



MINUTES

OF THE

SPECIAL MEETING OF COUNCIL

HELD ON

TUESDAY 28 JUNE 2016

AT 6.30PM IN THE COUNCIL CHAMBERS

MELVILLE CIVIC CENTRE

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CONTENTS PAGE

	Item Description	Page Number
CORPORATE SERVICES		
C16/6099	Consideration and Adoption of the 2016/2017 Budget	9



MINUTES OF THE SPECIAL MEETING OF THE COUNCIL HELD IN THE COUNCIL CHAMBERS, MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6.30PM ON TUESDAY, 28 JUNE 2016.

1. OFFICIAL OPENING

The Presiding Member welcomed those in attendance to the meeting and declared the meeting open at 6:30pm. Mr J Clark, 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, Russell Aubrey

COUNCILLORS

Deputy Mayor Cr C Schuster
Cr N Pazolli
Cr C Robartson, Cr M Woodall
Cr R Aubrey, Cr D Macphail
Cr P Phelan, Cr L O'Malley
Cr T Barling, Cr N Foxtan
Cr J Barton, Cr G Wieland

WARD

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

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
Mr L Hitchcock	Executive Manager Legal Services
Mr B Taylor	Manager Financial Services
Mr J Clark	Governance & Compliance Program Manager
Mr N Fimmano	Governance & Property Officer
Ms S Tranchita	Minutes Secretary

At the commencement of the meeting there were three members from the public and two members from the Press representing the Melville Times and Fremantle Herald in the Public Gallery.

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

Nil

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 Ms E Nicholson, Applecross

Question 1

Why is the City spending ratepayers' money on "real estate speculation" (e.g. \$4,037,000 for the purchase of 31 Moreau Mews, Canning Bridge)? The last time the City "speculated", they put \$21 million (approx.) of ratepayers' funds at risk and the ratepayers ended up losing approx. \$10 million.

Response

In responding to this question the City regards it important to understand the definition of the term speculation that is used in the question from Ms Nicholson.

The simple definition of the term speculation is given in the Merriam-Webster dictionary as follows: *"ideas or guesses about something that is not known. Or activity in which someone buys and sells things (such as stocks or pieces of property) in the hope of making a large profit but with the risk of a large loss"*.

This raises the question of whether or not the respective officers of the City and the Council's of the day and today were and are making guesses when it buys and sells investments or property?

In researching the response to this question the City has reviewed the Investment Policy of the Council that was in existence at the time that the question purports, as per Ms Nicholson's statement, that *"the last time the City speculated, they put \$21 million (approx.) of ratepayers' funds at risk and the ratepayers ended up losing approx. \$10 million"*.

The City found that among other things, the five page Council Policy stated the following.

Policy Objective:

To provide guidelines with respect to the investment of surplus funds which ensure that the returns on funds invested are maximised within levels of risk that are commensurate with the need for security of public monies.

Policy Statement:

1. Investment Objectives

- To take a conservative approach to investments, but with a focus to add value through prudent investment of funds.
- To have investment funds achieve an overall return of the UBSWA Bank Bill Index plus 0.35% on a rolling twelve month basis after fees.
- To achieve a high level of security for the overall portfolio by using recognised rating criteria.
- To maintain an adequate level of diversification as detailed in Section 6D of this policy.
- To have ready access to funds for day to day requirements, without penalty.

2. Statutory Compliance

All investments are to be made in accordance with:

- Local Government Act 1995 – Section 6.14
- The Trustees Act 1962 – Part III Investments.

6.1 Ms E Nicholson, Applecross (continued)

Mortgage or asset backed investments and other interest bearing securities were required to maintain a minimum AA- rating and Managed Fund a minimum of A- or better. AA+ to AA- investments are classified by the international rating agency Standard and Poors as possessing "A very strong capacity to repay" and A+ to A as having "A strong capacity to repay."

The investments undertaken, either directly by City Officers, or indirectly by the City's appointed investment advisors and funds managers of the day, met these conservative criteria and were reported in detail to the Council and the Community on a monthly basis.

With all the controls that were in place the investments undertaken by the City were far from speculative in nature.

With respect to the Land acquisitions undertaken by the City with the approval of the Council in each case, this is also carried out in accordance with a Council Policy. The objectives of that Policy are;

POLICY OBJECTIVES

*"To provide a policy framework through which the City can consider its freehold and vested reserve land and property assets and make decisions, **using a systematic informed approach**, with respect to the retention, disposal or acquisition of such assets.*

To ensure that decisions made in relation to the use of City of Melville land and property assets ensure maximum return to the City by either realising a commercial level of financial return or by fulfilling a community benefit aligned to the visions of the City of Melville or a combination thereof."

Furthermore all property acquisitions are made after significant due diligence is undertaken by the City and independent valuation advice is obtained.

The property referred to in Ms Nicholson's question was certainly not purchased for the purposes of "*real estate speculation*". As stated previously the objectives for the City purchasing land are multi dimensional. The primary purpose for the purchase of 31 Moreau and other adjoining properties at Moreau Mews was to fulfil a community benefit, that being to facilitate and advance development of the Canning Bridge Precinct to its highest and best use in accordance with the objectives of the Canning Bridge Activity Centre Plan. This will ensure a better rates base with higher gross rental values and higher rates returned to the City. The rental returns being achieved from those properties, whilst the City is undertaking the process of amalgamation of lots to create suitably sized land parcels for future development, are not considered to be the primary driver for the acquisitions. The Structure Plan adopted by the Council, like the other adopted Structure Plans, is to ensure managed density increases in appropriate areas within the City in accordance with State government Planning Policy to facilitate increased intensity in Activity Centres and retain the overall high level of amenity and minimal change in the City's suburban areas.

The City would also like to address the statement from Ms Nicholson that "*the ratepayers ended up losing approx. \$10 million*" which refers to the Collateralized Debt Obligation (CDO) investments purchased by the City back in the period 2004 to 2007.

Unfortunately much misinformation like Ms Nicholson's statement has been perpetuated over successive years despite, and after, detailed explanations and findings of the Federal Court to the contrary.

