rate on outstanding debts
- Imposing any fees or charges for goods or services other than a service for which a service charge is imposed
- Imposing the General Rate and Differential Rate on rateable land in the district
- Imposing a service charge e.g. Property Surveillance and Security Services and Underground Power network and connection charges.

The Local Government Act 1995 enables service charges to be imposed equally across assessments including non-rateable properties for the purpose of property surveillance, security service and underground electricity.

OFFICER RECOMMENDATION (6060)

ABSOLUTE MAJORITY

At 6.39pm Cr Macphail moved, seconded Cr Robartson -

1. That by Absolute Majority Decision of Council the 2013/2014 Municipal Fund Budget 6060A June 2013 be adopted.
2. That by Absolute Majority Decision of Council the following general rates applicable to the 2013/2014 financial year i.e. for the period 1 July 2013 to 30 June 2014 , be adopted:

All Improved Residential Land

5.401866 cents in the dollar of gross rental value applicable to each property, residence, unit, strata, location or other residential property subject to a minimum rate of \$697.50 per assessment;

All Unimproved Residential Land

6.807744 cents in the dollar of gross rental values applicable to each property, location or other piece of land subject to a minimum rate of \$697.50 per lot;

Note: - Residential Land includes general residential, duplex, multi-unit, residential strata properties and Homeswest properties.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges
(Continued)**

**All Commercial/Industrial Land including Strata Storage Units
6.322794 cents in the dollar of gross rental values applicable to
each assessment, lot, location, strata, or other piece of land
subject to a minimum rate of \$817.30 per assessment;**

**Note: - Commercial/Industrial land includes general industrial,
commercial including retail, professional and office uses, service
station, hotel / tavern, TAB and hospitals.**

3. That by Absolute Majority Decision of Council

**Properties included in the North Attadale Underground Power
Project Area shall be charged in accordance with the following
scale of fees.**

- **Network Charge – per property \$1,210**

**A connection charge will be levied on properties which require a
new power connection to their property to be installed.**

- **Service Charge, single residential property \$800**
- **Service Charge, multi unit property up to 4 units \$800**
- **Service Charge, multi unit property, 5 to 15 units \$400**
- **Service Charge, multi unit property 16 or more units \$200**
- **Service Modification Charge, single residential property \$400**
- **Service Modification Charge, multi unit property up to 4 units
\$400**
- **Service Modification Charge, multi unit property, 5 to 15 units
\$200**
- **Service Modification Charge, multi unit property 16 or more
units \$100**

**4. That by Absolute Majority Decision of Council the following rates
concessions for the 2013/2014 financial year, be adopted:****General Rate Concessions**

**Strata storage units. Appropriately zoned and used strata
titled storage units of 18m² or smaller, whereby the
minimum commercial / industrial general rate charged be
\$408.65; The value of this concession amounts to
approximately \$22,476.**

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges
(Continued)**

Melville Glades Golf Club. 100% concession from general rates. The value of this concession amounts to approximately \$16,754.

- 5. That by Absolute Majority Decision of Council the following refuse waste charges be adopted, for the 2013/2014 financial year where these services are charged via the City of Melville rates system**

A) Residential Properties Waste & Recycling

\$403.50 per annum for one standard service;

Eligible pensioners will receive a concession of \$40 per annum for one standard service, provided payment is received by 30 June 2014, resulting in a concessional waste charge of \$363.50 with the \$224,120 cost of this concession being funded from general funds.

Note:- a standard service includes weekly domestic collection and disposal of one City of Melville approved waste bin, weekly recycling collection and disposal of one City of Melville approved recycling bin and four waste kerbside collections and disposals per annum.

\$290.00 per annum for each additional City of Melville approved domestic waste bin when emptied at the same time as the standard weekly domestic waste collection;

\$105.00 per annum for each additional City of Melville approved recycling bin service when emptied at the same time as the standard domestic recycling collection.

Note:- additional waste or recycling bin services includes the collection and disposal of the additional City of Melville approved bins during the normal domestic collection round.

B) Commercial and Non-Rateable Properties

\$525.00 per annum for one standard removal and disposable of waste in a City of Melville approved waste bin;

Note:- a standard non-rateable service includes the weekly removal and disposal of refuse in a City of Melville approved waste bin;

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges (Continued)****C) Bulk Refuse Collection and Disposal**

\$26.60 (including GST) per service – one bin of 660 litre capacity.

