



MINUTES

Ordinary Council Meeting Tuesday, 7 April 2020

Date: Tuesday, 7 April 2020

Time: 7.00pm

Location: ZOOM Video Conference

Meeting Identification: 412 347 634

**Liz Ledger
Chief Executive Officer**

DISCLAIMER

Would all members of the public please note that they are cautioned against taking any action as a result of a Council decision tonight until such time as they have seen a copy of the Minutes or have been advised, in writing, by the Council's Administration with regard to any particular decision. This meeting shall be recorded for Administration purposes only.

Unconfirmed

Order Of Business

1	Declaration of Opening/Announcement of Visitors.....	5
2	Record of Attendance/Apologies/Leave of Absence (Previously Approved)	5
3	Disclosure of Interests	5
4	Response to Previous Public Questions Taken on Notice	5
	Nil	
5	Public Question Time	6
6	Public Statement Time	6
7	Applications for Leave of Absence	6
8	Petitions/Deputations/Presentations.....	6
9	Confirmation of Minutes of Previous Meetings	6
10	Announcement of Confidential Matters for which the Meeting may be Closed to the public.....	6
11	Business Not Dealt with From a Previous Meeting	6
	Nil	
12	Reports of Committees	7
12.1	Claremont Town Centre Advisory Committee.....	7
12.1.1	Minutes of the Claremont Town Centre Advisory Committee Meeting held on 10 March 2020.....	7
12.2	Freshwater Bay Museum Advisory Committee.....	8
12.2.1	Minutes of the Freshwater Bay Museum Advisory Committee Meeting held on 19 March 2020.....	8
13	Reports of the CEO	9
13.1	Leadership and Governance	9
13.1.1	Proposal for zero percent rates, fees and charges increase for 2020/21 Annual Budget.....	9
13.1.2	New Policy - LG532 Financial Hardship.....	12
13.1.3	Deferral of Collection of 2019/20 Rates Debtors.....	14
13.1.4	Review of Policy LG503 - Budget Process Timetable	17
13.1.5	Monthly Statement of Financial Activity for the Periods ending 29 February 2020	20
14	Announcements by the Presiding Person	23
15	Elected Members' Motions of which Previous Notice has been Given	23
	Nil	
16	New Business of an Urgent Nature Approved by the Presiding Person or by Decision of Meeting	23
17	Confidential Matters for which the Meeting may be Closed to the Public	23
17.1	Leadership and Governance	23
17.1.1	Requests for Rent Relief	23
18	Future Meetings of Council	24

19 Declaration of Closure of Meeting 24

Unconfirmed

**MINUTES OF TOWN OF CLAREMONT
ORDINARY COUNCIL MEETING
HELD VIA ZOOM VIDEO CONFERENCE MEETING IDENTIFICATION 412 347 634
ON TUESDAY, 7 APRIL 2020 AT 7.00PM**

1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

His worship the Mayor, welcomed members of the public, press, staff and Councillors and declared the meeting open at 7.01pm.

2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

PRESENT:

Mayor Jock Barker
Deputy Mayor Cr Jill Goetze
Cr Peter Browne OAM, JP
Cr Sara Franklyn
Cr Peter Edwards
Cr Bruce Haynes
Cr Paul Kelly
Cr Kate Main
Cr Annette Suann
Cr Peter Telford

IN ATTENDANCE:

Liz Ledger (Chief Executive Officer)
Andrew Smith (Director Infrastructure and Assets)
Bree Websdale (Director, Governance and People)
Cary Green (Director Corporate and Compliance)
David Vinicombe (Director Planning and Development)
Kerith Barbetti (Administration Officer, Governance)

4 members of the Public, 2 members of the Press

APOLOGIES:

Nil

LEAVE OF ABSENCE:

Nil

3 DISCLOSURE OF INTERESTS

Nil

4 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5 PUBLIC QUESTION TIME

Dr James Latto of 70 Victoria Avenue, Claremont

Re: Freshwater Bay Museum visitor numbers.

Question:

The Museum closed in 2017, I would like to know the number of documented visits that occurred in each of the previous two years?