6.1 Ms E Nicholson, Applecross (continued)

As stated earlier those investments were not speculative in nature. They had been awarded high A to AAA credit ratings by the various ratings agencies and were therefore suitable for inclusion in the investment portfolios of institutions governed by the Local Government and Trustees Acts.

Along with approximately 90 similarly affected local governments, churches and charities, the City participated in a class action against the investment advisory and funds management firm Grange Securities (later to become Lehman Brothers Australia) as well as one against the international rating agency Standard and Poors who provided their top of the range credit ratings to the products being used by Lehman Brothers Australia. The class action was successful on both accounts and in his decision regarding the collateralized debt obligations Justice Rares of the Federal Court, found that Grange Securities, a wholly owned subsidiary of Lehman Brothers, breached its fiduciary duty and engaged in misleading and deceptive conduct in placing highly complex collateralized debt obligations in the portfolios of councils. The action against Standards and Poor's for their role in incorrectly awarding the A to AAA credit ratings to the CDO investments, which in turn made them highly suitable for acquisition by risk averse institutions, like the more than 90 local governments, universities, charities and superannuation funds who purchased them was also successfully settled.

The resulting position is that the CDO's earned interest in excess of \$5.2 million over the period they were held. The City will receive settlements from the liquidators of Lehman Brothers Australia (LBA) of 13.5% of the admitted losses from the Professional Indemnity Insurance pool, and a further 1st interim dividend from the LBA estate of 57.25% - this totals 71% of the losses and there will be further dividends paid from the LBA estate in the future. Furthermore significant funds will be recovered from the settlement of the legal action against Standard and Poors. The actual agreed settlement amount is however subject to confidentiality provisions embodied in the Deed of Settlement, but should result in the City achieving a full recoup of its losses. Of course the City will need to pay its share of the success fee to the litigation funder IMF Bentham, who have to-date borne the substantial costs of undertaking this action.

Indeed the only decision taken by the Council in respect to the CDO investments that could have been classified as somewhat speculative in nature, was the decision to retain or sell three of the CDO when presented with an opportunity to do so in August 2012. The Council of the day, of which Ms Nicholson was a Councillor, were required to decide whether or not to hold or divest itself of the investments. The independent investment advisor of the day could not make a recommendation one way or the other. After considering all advice the Council of the day chose to sell the investments which had a face value of \$3.8 million for the sale price of \$1.67 million thus crystallising a \$2.13 million which was till then a book loss. Those investments subsequently matured and the purchaser reaped the benefit of receiving a return of over 100% i.e. had the decision been made not to sell the investments the City would have not made the \$2.13 million loss, a large proportion of which will now be recouped via the successful, but costly, legal actions that have been undertaken and won.

With the benefit of hindsight that unfortunate saga in the history of the City of Melville would not have occurred. However, for the former Councillor to now call it speculation is disingenuous and a gross distortion of the facts.

6.1 Ms E Nicholson, Applecross (continued)Question 2

Why aren't the repairs/renovations to Melville Aquatic Centre, etc. funded from existing Reserve Funds or from the untied \$2.5 million (approx) in Federal Assistance Grants which the City receives annually?

Response

Unexpected specified repairs and maintenance has been identified as being required at the Melville Aquatic Centre Facility well before the planned renewal of the affected assets for that facility. The Community Facilities Reserve Fund would generally be used for this purpose however, the funds have already been committed for planned asset renewal projects and insufficient funds has been set aside in prior years due to Asset Management and Long-Term Financial Planning processes not being in place when the facility was established.

Council Policy CP-008 Financial Sustainability – Forward Financial Planning and Funding Allocation provides that the Federal Financial Assistance Grant funding is transferred to the Land and Property Reserve. The Council considered using part of the grant as an alternative funding option at the Special Meeting of Council held 26 May 2016, and resolved to fund the works from rates and not to impact on the future projects planned to be funded from the Land and Property Reserve.

The City will transfer funds to the renamed Recreation Centres Specialised Plant, Equipment & Structures Reserve to lessen the impact of the cost of these works on future year rates.

Question 3

Is the business of the City to provide and improve facilities for ratepayers or is it to compete with the private sector in property "speculation"?

Response

As comprehensively outlined in the response to question 1, the use of the term *speculation* when referring to the business undertaken by the City is an inappropriate term.

Indeed the Local Government Act 1995 at Section 3.59 titled "*Commercial enterprises by local governments*" makes specific provisions with respect to the ability of Local Governments to participate in "commercial" activities. The scope includes major land transactions and major trading undertakings.

The City, like all other local governments, has historically held significant land holdings that are used for both community and commercial purposes. The City has successfully used land to develop café's and restaurants and more recently the lease of the former Norma Road Depot site. The net cash return on "Commercial" properties is currently in excess of \$1.7 million per annum which saves ratepayers paying the City that amount in rates. This amount received represents a 2% rate reduction year on year. In addition the underlying land values have increased very significantly over the years, thus maintaining and increasing the City's equity as well as retaining the land for future Councils to determine the most beneficial use of, when the current uses are no longer considered to be the best use for the land.

6.1 Ms E Nicholson, Applecross (continued)

This land holding not only provides current benefit to the ratepayers of the City but also represents a future endowment for the future generations of ratepayers. Ensuring that the City's land assets provide a return on capital is also part of the Council's long term financial strategy to reduce the burden on rates.

Question 4

As the City has approx. \$1.344 million sitting in the "Rates Equalization Reserve", shouldn't ratepayers be receiving a rate reduction rather than yet another rate increase of 2.5% for the 2016/17 financial year? If not, when will this reserve be expended?

Response

The purpose of the reserve account is stated on page 20 of tonight's agenda for the Special Council Meeting.

"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."

The answer to the question can be found on Page 9 of tonight's agenda for the Special Council Meeting.

"The Rates Equalisation Reserve was established as part of the 2014/2015 budget in order to temporarily retain any surpluses that may be identified from the yearly audit of the City's Annual Financial Statements. Following the completion of the 2015 audit, a surplus of \$4,234,869 was identified. At the Ordinary Meeting of Council 17 November 2015, Council resolved that an amount of \$1,058,802 transferred to the Rates Equalisation Reserve. It is suggested that the balance of \$1,248,513 be retained in the Reserve and be used to fund any 2016/2017 mid-year budget review requirements or to reduce rate increases required in future years."