\$30.75 (including GST) per service – one bin of 1,100 litre capacity.

Note:- a service is rendered each time a bin is emptied.

D) Commercial and Non Rateable Recycling Services

\$210.00 per annum for a fortnightly recycling bin service provided to commercial and non-rateable properties for one City of Melville approved recycling bin emptied on a fortnightly basis;

\$420.00 per annum for a weekly recycling bin service provided to commercial and non-rateable properties for one City of Melville approved recycling bin emptied on a weekly basis.

\$22.00 (including GST) per service – one bin of 660 litre capacity.

\$26.56 (including GST) per service – one bin of 1,100 litre capacity.

Note:- a service is rendered each time a bin is emptied.

6. Swimming Pool Inspection Fee

That by Absolute Majority Decision of Council a swimming pool inspection fee of \$33.40 (including GST) be adopted for 2013/2014.

Note:- \$33.40 is charged in each year of the four yearly inspection cycle. Should the total revenue raised exceed the actual total costs of conducting all pool inspections in any one year the surplus is transferred to a restricted fund account or Reserve and used to offset the costs of inspections in the following years budget.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)**

1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges
(Continued)

7. Property Surveillance and Security Service Charge

That by Absolute Majority Decision of Council the property surveillance and security charge for the 2013/2014 year of \$51.20 be adopted.

Amendment 1

At 6.41pm Cr Nicholson moved, seconded Cr Taylor-Rees -

That on page 208 of the electronic Draft Budget Book, under the heading Waste Services CAPITAL EXPENDITURE; amend the wording as follows –

***Delete
Bin Surrounds and enclosures 97,000***

At 6.52pm the Mayor submitted the amendment, which was declared

LOST (3/7)

Cr Nicholson requested that the votes be recorded –

For: Cr Barton, Cr Nicholson, Cr Taylor-Rees.

**Against Mayor Aubrey, Cr Foxton, Cr Hill, Cr Macphail, Cr Reidy, Cr Robartson,
Cr Willis.**

Amendment 2

At 6.52pm Cr Nicholson moved, seconded Cr Barton -

That onn page 212 of the electronic Draft Budget Book, under the heading Capital Expenditure; amend the wording as follows –

***Delete
Other 25,000***

At 6.54pm the Mayor submitted the amendment, which was declared

LOST (3/7)

Cr Nicholson requested that the votes be recorded –

For: Cr Barton, Cr Nicholson, Cr Taylor-Rees.

**Against: Mayor Aubrey, Cr Foxton, Cr Hill, Cr Macphail, Cr Reidy, Cr Robartson,
Cr Willis.**

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)**

1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges
(Continued)

Amendment 3

At 7.03pm Cr Nicholson moved, seconded Cr Taylor-Rees -

*That on page 200 of the electronic Draft Budget Book, under the heading,
Neighbourhood Development; amend the wording as follows;*

Under Capital Expenditure, amend

<i>Public Arts Program</i>	<i>120,000</i>
<i>To</i>	
<i>Public Arts Program</i>	<i>60,000</i>

At 7.07pm Cr Macphail left the meeting and returned at 7.09pm.

At 7.11pm the Mayor submitted the amendment, which was declared

LOST (3/7)

Cr Nicholson requested that the votes be recorded –

For: Cr Barton, Cr Nicholson, Cr Taylor-Rees.

**Against: Mayor Aubrey, Cr Foxton, Cr Hill, Cr Macphail, Cr Reidy, Cr Robartson,
Cr Willis.**

Amendment 4

At 7.12pm Cr Nicholson moved, seconded Cr Barton -

*That on page 212 of the electronic Draft Budget Book, under the heading
Capital Expenditure; amend the wording as follows –*

<i>Delete</i>	
<i>Parking</i>	<i>80,000</i>

At 7.26pm the Mayor submitted the amendment, which was declared

LOST (2/8)

Cr Nicholson requested that the votes be recorded –

For: Cr Nicholson, Cr Taylor-Rees.