Answer:

Visitor numbers to the Freshwater Bay Museum in 2015 and 2016, the two years prior to the closure of the Museum were as follows;

2015 - School visitations 1751

2016 - School visitations 1779

Overall visitor numbers (including school visits and all other visitor types) are recorded in relevant financial years, so these are as follows;

2014/15 - 3317

2015/16 - 4022

6 PUBLIC STATEMENT TIME

Nil

7 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

8 PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**RESOLUTION 026/20**

Moved: Cr Paul Kelly

Seconded: Cr Annette Suann

That the minutes of the Ordinary Meeting of Council held on 17 March 2020 be confirmed.

CARRIED NO DISSENT

10 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

17.1.1 Requests for Rent Relief

11 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil

12 REPORTS OF COMMITTEES

12.1 CLAREMONT TOWN CENTRE ADVISORY COMMITTEE

12.1.1 MINUTES OF THE CLAREMONT TOWN CENTRE ADVISORY COMMITTEE MEETING HELD ON 10 MARCH 2020

File Number: GOV/00048-03, D-20-09750
Author: Annette Brown, Project Officer
Authoriser: Liz Ledger, Chief Executive Officer
Attachments: Nil

RESOLUTION 027/20

Moved: Cr Annette Suann
Seconded: Deputy Mayor Cr Jill Goetze

1. That the Minutes of the Claremont Town Centre Advisory Committee Meeting held on 10 March 2020 be received and the recommendations therein be adopted.

CARRIED NO DISSENT

12.2 FRESHWATER BAY MUSEUM ADVISORY COMMITTEE

12.2.1 MINUTES OF THE FRESHWATER BAY MUSEUM ADVISORY COMMITTEE MEETING HELD ON 19 MARCH 2020

File Number: GOV/00050-02, D-20-09743
Author: Pippa Stokes, Museum Education Officer
Authoriser: Liz Ledger, Chief Executive Officer
Attachments: Nil

RESOLUTION 028/20

Moved: Deputy Mayor Cr Jill Goetze
Seconded: Cr Annette Suann

1. That the Minutes of the Freshwater Bay Museum Advisory Committee Meeting held on 19 March 2020 be received and the recommendations therein be adopted.

CARRIED NO DISSENT

13 REPORTS OF THE CEO

13.1 LEADERSHIP AND GOVERNANCE

13.1.1 PROPOSAL FOR ZERO PERCENT RATES, FEES AND CHARGES INCREASE FOR 2020/21 ANNUAL BUDGET

File Number: GOV/00121, D-20-13118
Author: Liz Ledger, Chief Executive Officer
Authoriser: Liz Ledger, Chief Executive Officer
Attachments: Nil

PURPOSE

To present to Council a proposal of a zero percent increase in rates, fees and charges for the 2020/21 Annual Budget, as one part of an overall Council strategy in response to the adverse financial impacts of COVID-19.

BACKGROUND

The West Australian Government recently announced their \$607 million stimulus package to support WA households and businesses in the wake of COVID-19. This package includes a freeze on household fees and charges, and an allocation of \$402 million in the 20/21 budget to go towards paying for the freeze.

The Premier has strongly urged all local governments to follow suit with a suggested zero percent rates, fees and charges increase for the 2020/21 Annual Budget.

WALGA at a Special State Council Meeting 27 March resolved to request each Local Governments with the capacity to do so, to consider not increasing rates for the 2020-21 financial year. This was one such strategy recommended and endorsed by the State council.

The Town is very cognisant of the impact that COVID-19 is, and will continue to have on the social and financial wellbeing of the community, and as such is preparing a Community Crisis Action Plan (CCAP). This CCAP will include a number of financial strategies to provide relief and options for community and businesses, whilst finding a balance to continue to provide services and drive economic stimulus. One of these strategies is the zero percent increase of the Town's commercial and property rates, fees and charges for the 2020/21 Annual Budget

DISCUSSION

The proposed freezing of fees and charges and applying a zero percent rate rise is an appropriate first measure to take. It will provide the Town with the same budgeted income from this source as it did in 19/20. Note this does not take into account extreme financial hardship where ratepayers are unable to manage this payment, and this in itself may not be enough to accommodate the impact of this situation, and to genuinely assist residents and members of the community to try and mitigate the adverse impact that this situation has had on employment and on the business sector of Claremont.