6.2 Mr C Delane, LeemingQuestion

When additional expenditure was added to the Draft Budget 2016/2017 when considered by Council recently, why was there no consideration to reducing other expenditure to offset this additional impost on ratepayers?

Response

The City and the Council always look at methods of reducing the budgets. The officers bring forward a budget which the City believes is the lowest possible budget. The City doesn't necessarily think as officers, that that is the appropriate budget for the City and officers present the Council with a number of items that haven't been included in the budget. The Council considered those items and determined that those items should be brought into the budget which was the reason for the increase as necessary works are required to be done by the City.

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

Nil

7.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

Nil

8. APPLICATIONS FOR NEW LEAVES OF ABSENCE

Nil

9. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil

10. REPORTS OF THE CHIEF EXECUTIVE OFFICER

**C16/6099 - CONSIDERATION AND ADOPTION OF THE 2016/2017 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	:	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 <i>Local Government Act 1995</i> .
Previous Items	:	C16/6097 – Ordinary Meeting of Council held 17 May 2016 - Endorsement of Differential Rating Advertisement C16/6098 – Special Meeting of Council held 26 May 2016 - Consideration of 2016-2017 Draft Budget Items
Works Programme	:	As per 2016/2017 budget document
Funding	:	As per 2016/2017 budget document
Responsible Officer	:	Bruce Taylor Manager Financial 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>

**C16/6099 - CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****KEY ISSUES / SUMMARY**

- The 2016/2017 Budget document is presented for consideration and adoption by the Council.
- If supported by the Council, the increase in the rate in the dollar for General Rates will be 2.45%, the increase in the Property Surveillance and Security Service Charge will be 75 cents (1.5%) and the Swimming Pool Inspection Fee \$2.45 (7.15%).
- The average residential property rates and charges (not including the Swimming Pool Inspection Fee) levied by the City would increase by \$40 per annum or 77 cents per week, from \$1,658 in 2015/2016 to \$1,698 in 2016/2017.
- Specific service charges will also be raised from ratepayers within the defined project areas to fund the continuation of the Melville South and commencement of the Bicton North, underground power projects being undertaken by Western Power.

BACKGROUND

The City of Melville is required to prepare an Annual Budget in accordance with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*. The purpose of an Annual Budget, in simplistic terms, is to outline the various revenue and expenditure streams and the required rating levels to achieve a balanced and sustainable financial position.

The 2016/2017 Budget (Budget) has been prepared based on direction provided by the Long Term Financial Plan (LTFP) of the Council and updated to reflect any changes in actual outcomes since the LTFP was adopted.

DETAIL

The City of Melville commenced its formal Budget preparation in February 2016. Inputs into the budget formulation process included:

- Budget responsible officers and the Operational and Executive Management Teams;
- Direction received from the Council arising out of the Corporate and Long Term Financial Planning processes or any specific requests arising from resolutions of the Council during the 2015/2016 financial year.

The Draft 2016/2017 Budget presented to the Council has been balanced to ensure that operating and capital expenditure and funds set aside in specific purpose Reserve Accounts (Reserves) is matched by the opening surplus, operating and capital income and funds used from Reserves, with the resulting amount being the "Amount Required to be Raised from Rates".

**C16/6099 - CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**

The balanced position has been achieved whilst maintaining service levels at the same time reducing operational expenditure and increasing the amount spent on improving the City's assets and equity. Importantly the Budget has progressed further towards the goal of achieving intergenerational equity by ensuring that deferred liabilities are not being created for future generations through failure to adequately fund asset maintenance and renewal.

Key aspects of the budget are as follows:-

- Operating revenue, excluding rates, increased by \$2.8m from \$29.6m in 2015/2016 to \$32.4m in 2016/2017. Of this \$2.6m relates to an increase in service charges to fund underground power projects when compared to 2015/2016. This revenue increase is offset by an equal increase in expenditure (\$2.6m of which is spent directly on the underground power projects) so results in a nil net impact on the budget bottom line. A revenue reduction of \$173,968 relates to reduced Municipal Fund investment earnings which has a direct negative impact on the bottom line of the budget.
- Operating expenditure, including depreciation, has decreased by \$180,270 or 0.2% from \$101.4m to \$101.2m. Increases in the expenditure classification "Employee Costs" amount to \$619,391 or 1.4%. A base line increase in salaries and wages of 2.0% has been provided for in the budget. Increases in the expenditure classification "Other Expenditure" amount to \$2.3m, \$2.6m of which relates to the increase in the cost of the underground power projects mentioned in operating revenue above. These increases have been offset by decreases in other expenditure classifications with the major decrease being \$1.9m in depreciation and a further reduction in materials and contracts of \$1.0m.
- Non operating revenue has increased by \$1.2m largely due to increases in tied roads grants – this increase is offset by expenditure on roads.
- Capital expenditure has decreased by \$4.2m or 15.0% from \$27.8m in 2015/2016 to \$23.6m in 2016/2017. The major decreases are in the Purchase of Land and Buildings category of \$1.4m, Purchase of Purchase of Plant and Equipment category of \$2.1m and Purchase of Infrastructure Assets of \$700,000.
- Funds to be set aside to specific purpose reserves has increased by \$2.4m to \$29.7m whilst funds to be used from specific purpose reserves has decreased by \$7.1m to \$20.0m.
- The balance to be made up from rate revenue has increased by \$3.1m or 3.9%, from \$80.6m in 2015/2016 to \$83.8m in 2016/2017. This was achieved by a 2.45% increase in the rate in the dollar with the balance of the revenue increase of 1.45% being derived from;
 - an increase in the valuation base due to new rateable properties being created over the course of the 2014/2015 and 2015/2016 financial year, and
 - estimated revenue from new rateable properties expected to be added to the rate base over the course of the 2015/2016 financial year.

The Budget Book [6099A June 2016](#) outlines key information including:

- A Budget overview;
- A comparison to the Long Term Financial Plan;
- Detailed rating information;
- Information on other charges such as the 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;
- Budget in the "Statutory" format as per legislation and regulations.

**C16/6099 - CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**

[6099B June 2016](#) provides a Ratepayer Profile for the City.