**Against: Mayor Aubrey, Cr Barton, Cr Foxton, Cr Hill, Cr Macphail, Cr Reidy,
Cr Robartson, Cr Willis.**

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)**1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges
(Continued)Amendment 5

At 7.28pm Cr Nicholson moved, seconded Cr Barton -

That on page 217 of the electronic Draft Budget Book, under the heading Reserve Account Movements; Reserve Funds to be set aside; amend the wording as follows -

Delete
Land & Property **1,500,000**

And insert
Land & Property **500,000**

At 7.29pm Cr Reidy left the meeting and returned at 7.32pm.
At 7.29pm Mr Taylor left the meeting and returned at 7.32pm.

At 7.53pm the Mayor submitted the amendment, which was declared

LOST (1/9)

Cr Nicholson requested that the votes be recorded –

For: Cr Nicholson.

**Against: Mayor Aubrey, Cr Barton, Cr Foxtton, Cr Hill, Cr Macphail, Cr Reidy,
 Cr Robartson, Cr Willis, Cr Taylor-Rees.**

Amendment 6

At 7.54pm Cr Taylor-Rees moved, seconded Cr Barton -

That on Page 212 - hard copy of Annual Budget 2013/2014, under the heading of Capital Expenditure

Amend the wording to - Parking \$80,000 (by deleting the \$160,000 budget allocation for Durdham Crescent Parking and leaving the \$80,000 for Melville Aquatic Centre Carpark)

At 8.08pm the Mayor submitted the amendment, which was declared

LOST (4/6)

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges
(Continued)****OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)
ABSOLUTE MAJORITY**

At 8.09pm the Mayor submitted the Officer Recommendation -

- 1. That by Absolute Majority Decision of Council the 2013/2014 Municipal Fund Budget 6060A June 2013 be adopted.**
- 2. That by Absolute Majority Decision of Council the following general rates applicable to the 2013/2014 financial year i.e. for the period 1 July 2013 to 30 June 2014 , be adopted:**

All Improved Residential Land

5.401866 cents in the dollar of gross rental value applicable to each property, residence, unit, strata, location or other residential property subject to a minimum rate of \$697.50 per assessment;

All Unimproved Residential Land

6.807744 cents in the dollar of gross rental values applicable to each property, location or other piece of land subject to a minimum rate of \$697.50 per lot;

Note: - Residential Land includes general residential, duplex, multi-unit, residential strata properties and Homeswest properties.

All Commercial/Industrial Land including Strata Storage Units

6.322794 cents in the dollar of gross rental values applicable to each assessment, lot, location, strata, or other piece of land subject to a minimum rate of \$817.30 per assessment;

Note: - Commercial/Industrial land includes general industrial, commercial including retail, professional and office uses, service station, hotel / tavern, TAB and hospitals.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges
(Continued)****3. That by Absolute Majority Decision of Council**

Properties included in the North Attadale Underground Power Project Area shall be charged in accordance with the following scale of fees.

- **Network Charge – per property \$1,210**

A connection charge will be levied on properties which require a new power connection to their property to be installed.

- **Service Charge, single residential property \$800**
- **Service Charge, multi unit property up to 4 units \$800**
- **Service Charge, multi unit property, 5 to 15 units \$400**
- **Service Charge, multi unit property 16 or more units \$200**
- **Service Modification Charge, single residential property \$400**
- **Service Modification Charge, multi unit property up to 4 units \$400**
- **Service Modification Charge, multi unit property, 5 to 15 units \$200**
- **Service Modification Charge, multi unit property 16 or more units \$100**

4. That by Absolute Majority Decision of Council the following rates concessions for the 2013/2014 financial year, be adopted:**General Rate Concessions**

Strata storage units. Appropriately zoned and used strata titled storage units of 18m² or smaller, whereby the minimum commercial / industrial general rate charged be \$408.65; The value of this concession amounts to approximately \$22,476.

Melville Glades Golf Club. 100% concession from general rates. The value of this concession amounts to approximately \$16,754.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges
(Continued)**

5. That by Absolute Majority Decision of Council the following refuse waste charges be adopted, for the 2013/2014 financial year where these services are charged via the City of Melville rates system

A) Residential Properties Waste & Recycling

\$403.50 per annum for one standard service;

Eligible pensioners will receive a concession of \$40 per annum for one standard service, provided payment is received by 30 June 2014, resulting in a concessional waste charge of \$363.50 with the \$224,120 cost of this concession being funded from general funds.