This initiative therefore will be the first strategy workshopped and presented to Council, as part of the overall CCAP.

PAST RESOLUTIONS

NA

FINANCIAL AND STAFF IMPLICATIONS

2019/20 budget estimated a total rates yield of \$15.142 million including minimum rates and applicable fees and charges. A zero percent increase on rates, fees and charges will create the same income for the Town as 2019/20.

The implications of this being that this does not allow for any external increases that may affect the business, or the Town being able to deliver anything additional than it did in 19/20.

While this strategy of applying a zero percent rate rise will generate the same total rates yield (income) for 20/21, this may not necessarily mean that all individual rate payers will receive the exact same rates bill for the 2020/21 financial year.

2020/21 is scheduled as a year in which a full revaluation of Gross Rental Value (GRV) takes place. This process is undertaken on a triennial basis in the Perth metropolitan area, with the 2020/21 being the third year of the current period.

The Town of Claremont uses only a single rate code for all of its assessments, meaning that all properties are subject to the same rate/\$ as set by Council each rate year, irrespective of their location or land use.

While this methodology is simpler to manage, when GRV revaluation occurs, there are natural fluctuations between the assessed values between different land uses types, and between different types of properties.

Prior to recent events related to the COVID-19 outbreak, the Valuer Generals office was suggesting a general 10% fall in residential valuations and a 5% fall in industrial valuations. Whilst the percentages of these falls are not relevant to this issue, as the rate in the dollar is varied up or down to generate the same net yield from rates, irrespective of the valuation change, this variation in valuation change can create anomalies.

Such anomalies arise when one property value drops by 15% and another by 5%. The overall change in valuations in the group might be a 10% drop, however when the rate in the dollar is varied to create the same overall yield, the property whose value has dropped by less receives an effective rate rise, whilst the property whose value drops by more than 10% received a rate reduction.

The extent of these anomalies is not know at this stage and will not be able to be confirmed until the valuation report is received.

POLICY AND STATUTORY IMPLICATIONS

Annual Budget Timetable Policy LG503

COMMUNICATION / CONSULTATION

The Annual Budget Timetable policy LG503 involves extensive internal consultation, with an opportunity for community consultation at draft stage. A zero percent rate increase would potentially have little risk in terms of negative community feedback as it is considered to be one of the opportunities to support the community and businesses in light of the negative impact of COVID-19.

That said, if Council supports this recommendation, it would be pertinent to inform the community of this as soon as possible, which will provide ratepayers with some certainty on this annual expense early on. It is therefore proposed that this would be communicated by various means prior to budget approval.

STRATEGIC COMMUNITY PLAN

Leadership and Governance

We are an open and accountable local government; a leader in community service standards.

- Demonstrate a high standard of governance, accountability, management and strategic planning.
- Manage our finances responsibly and improve financial sustainability.

URGENCY

The Town has commenced the process of annual budget preparation for 2020/21. To be able to proceed knowing Council's support for a zero percent increase in rates, fees and charges will provide administration clarity in preparing this key document.

VOTING REQUIREMENTS

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED.

RESOLUTION 029/20

Moved: Deputy Mayor Cr Jill Goetze


Seconded: Cr Peter Browne OAM, JP

That Council:

- 1) Supports the proposal to maintain a zero percent rates, fees and charges increase for the 2020/21 Annual Budget, in response to the impact of COVID-19.
- 2) Requests the Chief Executive Officer to write to the Valuer General, to support deferral of the revaluations of the GRV for 2020/21.

CARRIED NO DISSENT

13.1.2 NEW POLICY - LG532 FINANCIAL HARDSHIP

File Number: GOV/00121, D-20-13128
Author: Bree Websdale, Director Governance and People
Authoriser: Liz Ledger, Chief Executive Officer
Attachments: 1. LG532 – Financial Hardship Policy 

PURPOSE

To seek Council adoption of a new policy in relation to Financial Hardship.

BACKGROUND

In accordance with section 2.7(2)(b) of the *Local Government Act 1995*, Council is responsible for determining the Town's policies.

The Town does not have a policy in relation to financial hardship.

Council's endorsement is sought for the adoption of a policy addressing Financial Hardship, particularly in light of COVID-19.