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

A notice of intention to impose differential rates was also advertised in the Melville Times on Tuesday, 24 May 2016 and the public comment period (minimum of 21 days) ends on Wednesday 15 June 2016. At the time of writing this report no formal comments had been received.

Whilst no specific public consultation has taken place in regards to the 2016/2017 Budget, community consultation has occurred for a number of the major projects identified within the budget document.

A Special Meeting of Council, which was open to the public was held 26 May 2016 considered items to be included in the 2016-2017 Draft Budget.

II. OTHER AGENCIES / CONSULTANTS

- Department of Fire and Emergency Services 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 Rates;
- Office of Energy and Western Power with respect to Underground Power Projects.
- Southern Metropolitan Regional Council (SMRC) in relation to the recycling, composting, green waste and residual waste disposal operations run by them on behalf of the City and three other local authorities.

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 2016/2017 budget as presented meets these statutory obligations.

**C16/6099 - CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**

In relation to changing the differential rate to that which was previously adopted by the Council and advertised, Regulation 56 (4) of the *Local Government (Financial Management) Regulations 1996* states, in part, that;

“The following information is to accompany or be included in the rate notice —

(b) if a differential general rate or minimum payment differs from the proposed rate or payment set forth in the local public notice given under section 6.36, reasons for the difference;”

FINANCIAL IMPLICATIONS

Specific financial implications are as detailed in the attached 2016/2017 budget document. Implications for City of Melville ratepayers will include:-

1. Various increases in the levels of user fees and charges as detailed in the 2016/2017 Fees and Charges Schedule.
2. An increase of 2.45% in the residential general improved rate in the dollar from 6.106 cents (2015/2016) in the dollar of gross rental value to 6.255597 cents in the dollar in 2016/2017. An increase in the minimum rate from \$1,204.00 to \$1,233.50;
3. An increase of 2.45% in the residential unimproved rate in the dollar from 6.878 cents (2015/2016) in the dollar of gross rental value to 7.046511 cents in the dollar in 2016/2017 reflecting a 12.64% differential to the residential rate in the dollar. An increase in the minimum rate from \$768.00 to \$786.80;
4. An increase in the commercial/industrial rate of 2.45% in the dollar from 6.346 cents (2015/2016) in the dollar of gross rental value to 6.501477 cents in the dollar in 2016/2017, reflecting a 3.93% differential to the residential rate in the dollar. An increase in the minimum rate increasing from \$934.00 to \$956.90;
5. An Underground Power Network Service Charge of \$326.05 to recover the cost of cash calls in the 2016/2017 financial year for the Melville South Underground Power project area.
6. Underground Power Network Connection Charges of \$1,590 per property or a Modified Network Connection Charge of \$795 per property, as required, to recover the cost of cash calls in the 2016/2017 financial year for the Melville South Underground Power project area.
7. An Underground Power Network Service Charge of \$4,434.20 to recover the cost of cash calls in the 2016/2017 financial year for the Bicton North Underground Power project area.
8. Underground Power Network Connection Charges of \$1,750 per property or a Modified Network Connection Charge of \$875 per property, as required, to recover the cost of cash calls in the 2016/2017 financial year for the Bicton North Underground Power project area.
9. The Property Surveillance and Security Service Charge has increased from \$53.00 to \$53.75.
10. The Swimming Pool Inspection Fee has increased from \$34.25 to \$36.70 per annum.

**C16/6099 - CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**

11. The administration charge for payment by instalments has increased from \$16.50 to \$16.75 being 1.5%;
12. Maintaining a late payment penalty interest charge of 8%;
13. Maintaining an instalment interest charge of 4%;
14. Increasing the Credit/Debit Card Surcharge Fee which is used to offset bank fees associated with payments made using the credit card network, by ratepayers from 0.45% to 0.60%.
15. Payment methods available to ratepayers include;
 - a. Direct debit – ratepayers need to contact the City of Melville to set up a direct debit payment. Direct debit can be set up as weekly, fortnightly, monthly, yearly, standard instalments or ad-hoc payment dates.
 - b. Payment at any Australia Post Office
 - c. BPay and BPayview
 - d. Payment at City of Melville Civic Centre
 - e. Online at melvillecity.com.au using Visa, MasterCard or American Express
 - f. By phone 1300 880 716 using Visa, MasterCard or American Express

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement	Level of Risk	Risk Mitigation Strategy
Insufficient budget funding achieved to carry out works and 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.
Funding is directed towards areas of expenditure that are not a priority of the Community and Council or required to address 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 and subject to independent review by all Managers, Finance and Council to ensure funding requests are directed at meeting the Community Plan and Corporate Plan objectives.

POLICY IMPLICATIONS

The budget has been developed on the principles outlined in the Council's policies

- CP-008 Financial Sustainability – Forward Financial Planning and Funding Allocation Policy,
- CP-024 Borrowings and Asset Financing Policy and
- CP-031 Asset Management Policy.

**C16/6099 - CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

The 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 Program 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 Program, reductions in the quantum of the program 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 the Council for funding are considered to be priority projects, however there are many more that are also worthy of funding that could be suggested for inclusion should others be removed. The 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.

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.

An increase or decrease of 1% of rates equates to approximately \$835,000.

CONCLUSION

In accordance with the principles expressed in the Long Term Financial Plan the 2016/2017 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 to fund any operating or capital programs.

It should be noted however that estimated opening funds expected to be brought forward from 2015/2016 of \$150k have been used in balancing the budget. This estimated opening funds position represents the unexpended storm damage contingency held under the Chief Executive Officer's budget and represents approximately 0.18% of General Rates.

The Rates Equalisation Reserve was established as part of the 2014/2015 budget in order to temporarily retain any surpluses that may be identified from the yearly audit of the City's Annual Financial Statements. Following the completion of the 2015 audit, a surplus of \$4,234,869 was identified. At the Ordinary Meeting of Council 17 November 2015, Council resolved that an amount of \$1,058,802 transferred to the Rates Equalisation Reserve. It is suggested that the balance of \$1,248,513 be retained in the Reserve and be used to fund any 2016/2017 mid-year budget review requirements or to reduce rate increases required in future years.

The 2016/2017 budget is recommended to the Council for approval.