Note:- a standard service includes weekly domestic collection and disposal of one City of Melville approved waste bin, weekly recycling collection and disposal of one City of Melville approved recycling bin and four waste kerbside collections and disposals per annum.

\$290.00 per annum for each additional City of Melville approved domestic waste bin when emptied at the same time as the standard weekly domestic waste collection;

\$105.00 per annum for each additional City of Melville approved recycling bin service when emptied at the same time as the standard domestic recycling collection.

Note:- additional waste or recycling bin services includes the collection and disposal of the additional City of Melville approved bins during the normal domestic collection round.

B) Commercial and Non-Rateable Properties

\$525.00 per annum for one standard removal and disposable of waste in a City of Melville approved waste bin;

Note:- a standard non-rateable service includes the weekly removal and disposal of refuse in a City of Melville approved waste bin;

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)**1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges (Continued)**C) Bulk Refuse Collection and Disposal**

\$26.60 (including GST) per service – one bin of 660 litre capacity.

\$30.75 (including GST) per service – one bin of 1,100 litre capacity.

Note:- a service is rendered each time a bin is emptied.

D) Commercial and Non Rateable Recycling Services

\$210.00 per annum for a fortnightly recycling bin service provided to commercial and non-rateable properties for one City of Melville approved recycling bin emptied on a fortnightly basis;

\$420.00 per annum for a weekly recycling bin service provided to commercial and non-rateable properties for one City of Melville approved recycling bin emptied on a weekly basis.

\$22.00 (including GST) per service – one bin of 660 litre capacity.

\$26.56 (including GST) per service – one bin of 1,100 litre capacity.

Note:- a service is rendered each time a bin is emptied.

6. Swimming Pool Inspection Fee

That by Absolute Majority Decision of Council a swimming pool inspection fee of \$33.40 (including GST) be adopted for 2013/2014.

Note:- \$33.40 is charged in each year of the four yearly inspection cycle. Should the total revenue raised exceed the actual total costs of conducting all pool inspections in any one year the surplus is transferred to a restricted fund account or Reserve and used to offset the costs of inspections in the following years budget.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)**

1.1.4 Adoption of 2013/2014 Budget and Setting of 2013/2014 Rates and Charges
(Continued)

7. Property Surveillance and Security Service Charge

That by Absolute Majority Decision of Council the property surveillance and security charge for the 2013/2014 year of \$51.20 be adopted.

At 8.09pm the Mayor declared the motion

CARRIED (9/1)

Cr Nicholson requested that the votes be recorded –

**For: Mayor Aubrey, Cr Barton, Cr Foxton, Cr Hill, Cr Macphail, Cr Reidy,
Cr Robartson, Cr Willis, Cr Taylor-Rees.**

Against: Cr Nicholson.

1.1.5 Early Payment Incentives

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)
ABSOLUTE MAJORITY**

At 8.10pm Cr Willis moved, seconded Cr Hill -

- 1. That by Absolute Majority Decision of Council the following early payment incentives be granted provided all 2013/2014 rates and charges (including refuse service charge, property surveillance and security charge, swimming pool inspection fee, emergency services levy and specified area rates) are paid in full on or before close of business (i.e. 5.00pm) by the early payment due date shown on the rate notice.**

Major Prize

One \$3,000 Bonus Saver Account funded and provided by Westpac Bank.

Other Prizes

Four other prizes, each to the value of approximately \$500, funded and provided by selected third parties.

At 8.10pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (10/0)

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.6 Loan Capital Fund Budget (ATTACHMENT)**

This budget includes self-supporting loans raised on behalf of other organisations that are responsible for meeting the loan repayment costs. The Council is effectively the guarantor of these loans.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)
ABSOLUTE MAJORITY**

At 8.10pm Cr Foxtan moved, seconded Cr Reidy -

That by Absolute Majority Decision of Council the 2013/2014 Loan Fund Budget 6060A June 2013 be adopted.

At 8.11pm the Mayor submitted the motion, which was declared
CARRIED BY ABSOLUTE MAJORITY (10/0)

1.1.7 Reserve Account Budgets

Reserve accounts form part of the Municipal Fund and equity of the City. Specific purpose cash backed reserve accounts have been created for various reasons as detailed below.