DISCUSSION

This draft policy (please refer to Attachment 1) is considered necessary to assist with the submission and assessment of applications premised on financial hardship.

This draft policy applies in relation to:

1. Outstanding rates and service charges as at the date of adoption of the policy.
2. Future rates and service charges levied.

It is a reasonable community expectation, that those with the capacity to pay rates do so. For this reason this draft policy is not intended to provide rate relief to ratepayers who are not able or not willing to evidence financial hardship and the statutory provisions of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* will apply.

This draft policy is intended to ensure that the Town of Claremont offers fair, equitable, consistent and dignified support to any ratepayers suffering hardship, while treating all members of the community with respect and understanding.

This draft policy applies to all ratepayers experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner, sporting group etc.

PAST RESOLUTIONS

Ordinary Council Meeting 18 December 2018. That Council:

1. Endorse the proposed changes to the Town Policy Manual, as presented in Attachment 1 and Attachment 2.
2. Adopt the updated Town of Claremont Policy Manual, as presented in Attachment 3.

FINANCIAL AND STAFF IMPLICATIONS

NIL.

POLICY AND STATUTORY IMPLICATIONS

Section 2.7(2) (b) of the *Local Government Act 1995 – Role of Council*.

Local Government (Financial Management) Regulations 1996.

COMMUNICATION / CONSULTATION

The development of this policy has been in consultation with the Town's executive management team and is in line with WALGA's recently developed template.

STRATEGIC COMMUNITY PLAN**Local Prosperity**

Our businesses are thriving and integrated into the life of the Claremont community, and the town centre is known as the premier visitor destination.

- Support new and existing local small business and entrepreneurial activity.

Leadership and Governance

We are an open and accountable local government; a leader in community service standards.

- Manage our finances responsibly and improve financial sustainability.

URGENCY

The addition of this draft policy is prudent in light of COVID-19 and the likely increase in number of applications for assistance due to financial hardship.

VOTING REQUIREMENTS

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED.

Items 13.1.2, 13.1.3 and 13.1.4 were carried en bloc.

OFFICER RECOMMENDATION

That Council

1. **Endorse the draft Policy titled "LG-532, Financial Hardship Policy".**

PROCEDURAL MOTION**RESOLUTION 030/20**

Moved: Cr Peter Browne OAM, JP

Seconded: Cr Peter Edwards

That the item be deferred to the Ordinary Meeting of Council 21 April 2020.

For: Mayor Jock Barker, Cr Peter Browne OAM, JP, Cr Sara Franklyn, Cr Peter Edwards, Cr Paul Kelly, Cr Annette Suann, Cr Peter Telford

Against: Cr Jill Goetze, Cr Bruce Haynes, Cr Kate Main

CARRIED 7/3

13.1.3 DEFERRAL OF COLLECTION OF 2019/20 RATES DEBTORS

File Number: LEG/00259, D-20-12604
Author: Andrew Smith, Director Infrastructure and Assets
Authoriser: Liz Ledger, Chief Executive Officer
Attachments: Nil

PURPOSE

To consider providing ratepayers (experiencing financial hardship due to the impact of COVID-19) the additional option to defer the payment of outstanding rates debt for the remainder of the 2019/20 financial year.

BACKGROUND

Accounts for the payment of general rates (inclusive of minimum rates and service charges) were issued by Council in July 2019 for the 2019/20 financial year. Rate payers in electing to pay these accounts could choose to pay by either a single payment within 35 days of the date of issue of the rate notice, or through the payment of instalments provided as a payment option.

As part of the rate collection process, beyond the initial 35 day period (if the rate payer has elected not to use instalments), and after the expiry of the deadline for each instalment payment due, the Council has a defined collection process that it uses to encourage payment of outstanding rates. Generally by the end January, outstanding rates debtors are then subject to more direct collection procedures designed to encourage payment of outstanding rates prior to 30 June of each year.

As at the 31 March 2020 there was \$436,000 outstanding in rates debtors (excluding deferred payments, but including \$62,000 of possible pensioner deferrals) The outstanding rates debtors includes all other service charges, but do not include Underground Power as the next instalment for this is due on the 30th of June.