**C16/6099 - CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6099)
ABSOLUTE MAJORITY****1.1 Consideration and Adoption of the 2016/2017 Budget**

The Budget Papers for 2016/2017 form part of the Attachments to the Agenda, which was distributed to the Members of the Council in draft format on 10 June 2016 with the final version distributed on Friday, 17 June 2016.

[6099A June 2016](#)**1.1.1. [Ratepayer Profile](#)****[6099B June 2016](#)**

The Ratepayer Profile forms part of the Attachments to the Agenda, which was distributed to the Members of the Council on Friday, 17 June 2016.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6099) NOTING

At 6.59pm Cr Schuster moved, seconded Cr Robartson–

That the 2016/2017 Ratepayer Profile [6099B June 2016](#) be noted.

At 6.59pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (13/0)

1.1.2 [Differential Rating](#)**Background**

The *Local Government Act 1995* (Act) 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.

**C16/6099 - CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**

A Notice of Intention to Impose Differential Rates was advertised in the Melville Times newspaper on Tuesday, 24 May 2016. The 21 day submission period closes on Tuesday, 15 June 2016 with no submissions having been received by the date of distribution of this report. Any submission subsequent to that date will be notified to the Council prior to the Special Council meeting to be held on 28 June 2016.

Since this advertisement was published, the Council has endorsed the inclusion of additional expenditure in the budget at its Special Meeting of the Council held on 26 May 2016. As a result of this additional expenditure being included, revised rates in the dollar and minimum rates have been calculated and are detailed below.

Unless amended by the Council, the proposed rates in the dollar and minimum rates for Residential Improved properties for 2016/2017 will be 6.255597 cents in the \$ of GRV (2015-2016 6.106 cents) with a minimum rate of \$1,233.50 (2015-2016 \$1,204) for all Residential Unimproved Land and 7.046511 cents in the \$ of GRV (2015-2016 6.878 cents) with a minimum rate of \$786.80 (2015-2016 \$768.00) for all Residential Unimproved Land.

The proposed differential rate for all Commercial/Industrial properties in 2016/2017 is 6.501477 cents in the \$ of GRV (2015/2016 6.346 cents) with a minimum rate of \$956.90 (2015/2016 \$934.00). Note this applies to all improved and unimproved Commercial/Industrial Land.

Should the Council adopt the budget as presented the differential rates in the dollar will be different to those that were advertised on Tuesday, 24 May 2016. The *Local Government (Financial Management) Regulations 1996*, Regulation 56 (4) provides that the Council must include the new differential rates in the dollar and the reasons for the difference in information that will accompany or be included in the rate notice.

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 2015/2016 was 10.0% or \$50,000 whichever is the greater. It is proposed that the level adopted for the reporting of material variances for 2016/2017 should remain the same as in 2015/2016.

**C16/6099 - CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.3 Adoption of Percentage for Reporting of Material Variances (Continued)****OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6099) APPROVAL**

At 7.00pm Cr Aubrey moved, seconded Cr Wieland–

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 2016/2017 for reporting material variances, be 10% or \$50,000, whichever is the greater.

At 7.00pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (13/0)

1.1.4 Adoption of 2016/2017 Budget and Setting of 2016/2017 Rates and Charges**COMMENT**

Before proceeding to the recommendations with respect to the 2016/2017 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 any concessions on rates
- Setting the penalty interest rates 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.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2016/2017 Budget and Setting of 2016/2017 Rates and
Charges (Continued)****OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6099)
ABSOLUTE MAJORITY**

At 7.00pm Cr Phelan moved, seconded Cr Aubrey –

**1. That by Absolute Majority Decision of the Council the 2016/2017
Municipal Fund Budget 6099A June 2016 be adopted.**

**2. That by Absolute Majority Decision of the Council the following
general rates applicable to the 2016/2017 financial year i.e. for the
period 1 July 2016 to 30 June 2017, be adopted:**

All Improved Residential Land

**6.255597 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 \$1,233.50 per
assessment;**

All Unimproved Residential Land

**7.046511 cents in the dollar of gross rental values applicable to
each property, location or other piece of land subject to a
minimum rate of \$786.80 per lot;**

**Note: - Residential Land includes general residential, duplex,
multi-unit, residential strata properties and properties owned by
the Department of Housing.**

All Commercial/Industrial Land including Strata Storage Units

**6.501477 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 \$956.90 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 the Council

**Properties included in the Melville South Underground Power
Project Area shall be charged a Network Charge of \$326.05 per
property.**

**Properties included in the Melville South Underground Power
Project Area shall be charged, where required, a Network
Connection Charge of \$1,590.00 per property or a Modified
Network Connection Charge of \$795.00 per property.**

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2016/2017 Budget and Setting of 2016/2017 Rates and Charges
(Continued)**

Properties included in the Bicton North Underground Power Project Area shall be charged a Network Charge of \$4,434.20 per property.

Properties included in the Bicton North Underground Power Project Area shall be charged, where required, a Standard Network Connection Charge of \$1,750.00 per property or a Modified Network Connection Charge of \$875.00 per property.

4. That by Absolute Majority Decision of the Council the following rates concessions for the 2016/2017 financial year, be adopted:

A. General Rate Concessions

Strata storage units. Appropriately zoned and used strata titled storage units of 18m² or smaller, granted a concession of \$478.45 each; the value of this concession amounts to approximately \$27,272.

Melville Glades Golf Club. 100% concession from general rates. The value of this concession amounts to approximately \$16,960.

Bicton North Underground Power Project - Barker Place. granted a concession of \$1,842.85 each; the value of this concession amounts to approximately \$12,900.

Bicton North Underground Power Project - Castle Hill Close granted a concession of \$1,637.50 each; The value of this concession amounts to approximately \$13,100.00.

5. That by Absolute Majority Decision of the Council the following refuse waste charges be adopted, for the 2016/2017 financial year where these services are charged via the City of Melville rates system as

A) Additional Residential Rateable and all Residential Non Rateable Properties Waste and Recycling

\$456.75 per annum for each Non-Rateable (Residential) for one standard removal and disposal of waste in a City of Melville approved waste bin;

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**1.1.4 Adoption of 2016/2017 Budget and Setting of 2016/2017 Rates and Charges
(Continued)

\$324.50 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;

\$117.45 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 (Non-Residential) Properties

\$587.50 per annum for one standard removal and disposal 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;

C) Bulk Refuse Collection and Disposal

\$27.00 (excluding GST) per service – one bin of 660 litre capacity.