In some cases e.g. the Community Security Service Reserve they are specifically required by legislation to record any surpluses that may arise from Service Charges or Specified Area Rates.

Other reserves such as the Leave Entitlement Reserve are created to ensure that funds are available to meet future known liabilities. Some such as the Risk Management Reserve are created to provide for contingent future liabilities the extent of which cannot yet be accurately assessed.

Reserves such as the Civic Centre Precinct Improvements Reserve, Information Technology Reserve, Community Facilities Reserve, Plant Replacement Reserve, Infrastructure Asset Management Reserve and the Parking Facilities Reserve are set aside to save for the future replacement of assets that are currently being consumed.

It should be noted that Local Authorities in Western Australia are required to exclude depreciation expenses when setting rates however they are required to include capital expenditure and funds set aside or used reserves and other forms of non-operating revenues.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)**

Other forms of funding such as General Rates and Loan Borrowings are available to fund the replacement of assets. However due to:-

- a) the high value of assets owned by the City, the replacement of which, if achieved solely through reliance on loan borrowings, would quickly result in unacceptable debt service debt to equity and debt to revenue ratios being encountered,
- b) the desire to ensure that rate levels do not unduly fluctuate each year depending on whether or not a major expenditure is incurred or asset purchase/replacement is made and
- c) the need to ensure that ratepayers meet their equitable share of the cost of consumption of assets (as recognised by the application of condition based depreciation calculations) each financial year rather than deferring the liability to future years ratepayers reserves are used.

Reserve accounts therefore represent the “savings accounts” of Councils and represent funds that have been set aside for future known and unknown events in order to help reduce the variability of Municipal rates.

Funds held in reserve accounts are invested and the interest earned is reinvested in those reserves, so as to, as far as is possible, maintain the real value of those savings.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)
ABSOLUTE MAJORITY**

At 8.14pm Cr Reidy moved, seconded Cr Willis -

That by Absolute Majority Decision of Council the 2012/2013 Reserve Accounts (Fund) Budget 6060A June 2013 be adopted for the following reserve accounts and purposes:

A) North Attadale Underground Power & Streetscape Enhancement Reserve

To be used for underground power projects and streetscape enhancements in the North Attadale Underground Power project area.

B) Ardross West Underground Power & Streetscape Enhancement Reserve

To be used for underground power projects and streetscape enhancements in the Ardross West Underground Power project area.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)****C) Community Facilities Reserve**

To be used for the provision of new, renewed or upgraded community facilities owned by the City of Melville.

D) Community Surveillance and Security Service Reserve

To temporarily retain any surpluses that may arise from the Property Surveillance and Security Service Charge to be used to offset future year's Property Surveillance and Security Service Charges or for the purchase of plant and equipment used for community surveillance and security services.

E) Information Technology Reserve

To be used to fund the acquisition and replacement of computer software and information technology hardware.

F) Land & Property Reserve

To be used to fund revenue earning land and property purchases

G) Leave Entitlements Reserve

To be used to fund annual, sick and long service leave entitlements accrued in previous financial years.

H) South Attadale Underground Power & Streetscape Enhancement Reserve

To be used for underground power projects and streetscape enhancements in the South Attadale Underground Power project area.

I) Parking Facilities Reserve

To be used to fund the provision, refurbishment or improvement of parking facilities and equipment.

J) Plant Replacement Reserve

To be used to fund the purchase of replacement motor vehicles and plant, including waste collection trucks.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)****K) Public Open Space Reserve**

To be used to fund the purchase, development and re-development of public open space, parks and reserves or for debt servicing costs associated with any loan borrowings taken out for such purposes.

L) Refuse Bins Reserve

To be used for the purchase and replacement of domestic refuse bins.

M) Commercial Refuse Reserve

To be used for the acquisition and replacement of commercial refuse bins, vehicles, plant and equipment used for commercial waste operations and the development of commercial waste collection opportunities.

N) Refuse Facilities Reserve

To be used for payments relating to the establishment and operation of waste management facilities, funding associated costs, and the cost of landscaping, environmental and rehabilitation works of former refuse tip sites operated by the City of Melville and for the waste collection and disposal costs of waste associated with storm or disaster events.

O) Risk Management Reserve

To be used 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.