DISCUSSION

By March each year, the collection processes related to outstanding rates (and other service payments) would begin to accelerate through the use of external collection and legal agencies, the application of applicable interest rates (as defined in Council's adopted fees and charges) and other measures to encourage payment. For those ratepayers encountering difficulty in paying their outstanding balances, individual and tailored payment arrangements are also able to be established that provide for the payment of the outstanding amounts over a set period of time, concluding at 30 June, that better suit the financial arrangements and circumstances of the individual.

With the outbreak of COVID-19 and the significant impact that this has had / will have on the business sector in Claremont, as well as the loss of a considerable amount of local and regional employment and the impact on superannuation and self-funded retirees, it is important that the Town demonstrates compassion (whilst maintaining equity) with the development of a rates deferral option for those demonstrating financial hardship.

The Town has therefore created a Financial Hardship Policy, which includes direction in relation to those specifically affected by the impact of COVID-19. It is proposed that those ratepayers who have an outstanding balance as at 31st of March 2020 are advised of Council's Policy in writing, and the deferral option available to them to support them during this time. This will also include applicable interest rates, as established by Council in their 2019/20 budget, that apply to any outstanding balances (with an estimation of the cost of these upon their specific outstanding balance) so that each ratepayer can make an informed decision as to whether they would prefer to settle their account (in part or in whole) or accept the offer to defer any required payment until 30 June 2020.

PAST RESOLUTIONS

Ordinary Council Meeting 18 June 2019;

That Council;

Pursuant to the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulation 1996, Part B – Rates and Charges;

For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, Council pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 impose the following general rates and minimum payments on Gross Rental Values for the 2019-20 Financial Year.

Imposes, in accordance with the provisions of Sections 6.13 and 6.51 of the Local Government Act 1995, interest on all arrears and current charges in respect of Rates & Charges, Underground Power Service charge, Rubbish services charge, Private Swimming Pool Inspection Fees (including GST were applicable), other fees and cost of proceedings to recover charges, at a rate of 11% per annum.

This amount will be calculated on a simple interest basis on arrears amounts that remain unpaid and current amounts that remain unpaid after thirty five (35) days from the issue date of the notice and continues until the instalment is paid ,excluding:

- Deferred rates*
- Instalment current amounts not yet due under the instalment payment option*
- Registered pensioner portions, and*
- Current government pensioner rebate amounts. Interest is to be charged once a month on the outstanding balance on the day of calculation for the number of days, as previously detailed.*

FINANCIAL AND STAFF IMPLICATIONS

No financial implications associated with the final value of rates and interest collected by Council are created as a consequence of this recommendation as interest rates applicable for the 2019/20 budget as resolved by Council will remain applicable for the period of this arrangement.

A delay in the collection of 100% of these outstanding rates and service charges by 30 June 2020 will result in a delay of \$436,000 (possibly less \$62,000 in pensioner deferred payments). If this is the case this variation of a maximum of \$436,000 will have a material impact on the closing balance of the 2019/2020 financial year and possibly impact the delivery of services or the development of the budget for the 2020/21 financial year.

POLICY AND STATUTORY IMPLICATIONS

Section 6.51 of the Local Government Act 1995 provides that;

A local government may at the time of imposing a rate or service charge resolve to impose interest (at the rate set in its annual budget) on;

(a) rate or service charge (or any instalment of a rate or service charge);
and

(b) any costs of proceedings to recover any such charge, that remains unpaid after becoming due and payable.

As the interest rate established by the Council in its resolution of 18 June 2019 was done so at the time of imposing a rate or service charge, a decision to vary the interest rate (instead of offering a delay in collection) would require the revocation of that part of the resolution that related to the imposition of rates, the establishment of a new resolution imposing rates and service charges (along with the newly proposed interest rate), and the requirement to then advertise the intent to set these rates and services in accordance with Section 6.36 of the Local Government Act.

COMMUNICATION / CONSULTATION

Letters will be forwarded to all affected residents advising them of this Policy in relation to Financial hardship as a result of COVID-19, and the option for deferral for their 2019/20 outstanding debts.

STRATEGIC COMMUNITY PLAN

Leadership and Governance

We are an open and accountable local government; a leader in community service standards.

- Demonstrate a high standard of governance, accountability, management and strategic planning.
- Manage our finances responsibly and improve financial sustainability.
- Continually assess our performance and implement initiatives that drive continuous improvement.