\$34.50 (excluding 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

\$470.00 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.

\$22.50 (excluding GST) per service – one bin of 660 litre capacity.

\$26.95 (excluding GST) per service – one bin of 1,100 litre capacity.

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

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.4 Adoption of 2016/2017 Budget and Setting of 2016/2017 Rates and Charges
(Continued)****6. Swimming Pool Inspection Fee**

That by Absolute Majority Decision of the Council a swimming pool inspection fee of \$36.70 be adopted for 2016/2017.

Note:- The Swimming Pool Inspection Fee 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 and used to offset the costs of inspections in the following year's budget.

7. Property Surveillance and Security Service Charge

That by Absolute Majority Decision of the Council the property surveillance and security charge for the 2016/2017 year of \$53.75 be adopted.

At 7.02pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

1.1.5 Early Payment Incentives**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6099)**

ABSOLUTE MAJORITY

At 7.02pm Cr O'Malley moved, seconded Cr Aubrey –

- 1. That by Absolute Majority Decision of the Council the following early payment incentives be granted provided all 2016/2017 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 Prizes

Three \$1,000 Bonus Saver Accounts from Westpac Bank.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.5 Early Payment Incentives (Continued)****Other Prizes**

Six other prizes, ranging in value from \$364 to \$2,856.

At 7.02pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

1.1.6 Loan Capital Fund Budget

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 AND COUNCIL RESOLUTION (6099)

ABSOLUTE MAJORITY

At 7.02pm Cr Schuster moved, seconded Cr Aubrey –

That by Absolute Majority Decision of the Council the 2016/2017 Loan Fund Budget 6099A June 2016 be adopted.

At 7.02pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

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 Surveillance and 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 and Insurance Equalisation 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, Fleet Services Vehicles, Plant and Equipment 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.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 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 local governments and represent funds that have been set aside for future known and unknown events in order to help reduce the variability of General 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.

New Reserves have been created for the 2016/2017 year being –

- Bicton North Underground Power & Streetscape Enhancement Reserve
- Libraries, Art Centres and Museums Equipment, Furniture and Specialised Fit Out Reserve and the
- Melville South Underground Power & Streetscape Enhancement Reserve
- Organisational Environmental Sustainability Initiatives Reserve.

The stated purpose of each reserve is outlined in the recommendation below.

OFFICER RECOMMENDATION (6099)**ABSOLUTE MAJORITY**

At 7.03pm Cr Robartson moved, seconded Cr Aubrey –

That by Absolute Majority Decision of the Council the 2016/2017 Reserve Accounts (Fund) Budget 6099A June 2016 be adopted for the following reserve accounts and purposes:

- 1) Ardross East Underground Power & Streetscape Enhancement Reserve**

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

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)****2) 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.

3) Attadale North Underground Power & Streetscape Enhancement Reserve

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

4) Attadale South Underground Power & Streetscape Enhancement Reserve

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

5) Bicton North Underground Power & Streetscape Enhancement Reserve

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

6) Civic Centre Precinct Improvements Reserve

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

7) 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.

8) Community Facilities Reserve

To be used for the provision of new, renewed or upgraded community facilities/buildings.

9) 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 years Property Surveillance and Security Service Charges or for the purchase of plant and equipment used for community surveillance and security services.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)****10) Fleet Services Vehicles, Plant and Equipment Replacement Reserve**

To be used to fund the purchase of replacement vehicles, plant and equipment.

11) Future Works Reserve

To be used to fund the "New" component of the costs of Infrastructure Capital Works and Buildings as opposed to renewal of existing assets as per Asset Management Plans.

12) Information Technology Reserve

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

13) 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.

14) Land and Property Reserve

To be used to:

- a) fund the acquisition or construction of commercial revenue earning land and or buildings, or
- b) fund the acquisition of land and buildings in structure plan areas to help encourage of the redevelopment of those structure plan areas by assembling developable land parcels and fund demonstration developments in line with structure plan principles; or
- c) internally fund the purchase or construction of City of Melville community facilities or infrastructure assets, on the basis that those funds will be returned to the Land and Property Reserve over a predetermined period of time with interest, with the interest rate being set at what would have been charged by the Western Australian Treasury Corporation for the term of the borrowing using the Semi Annual Annuity interest rate.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)****15) Leave Entitlements Reserve**

To be used to fund the non-current liability amount of annual, sick and long service leave entitlements accrued in previous financial years beyond the amount provided for in the Provision for Leave current liability account.

16) Libraries, Art Centres and Museums Equipment, Furniture and Specialised Fit Out Reserve

To be used to fund the acquisition and replacement of the fit outs, furniture and specialised equipment for art centres, museums and libraries.

17) Melville South Underground Power & Streetscape Enhancement Reserve

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

18) Organisational Environmental Sustainability Initiatives Reserve

To be used to fund environmental initiatives which are intended to reduce the energy usage and or carbon footprint of the corporation of the City of Melville or for debt servicing costs associated with any loan borrowings taken out for such purposes.

19) Parking Facilities Reserve

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

20) 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 that may occur in future years operations of the Private Swimming Pools Inspection Program.

21) Public Open Space and Urban Forest Reserve

To be used to fund the purchase, development and re-development of public open spaces, including streetscapes, bushlands, parks and reserves and to fund initiatives to enhance and improve the urban forest or for debt servicing costs associated with any loan borrowings taken out for such purposes.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**1.1.7 Reserve Account Budgets (Continued)**22) Rates Equalisation Reserve**

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.

23) Recreation Centres Specialised Plant, Equipment and Structures Reserve

To be used to fund the acquisition, repair, upgrade and replacement of Recreation Centres specialised plant, equipment and structures.

24) Refuse Bins Reserve

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

25) 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 any additional waste collection and disposal costs of waste associated with storm or disaster events.

26) Risk Management and Insurance Equalisation 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.

27) 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.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**

1.1.7 Reserve Account Budgets (Continued)

28) Unexpended Capital Works and 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.