P) Recreation Centres Equipment Replacement Reserve

To be used to fund the replacement of Recreation Centre equipment to meet the requirements of the Recreation Equipment Asset Management Plan.

Q) Infrastructure Asset Management Reserve

To be used to fund infrastructure asset management projects including the construction, maintenance and renewal of the City of Melville's road, path, kerbing, street furniture, park structures, playground, irrigation/reticulation and drainage infrastructure assets.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)****R) Unexpended Capital Works & Specific Purpose Grants Reserve**

To be used to carry forward available funding for uncompleted projects and specific purpose grants that will be completed and expended in ensuing financial years.

S) Special Projects Reserve

To be used to fund costs associated with City of Melville Council Elections, infrastructure asset condition surveys, asset valuations and gross rental value revaluations and strategic planning projects.

T) New Capital Works Reserve

To be used to fund “New” Infrastructure Capital Works as opposed to renewal of existing assets as per Asset Management Plans.

U) Civic Centre Precinct Improvement Reserve

To be used for improvements to the buildings and associated landscaping and car parking located within the Civic Centre Precinct.

V) Applecross Underground Power & Streetscape Enhancement Reserve

To be used for underground power projects and streetscape enhancements in the suburb of Applecross.

W) Private Swimming Pool Inspection Fee Reserve

To temporarily retain any surpluses that may arise from the Swimming Pool Inspection fees to be used to offset any deficits in future years Swimming Pool Inspection Fees.

At 8.16pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (9/1)

Cr Robartson requested that the votes be recorded –

For: Mayor Aubrey, Cr Barton, Cr Foxton, Cr Hill, Cr Macphail, Cr Reidy, Cr Robartson, Cr Willis, Cr Taylor-Rees.

Against: Cr Nicholson.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.8 Trust Fund Budget****OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)
ABSOLUTE MAJORITY**

At 8.16pm Cr Macphail moved, seconded Cr Foxtan -

That by Absolute Majority Decision of Council the 2013/2014 Trust Fund Budget as detailed 6060A June 2013, be adopted.

At 8.16pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (10/0)

1.1.9 2012/2013 Surplus Funds

The 2013/2014 Budget has been formulated on the basis that an estimated surplus of \$1,800,000 will be carried forward from the 2012/2013 financial year. This amount has arisen as a result of revenue exceeding budget or expenditure savings due to operational efficiencies. This amount will vary as revenue and expenditure and works will continue for the balance of the financial year. The actual surplus/deficit will be finally determined following receipt of the 2012/2013 audited financial statements anticipated to be in October 2013. Where a variance to the surplus is identified that variance will be offset by a corresponding increase or decrease in the budgets of the continuing projects or grants reflected in the 2013/2014 Budget.

Should, following receipt of the 2012/2013 audited financial statements, any additional surplus be identified this will be reported to Council at a future review of the 2013/2014 budget and direction sought from the Council as to the use of the additional surplus (if any). Should the 2012/2013 audited financial statements reveal a lower than anticipated surplus amount, this will also be addressed by a review of the 2013/2014 budget and direction sought from Council as to which projects or programs it wishes to be curtailed.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)
ABSOLUTE MAJORITY**

At 8.17pm Cr Willis moved, seconded Cr Hill -

That Council note that an estimated Municipal Fund 30 June 2013 surplus amount of \$1,800,000 has been used as an opening position in the 2013/2014 budget and that the final net surplus amount will be determined following receipt of the 2012/2013 audited financial statements and further direction sought from Council, during a review of the 2013/2014 budget, as to the treatment of any variance identified.

At 8.17pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (10/0)

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.10 Imposition of Fees and Charges**

Section 6.16 of the Local Government Act 1995 allows a Local Government to impose by absolute majority decision a fee or charge for any goods or services it provides or proposes to provide other than a service for which a service charge has been imposed.

The fees are to be imposed when adopting the annual budget but may, subject to giving local public notice, be imposed or amended from time to time during the financial year. This year it has been decided to adopt the Fees & Charges at the same time as adopting the Budget.