URGENCY

This report is provided as part of a suite of recommendations arising in respect to the implications of COVID-19 on the community. Without resolution, any outstanding rates will proceed to the next phase of collection.

VOTING REQUIREMENTS

Absolute Majority decision of Council required.

Items 13.1.2, 13.1.3 and 13.1.4 were carried en bloc.

OFFICER RECOMMENDATION

That;

- a) Council resolves to defer any further legal collection processes associated with rates and service charges outstanding as at 31 March 2020 for those suffering financial hardship as a result of COVID-19.
- b) Interest rates and other charges applicable in accordance with the adopted budget of Council for the 2019/2020 financial year continue to be applied.

PROCEDURAL MOTION

RESOLUTION 031/20

Moved: Cr Peter Browne OAM, JP

Seconded: Cr Peter Edwards

That the item be deferred to the Ordinary Meeting of Council 21 April.

For: Mayor Jock Barker, Cr Peter Browne OAM, JP, Cr Sara Franklyn, Cr Peter Edwards, Cr Paul Kelly, Cr Annette Suann, Cr Peter Telford

Against: Cr Jill Goetze, Cr Bruce Haynes, Cr Kate Main

CARRIED 7/3

13.1.4 REVIEW OF POLICY LG503 - BUDGET PROCESS TIMETABLE**File Number:** COM/00032, D-20-12138**Author:** Cary Green, Director Corporate & Compliance**Authoriser:** Liz Ledger, Chief Executive Officer**Attachments:** 1. Attachment to report D-20-12138 (Title: LG503 Budget Process Timetable policy) 

PURPOSE

To seek Council endorsement for the reviewed and amended policy LG503 – Budget Process Timetable.

BACKGROUND

A review of the Town's Budget Process Timetable policy was conducted to ensure it is an accurate reflection of the current practices. This took into consideration changes in the Town's current practices, and necessary amendments to ensure the policy is current, and responding to legislative and operational changes.

In accordance with section 2.7(2)(b) of the *Local Government Act 1995*, Council is responsible for determining the Town's policies. As such, Council's endorsement is sought for the amended policy LG503 - Budget Process Timetable.

DISCUSSION

The review was conducted, firstly by reviewing the policy for currency and accuracy, and then engaging with both the Town's Executive Management Team and its officers to ensure that the amendments were reflective of the Town's proposed practices, and complied with the requirement to adopt an annual budget in accordance with section 6.2 (1) of the *Local Government Act 1995*.

The main changes included the following:

- Removing reference to the Plan for the Future and replacing it with reference to the Long Term Financial Plan (LTFP)
- Updating the dates in the policy table to more accurately reflect the months the work activity occurs.
- Update the budget adoption date from June to July in accordance with the Department of Local Government guidelines.

The last change listed above is dealt with in some detail as part of the Departments guidelines, which states that one of the most common pitfalls is the early adoption of the budget, as this leads to the use of an incorrect closing estimated balance. It states, the estimated actuals need to be very carefully scrutinised to ensure accurate figures.

PAST RESOLUTIONS

Ordinary Council Meeting 18 December 2018.

That Council:

1. Endorse the proposed changes to the Town Policy Manual, as presented in Attachment 1 and Attachment 2.
2. Adopt the updated Town of Claremont Policy Manual, as presented in Attachment 3.

FINANCIAL AND STAFF IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

POLICY AND STATUTORY IMPLICATIONS

Section 2.7(2) (b) of the *Local Government Act 1995 – Role of Council*

Section 6.2(1) of the Local Government Act 1995 – Adoption of Annual Budget

COMMUNICATION / CONSULTATION

Consultation has involved:

- Executive Management Team
- Internal Staff

And in line with Department guidelines.

STRATEGIC COMMUNITY PLAN**Leadership and Governance**

We are an open and accountable local government; a leader in community service standards.

- Demonstrate a high standard of governance, accountability, management and strategic planning.
- Manage our finances responsibly and improve financial sustainability.
- Continually assess our performance and implement initiatives that drive continuous improvement.

URGENCY

The Budget Process Timetable Policy is an important document that provides the timeframe for the preparation of Councils Annual Budget.