At 7.20pm Cr Schuster left the meeting and returned at 7.22pm.

At 7.30pm Cr Woodall left the meeting and returned at 7.33pm.

At 7.39pm Dr Silcox left the meeting and returned at 7.41pm.

AMENDMENT 1

At 7.03pm Cr Pazolli moved, seconded Cr Barton –

That the motion for 1.1.7 Reserve Account Budgets, Item 14) Land and Property Reserve be amended by deleting the words at item b):

“Fund the acquisition of the land and buildings in structure plan areas to help encourage of the redevelopment of those structure plan areas by assembling developable land parcels and fund demonstration developments in line with structure plan principles; or c):”

At 7.50pm the Mayor submitted the motion, which was declared

LOST (2/11)

Vote Result Summary	
Yes	2
No	11

Vote Result Detailed	
Cr Barton	Yes
Cr Pazolli	Yes
Cr Aubrey	No
Cr Barling	No
Cr Foxtan	No
Cr Macphail	No
Cr O'Malley	No
Cr Phelan	No
Cr Robartson	No
Cr Schuster	No
Cr Wieland	No
Cr Woodall	No
Mayor Aubrey	No

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****AMENDMENT 2**

At 7.52pm Cr Schuster moved, seconded Cr Woodall –

That item 14b) be amended as follows:

**Delete “of” in the second line. Delete “demonstration “in the fourth line, after “fund”
In the third line add “with Council approval, infrastructure and other”.**

At 7.56pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (13/0)

COUNCIL RESOLUTION (6099)**ABSOLUTE MAJORITY**

**That by Absolute Majority Decision of the Council the 2016/2017 Reserve Accounts
(Fund) Budget [6099A June 2016](#) be adopted for the following reserve accounts and
purposes:**

- 1) **Ardross East Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Ardross East Underground Power project area.
- 2) **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.
- 3) **Attadale North Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Attadale North Underground Power project area.
- 5) **Attadale South Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Attadale South Underground Power project area.
- 5) **Bicton North Underground Power & Streetscape Enhancement Reserve**
To be used for underground power projects and streetscape enhancements in the Bicton North Underground Power project area.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)****6) Civic Centre Precinct Improvements Reserve**

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

7) 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.

8) Community Facilities Reserve

To be used for the provision of new, renewed or upgraded community facilities/buildings.

9) 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 years Property Surveillance and Security Service Charges or for the purchase of plant and equipment used for community surveillance and security services.

10) Fleet Services Vehicles, Plant and Equipment Replacement Reserve

To be used to fund the purchase of replacement vehicles, plant and equipment.

11) Future Works Reserve

To be used to fund the "New" component of the costs of Infrastructure Capital Works and Buildings as opposed to renewal of existing assets as per Asset Management Plans.

12) Information Technology Reserve

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

13) 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.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)****14) Land and Property Reserve**

To be used to:

- a) fund the acquisition or construction of commercial revenue earning land and or buildings, or
- b) fund the acquisition of land and buildings in structure plan areas to help encourage the redevelopment of those structure plan areas by assembling developable land parcels and fund *with Council approval, infrastructure and other* developments in line with structure plan principles; or
- c) internally fund the purchase or construction of City of Melville community facilities or infrastructure assets, on the basis that those funds will be returned to the Land and Property Reserve over a predetermined period of time with interest, with the interest rate being set at what would have been charged by the Western Australian Treasury Corporation for the term of the borrowing using the Semi Annual Annuity interest rate.

15) Leave Entitlements Reserve

To be used to fund the non-current liability amount of annual, sick and long service leave entitlements accrued in previous financial years beyond the amount provided for in the Provision for Leave current liability account.

16) Libraries, Art Centres and Museums Equipment, Furniture and Specialised Fit Out Reserve

To be used to fund the acquisition and replacement of the fit outs, furniture and specialised equipment for art centres, museums and libraries.

17) Melville South Underground Power & Streetscape Enhancement Reserve

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

18) Organisational Environmental Sustainability Initiatives Reserve

To be used to fund environmental initiatives which are intended to reduce the energy usage and or carbon footprint of the corporation of the City of Melville or for debt servicing costs associated with any loan borrowings taken out for such purposes.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.7 Reserve Account Budgets (Continued)****19) Parking Facilities Reserve**

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

20) 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 that may occur in future years operations of the Private Swimming Pools Inspection Program.

21) Public Open Space and Urban Forest Reserve

To be used to fund the purchase, development and re-development of public open spaces, including streetscapes, bushlands, parks and reserves and to fund initiatives to enhance and improve the urban forest or for debt servicing costs associated with any loan borrowings taken out for such purposes.

22) Rates Equalisation Reserve

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.

23) Recreation Centres Specialised Plant, Equipment and Structures Reserve

To be used to fund the acquisition, repair, upgrade and replacement of Recreation Centres specialised plant, equipment and structures.

24) Refuse Bins Reserve

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

At 7.20pm Cr Schuster left the meeting and returned at 7.22pm.

At 7.30pm Cr Woodall left the meeting and returned at 7.33pm.

At 7.39pm Dr Silcox left the meeting and returned at 7.41pm.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**

1.1.7 Reserve Account Budgets (Continued)

25) 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 any additional waste collection and disposal costs of waste associated with storm or disaster events.

26) Risk Management and Insurance Equalisation 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.

27) Special Projects Reserve

To be used to fund costs associated with City of Melville Council Elections, infrastructure asset condition surveys, asset valuations

28) Unexpended Capital Works and 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.

At 7.57pm the Mayor submitted the motion, as amended, which was declared
CARRIED BY ABSOLUTE MAJORITY (11/2)

Vote Result Summary	
Yes	11
No	02

Vote Result Detailed	
Cr Aubrey	Yes
Cr Barling	Yes
Cr Foxtton	Yes
Cr Macphail	Yes
Cr O'Malley	Yes
Cr Phelan	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Wieland	Yes
Cr Woodall	Yes
Mayor Aubrey	Yes
Cr Barton	No
Cr Pazolli	No

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.8 Trust Fund Budget**

This budget includes funds held separate and distinct from municipal funds where required by legislation.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6099)
ABSOLUTE MAJORITY**

At 7.59pm Cr Schuster moved, seconded Cr Barling–

That by Absolute Majority Decision of the Council the 2016/2017 Trust Fund Budget as detailed 6099A June 2016, be adopted.