Significant changes to the fees and charges schedule for 2013/2014 are:

- Health - new fees in relation to public events, certification services and business establishment applications;
- Lifestyle – new fitness programmes listed;
- Building – new penalties regarding the fitment of smoke alarms and enclosure of private swimming pools. These fees are prescribed by the Building Regulations 2012;
- Parks – a new fee introduced for operators undertaking kite surfing and paddle boarding commercial activities on the foreshore.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)
ABSOLUTE MAJORITY**

At 8.17pm Cr Robartson moved, seconded Cr Reidy -

That by Absolute Majority Decision of Council, in accordance with Section 6.16 of the Local Government Act 1995, the 2013/2014 Schedule of Fees and Charges included in the attached budget papers [6060A June 2013](#) be adopted and the new fees be applicable from 1 July 2013.

At 8.17pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (10/0)

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.11 Payment and Instalment Due Dates****OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)
ABSOLUTE MAJORITY**

At 8.17pm Cr Willis moved, seconded Cr Hill -

That in accordance with Section 6.45 of the Local Government Act 1995 and applicable Regulations, due dates for payment of rates and the instalment due dates be as follows:-

Full payment and 1st instalment due date	23 August 2013
2nd Instalment due date	23 October 2013
3rd Instalment due date	6 January 2014
4th and final instalment due date	6 March 2014

At 8.17pm the Mayor submitted the motion, which was declared
CARRIED BY ABSOLUTE MAJORITY (10/0)

1.1.12 Administration and Interest Charge for Rates and Services Charges

Sections 6.45 and 6.51 of the Local Government Act 1995 detail the methods by which the Council can impose an administration charge and interest charge in respect to payment of Rates and Service Charges.

Section 6.45 allows a person to pay their rates and service charges by four equal instalments and provides that the Council can impose an administration charge as well as an interest component.

This year it is proposed to maintain an administration charge of \$16.00 (2012/2013 \$16.00) where a person pays their rates by the four instalment option. This fee partially offsets the additional costs incurred by the City in generating and delivering instalment reminder notices.

Section 6.45 of the Local Government Act 1995 provides the opportunity for a Local Government to impose an additional charge over and above the administrative charge, where payments of rates or service charges are made by instalments. Effectively this is an interest charge which has been set at a maximum amount of 5.5% to enable a Local Government to recover some of the lost investment revenue that would have been earned had the payment of rates or service charges been made in one lump sum by the first due date. The administration (interest) charge is recommended to be 4% so as to ensure an undue burden is not placed on ratepayers choosing to pay by instalments.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.12 Administration and Interest Charge for Rates and Services Charges
(Continued)**

Section 6.51 of the Local Government Act 1995 provides the Council with the legislative power to raise a penalty interest where rates and service charges remain unpaid by the due date and the ratepayer has not entered into an instalment program. During the 2012/2013 financial year the City of Melville imposed an interest rate of 11% being, the maximum interest rate permitted by the regulations. This rate is considered reasonable in the light of interest rates charged by credit card providers and is again recommended for 2013/2014.

In respect to interest charged on underground power and streetscape enhancement amounts that remain unpaid, it is proposed to continue the imposition of interest at 5.5% per annum for 2013/2014.

The credit card surcharge fee of 0.7% (0.7% 2012/2013) has been continued to offset the additional cost of bank fees associated with credit card payments by ratepayers. No concessions for seniors or pensioners has been considered in respect to this charge due to the substantial cost of implementing and managing a system whereby such a concession could be easily administered. This charge is included in the Schedule of Fees and Charges adopted above.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)
ABSOLUTE MAJORITY**

At 8.17pm Cr Robartson moved, seconded C Reidy -

- 1. That by Absolute Majority Decision of Council where, a property owner has elected to, and is adhering to, paying rates and service charges through an instalment program, an instalment administration charge of \$16.00 and an instalment interest charge of 4% per annum, as provided for in section 6.45 of The Local Government Act 1995, be imposed.**
- 2. That by Absolute Majority Decision of Council, an interest charge of the maximum amount permitted under the Local Government Act 1995 and applicable Regulations (currently 11%) be imposed on all rates and service charges including the refuse charge, swimming pool inspection fee, and property surveillance and security service charge, but excluding any outstanding amounts relating to underground power and streetscape service charges or specified rates, that are not paid by the due date.**

This charge applies to non payment at the completion of the first instalment or payment in full period and if the payment by instalment option is chosen, any subsequent instalment payments that are not made by the due dates.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.12 Administration and Interest Charge for Rates and Services Charges
(Continued)**