VOTING REQUIREMENTS

Simple majority decision of Council required.

Items 13.1.2, 13.1.3 and 13.1.4 were carried en bloc.

OFFICER RECOMMENDATION

That Council

1. **Endorse the proposed changes to the Budget Process Timetable policy.**
2. **Adopt the amended Budget Process Timetable policy as shown in the attachment.**

PROCEDURAL MOTION**RESOLUTION 032/20**

Moved: Cr Peter Browne OAM, JP

Seconded: Cr Peter Edwards

That the item be deferred to the Ordinary Meeting of Council 21 April.

For: Mayor Jock Barker, Cr Peter Browne OAM, JP, Cr Sara Franklyn, Cr Peter Edwards, Cr Paul Kelly, Cr Annette Suann, Cr Peter Telford

Against: Cr Jill Goetze, Cr Bruce Haynes, Cr Kate Main

CARRIED 7/3

Unconfirmed

13.1.5 MONTHLY STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIODS ENDING 29 FEBRUARY 2020

File Number: FIM/00079, D-20-10990

Author: Edwin Kwan, Coordinator Finance

Authoriser: Liz Ledger, Chief Executive Officer

Attachments: 1. **Statement of Financial Activity - February 2020** 
 2. **Infrastructure Report - February 2020** 

PURPOSE

That Council note the Statement of Financial Activity (Financial Statements) for the months ending 29 February 2020.

BACKGROUND

The Financial Statements are presented to Council in accordance with *the Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.

DISCUSSION

The Financial Statements represent 2019-20 operations to 29 February 2020 and compares year to date expenditure and revenue against the corresponding budget. The budget figures incorporate all 2018-19 carry forwards and other budget adjustments, which have been approved to date.

The closing surplus of \$9,488,061 to 29 February 2020 compares favourably against the budgeted surplus of \$8,683,416.

As detailed below, the \$804,645 variance is made up of:

Under budget

Operating expenditure	\$	1,636,225
Rates Revenue	(\$	23,767)
Capital revenue	(\$	1,953,211)
Capital expenditure	\$	833,531

Over budget

Operating revenue	\$	306,250
Opening surplus	\$	5,616

Variance \$ 804,644

In accordance with Council’s variance reporting requirements, only the variances above \$20,000 are reported below as major contributors. For further details on variances, refer to Attachment 1.

Operating Expenditure - \$1,636,225 under budget

	Budget	Actual	Variance
Employee costs	\$4,893,380	\$4,701,414	\$191,966
Material & contracts	\$4,603,603	\$3,628,548	\$975,055
Utilities	\$367,808	\$309,957	\$57,851
Depreciation	\$1,953,504	\$2,036,095	(\$82,591)
Internal Allocation	(\$98,985)	(\$229,331)	\$94,828
Other expenditure	\$792,923	\$549,039	\$243,884

Contributors to the operating expenditure variations are;

- Employee costs is due to vacancies, and \$40,039 indirect expenses (training, OH&S, workers insurance etc.).
- Materials and contracts
 - \$455,965 timing variances on consultancy work.
 - \$271,659 in materials/contracts including \$160,668 in maintenance works (verges, street maintenance, drainage and parks etc.) timing, timing of waste expenses
 - Other variances related to timing of purchases.
- Utilities underspend is due to mismatch between water and street lighting provisions against suppliers invoicing schedule.
- Depreciation expenses are higher than anticipated and is affected by the timing of asset disposals and acquisitions.
- The internal allocation variance is a direct reflection of the under spend in operating expenses, which are predominantly timing issues.
- Other expenditure comprises timing of ground maintenance subsidy payments to sporting clubs, and underspend on debt collection expenses.

The reduced operating expenditure is due to timing and does not represent a budget saving.

Rates Revenue - \$24,646 under budget

- \$23,767 under budget in Interim Rate revenue, interim rates are lower than expected for this time of year.
- GRV schedule for new developments have been received and we are expecting to issue notices in March.