At 7.59pm the Mayor submitted the motion, which was declared
CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

1.1.9 2015/2016 Surplus Funds

The 2016/2017 Budget has been formulated on the basis that an estimated surplus of \$150,000 will be carried forward from the 2015/2016 financial year.

This amount has arisen as a result of contingency funding not being required in 2015/2016. The actual surplus/deficit will be finally determined following receipt of the 2015/2016 audited financial statements anticipated to be in October 2016. Should, following receipt of the 2015/2016 audited financial statements, any budget surplus be identified, this will be reported to the Council at a future review of the 2016/2017 budget and the funds transferred into the Rates Equalisation Reserve. Should the 2015/2016 audited financial statements reveal a budget deficit amount, this will also be addressed by a review of the 2016/2017 budget and direction sought from the Council as to which projects or programs it wishes to be curtailed.

1.1.9 Surplus Funds (Continued)**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6099) APPROVAL**

At 7.59pm Cr Woodall moved, seconded Robartson –

That the Council note that an estimated Municipal Fund 30 June 2016 closing funds amount of \$150,000 has been used as an opening position in the 2016/2017 budget and that the final net closing funds amount will be determined following receipt of the 2015/2016 audited financial statements and approves the transfer of any additional net closing funds for the completed 2015/2016 financial year over \$150,000 being transferred to the Rates Equalisation Reserve account.

At 7.59pm the Mayor submitted the motion, which was declared
CARRIED UNANIMOUSLY (13/0)

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 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 2016/2017 include:

- LeisureFit programs – revised programs and pricing as required to keep the facilities competitive;
- Heathcote room hire – room hire charges expanded as the City assumes additional responsibility for the site.
- Waste – revised waste fees in order to provide better consistency clarity of charges.

**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6099)
ABSOLUTE MAJORITY**

At 7.59pm Cr Wieland moved, seconded Cr Foxtton –

That by Absolute Majority Decision of the Council, in accordance with Section 6.16 of the *Local Government Act 1995*, the 2016/2017 Schedule of Fees and Charges included in the attached budget papers [6099A June 2016](#) be adopted and the new fees be applicable from 1 July 2016.

At 7.59pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****1.1.11 Payment and Instalment Due Dates****OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6099)****ABSOLUTE MAJORITY**

At 8.00pm Cr Schuster moved, seconded Cr Phelan –

That by Absolute Majority Decision of the Council 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	24 August 2016
2nd Instalment due date	24 October 2016
3rd Instalment due date	3 January 2017
4th and final instalment due date	7 March 2017

At 8.00pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)**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 increase the instalment administration charge to \$16.75 (2015/2016 \$16.50) 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 instalment (interest) charge is recommended to be 4% so as to ensure an undue burden is not placed on ratepayers choosing to pay by instalments.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 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 2015/2016 financial year the City of Melville imposed an interest rate of 8%, being less than the maximum interest rate of 11% permitted by the regulations. In light of falling interest rates, it is recommended that a penalty interest rate of 8% again be adopted for 2016/2017.

In respect to interest charged on underground power and streetscape enhancement amounts that remain unpaid, it is proposed that the imposition of interest again be charged at a rate of 4.0% (4.0% in 2015/2016) per annum for 2016/2017.

The credit card surcharge fee of 0.60% (0.45% in 2015/2016) is proposed to offset the additional cost of bank fees associated with credit card payments by ratepayers. No concessions for seniors or pensioners have 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 AND COUNCIL RESOLUTION (6099)
ABSOLUTE MAJORITY**

At 8.00pm Cr Robartson moved, seconded Cr Aubrey –

- 1. That by Absolute Majority Decision of the 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 \$16.75 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 the Council, an interest charge of 8% 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.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**

3. **That by Absolute Majority Decision of the Council, an interest charge of 4% 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 interest charge (8% proposed for 2016/2017) is to be applied.**

At 8.00pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

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.

During the 2014/2015 financial year the City of Melville imposed an interest rate of 8% being, the maximum interest rate permitted by the regulations. 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.

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 date which is stated on the account for payment.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)**

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. 4%) 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 AND COUNCIL RESOLUTION (6099)
ABSOLUTE MAJORITY**

At 8.00pm Cr Phelan moved, seconded Cr O'Malley –

1. **That by Absolute Majority Decision of the Council, in accordance with Section 6.13 of the *Local Government Act 1995*, 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 the Council, in accordance with Section 6.13 of the *Local Government Act 1995*, 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 the Council, the interest charges outlined in recommendations 1 and 2 will not apply where the account outstanding is \$50.00 or less.**
4. **That by Absolute Majority Decision of the 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 8.02pm the Mayor submitted the motion, which was declared
CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (13/0)

At 8.06pm Cr Macphail left the meeting and returned at 8.08pm.

At 8.09pm Cr Pazolli left the meeting and returned at 8.08pm.

At 8.11pm Cr Foxton left the meeting and returned at 8.12pm.

**C16/6099 – CONSIDERATION AND ADOPTION OF THE 2016/2017 BUDGET (AMREC)
(ATTACHMENT)****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 2016/2017.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6099) APPROVAL

At 8.02pm Cr Robartson moved, seconded Cr Phelan –

That the Council resolves 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.

AMENDMENT

At 8.11pm Cr Schuster moved, seconded Cr Barling –

That the Council resolves that all Elected Members and *closely associated persons where the Elected Member would be required to declare an interest under Clause 5.62 (1) (e) of the Local Government Act 1995*, 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 8.13pm the Mayor submitted the amendment, which was declared

CARRIED UNANIMOUSLY (13/0)

REASONS

To more clearly specify persons ineligible to be chosen as a winner of the early rate payment incentive prizes.

COUNCIL RESOLUTION (6099) APPROVAL

That the Council resolves that all Elected Members and *closely associated persons where the Elected Member would be required to declare an interest under Clause 5.62 (1) (e) of the Local Government Act 1995*, 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 8.13pm the Mayor submitted the motion, as amended which was declared

CARRIED UNANIMOUSLY (13/0)

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, His Worship the Mayor declared the meeting closed at 8.14pm.