- 3. That by Absolute Majority Decision of Council, an interest charge of 5.5% be imposed on all outstanding underground power and streetscape service charges or specified area rate debts that remain unpaid and this concessional interest charge be applicable for a period of three years from 1 July in the year in which the specified area rate or service charge was first levied, after which time the standard maximum interest charge permitted under the Local Government Act 1995 and applicable Regulations (currently 11%) is to be applied.**

At 8.17pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (10/0)

1.1.13 Interest Charge on Money Owing to Local Government

Each year a local government may resolve by absolute majority decision to require a person to pay interest at a particular rate, as set out in the annual budget, on any amount of money other than rates and service charges which is owed to the local government and has been owed for a period of not less than thirty five days.

This interest charge was imposed for the first time in the 2001/2002 financial year and provides an added incentive for people to meet their obligations to the City of Melville.

The Council must determine by Absolute Majority decision during the annual budget process to impose this interest charge and must determine a rate and the period of time after which the interest is applied.

The regulations provide that the maximum amount of interest that can be charged is 11%. In keeping with the practice of previous years it would seem reasonable that this should be applied to commercial transactions only and a lesser rate be applied in respect to community groups and organisations. To enable this differentiation to occur a Delegated Authority is granted to the Chief Executive Officer to determine which category a particular debt falls with the consequence that the relevant interest charge is then applied.

It should be noted that the Local Government is not able to impose any interest until thirty five days after the due date of payment has elapsed. On that basis if fourteen days is allowed for payment the earliest that the interest can be applied is on the forty ninth day.

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.13 Interest Charge on Money Owing to Local Government**

In respect to commercial activities it is, therefore, proposed to introduce the maximum amount permitted under the Local Government Act Regulations as an interest charge and for that to be applied thirty five days after the due date which is stated on the account for payment.

In respect of the various community clubs and organisations, it is suggested that 50% of the maximum interest charge permitted under the Local Government Act 1995 should be applied (i.e. 5.5%) where the amount owing to the Council has been outstanding for a period of sixty days after payment was due. This would generally mean that these clubs and organisations would have about seventy five days to make the payment before any interest charges are incurred.

With respect to both of the arrangements any account under \$50.00 will not have interest applied to it due to the significant administration costs involved in the process.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)
ABSOLUTE MAJORITY**

At 8.17pm Cr Macphail moved, seconded Cr Foxtton -

- 1. That by Absolute Majority Decision of Council, in accordance with Section 6.13 of the Local Government Act, the maximum interest charge permitted under the Local Government (Financial Management) Regulations 1996 be imposed on all outstanding accounts in respect to commercial activities with such interest commencing thirty five days after the date which is stated on the account for payment.**
- 2. That by Absolute Majority Decision of Council, in accordance with Section 6.13 of the Local Government Act, 50% of the maximum interest charge permitted under the Local Government (Financial Management) Regulations 1996 be imposed on all outstanding accounts in respect to community clubs and organisations with such interest commencing sixty days after the date which is stated on the account for payment.**
- 3. That by Absolute Majority Decision of Council, the interest charges outlined in recommendations 1 and 2 will not apply where the account outstanding is \$50.00 or less.**

**C13/6060 – CONSIDERATION AND ADOPTION OF THE 2013/2014 BUDGET (AMREC)
(ATTACHMENT)****1.1.13 Interest Charge on Money Owing to Local Government**

- 4. That by Absolute Majority Decision of Council, the Chief Executive Officer be granted delegated authority to determine whether an outstanding debt is classified as a commercial activity or as community clubs and organisations.**

At 8.17pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (10/0)

1.1.14 Eligibility for Rate Prize

In previous years, the Council has determined that Elected Members and Staff are ineligible to be chosen as a winner of any of the early rate payment incentive prizes.

It is proposed to continue with that practice for 2013/2014.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6060)

APPROVAL

At 8.17pm Cr Robartson moved, seconded Cr Reidy -

That all Elected Members and staff of the City of Melville be ineligible to be chosen as a winner of the early rate payment incentive prizes either as a sole or part owner of any property.

At 8.17pm the Mayor submitted the motion, which was declared

CARRIED (10/0)

11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

12. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

Nil.

13. CLOSURE

There being no further business to discuss the Presiding Member declared the meeting closed at 8.20pm.