Capital Expenditure - \$833,527 under budget

As detailed within the capital works schedules (note 10), the capital expenditure is comprised of:

- \$712,106 above budget in infrastructure works due to timing. Attachment 2 provides further detail on the projects and variance explanations.
- \$1,092,810 below budget in land and building is due to timing. Note 10 provides further detail of capital works.
- \$424,741 below budget in plant and equipment due to timing. Note 10 provides further detail of plant and equipment purchases.
- \$28,084 variance in transfer to reserve is due to timing of interest income.

Operating Revenue – \$306,250 above budget

	Budget	Actual	Variance
Fees & Charges	\$2,428,780	\$2,602,113	\$173,333
Grant, Subsidies and Contributions	\$389,645	\$426,065	\$36,420
Reimbursements	\$83,647	\$141,619	\$57,972
Interest Earnings	\$360,388	\$390,213	\$29,825

The reasons for operating revenue variations are;

- \$173,333 increase in fees & charges is due to increases in planning development and building permits fees, infringements and Aquatic Centre admissions.
- \$36,420 variance in grant, subsidies and contribution is due to timing of the payment received.
- \$57,971 increases in reimbursement is due to refund from the LGIS surplus distribution and refund from Water Corporation for previous project costs and merchant fee cost recovery.
- \$29,825 over budget is due to timing of investment maturity in early part of financial year.

Capital Revenue - \$1,953,211 under budget

The major variance is due to \$1.45M grant for McKenzie Pavilion not yet received, the timing of other road work grants for \$190K and other various grants.

PAST RESOLUTIONS

Ordinary Council Meeting 17 March 2020, resolution 020/20,

That Council notes the Statements of Financial Activity for the periods of 1 July 2019 to 31 January 2020.

CARRIED

FINANCIAL AND STAFF IMPLICATIONS

Resource requirements are in accordance with existing budgetary allocation.

POLICY AND STATUTORY IMPLICATIONS

Local Government Act 1995. s. 6.4 Financial Report

Local Government (Financial Management) Regulations 1996 Reg. 34 – Financial activity statement required each month

COMMUNICATION / CONSULTATION

The Town is required to prepare and submit a report to Council for the Statement of Financial Activity each month.

STRATEGIC COMMUNITY PLAN**Leadership and Governance**

We are an open and accountable local government; a leader in community service standards.

- Demonstrate a high standard of governance, accountability, management and strategic planning.
- Manage our finances responsibly and improve financial sustainability.
- Continually assess our performance and implement initiatives that drive continuous improvement.

URGENCY

Monthly Statements of Financial Activity must be submitted within two months after the end of the month to which the statement relates.

VOTING REQUIREMENTS

Simple majority decision of Council required.

RESOLUTION 033/20

Moved: Cr Paul Kelly

Seconded: Cr Kate Main

That Council:

1. **Notes the Statement of Financial Activity for the period 1 July 2019 to 29 February 2020.**

CARRIED NO DISSENT

14 ANNOUNCEMENTS BY THE PRESIDING PERSON

The Mayor advised he has no announcements.

Cr Suann and Cr Goetze shared they have received very positive feedback from the community in response to the Town's Claremont Cares program.

15 ELECTED MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

16 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE PRESIDING PERSON OR BY DECISION OF MEETING

Nil

17 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC**RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 5.23(2) of the Local Government Act 1995:

17.1 LEADERSHIP AND GOVERNANCE**17.1.1 Requests for Rent Relief**

This matter is considered to be confidential under Section 5.23(2) - e(iii) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with a matter that if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person, where the information is held by, or is about, a person other than the local government.

MOTION TO CLOSE THE DOORS

RESOLUTION 034/20

Moved: Cr Bruce Haynes

Seconded: Cr Peter Edwards

That the doors be closed 7.39pm

CARRIED NO DISSENT

Mayor, Councillors and Staff exited the open zoom meeting.

MOTION TO OPEN THE DOORS

RESOLUTION 036/20

Moved: Cr Bruce Haynes

Seconded: Cr Kate Main

That the doors be opened 8.36pm

CARRIED NO DISSENT

Mayor, Councillors and Staff re-entered the open zoom meeting.

18 FUTURE MEETINGS OF COUNCIL

Ordinary Council Meeting, Tuesday 21 April 2020 at 7.00pm.

19 DECLARATION OF CLOSURE OF MEETING

There being no further business, the presiding member declared the meeting closed at 8.41pm.

.....
CHAIRPERSON