



**SPECIAL COUNCIL MEETING
MONDAY, 29 MAY 2023**

MINUTES

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CITY OF ARMADALE

MINUTES

OF SPECIAL COUNCIL MEETING HELD IN THE COUNCIL CHAMBERS,
ADMINISTRATION CENTRE, 7 ORCHARD AVENUE, ARMADALE ON MONDAY, 29
MAY 2023 AT 7.00PM.

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Mayor, Cr Butterfield, declared the meeting open at 7.00 pm.

2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (previously approved)

PRESENT:

Mayor, Cr R Butterfield
presided over

River Ward

Deputy Mayor, Cr K Busby

Minnawarra Ward

Cr J Keogh

River Ward

Cr K Kamdar

Ranford Ward

Cr S Peter JP

Ranford Ward

Cr M S Northcott

Palomino Ward

Cr P A Hetherington

Palomino Ward

Cr M J Hancock

Heron Ward

Cr E J Flynn

Heron Ward

Cr G J Smith

Minnawarra Ward

Cr M Silver

Lake Ward

Cr S S Virk

Lake Ward

Cr S J Mosey

Hills Ward

IN ATTENDANCE:

Ms J Abbiss

Chief Executive Officer

Mr J Lyon

Executive Director Corporate Services

Mr M Andrews

Executive Director Technical Services

Ms S Van aswegen

Executive Director Community Services

Mrs S D'Souza

CEO's Executive Assistant

Public: 4

LEAVE OF ABSENCE:

Leave of Absence previously granted to Cr G Nixon

APOLOGIES:

Nil

3 PUBLIC QUESTION TIME

1 Phil Davey - 12 Lenore Street Roleystone

Q1 What is the overall value of 4.5% rate increase?

Mayor: Referred the question to the Executive Director Corporate Services who confirmed that the overall value is \$3.5million.

2 Veronica Hansen - 8 Protector Grove, Roleystone

Q1 What budget deficiencies do we have to put this rate increase towards, particularly when we have just had a similar rate increase last year? Are there any projects that have a cost blow out that may affect such budget deficiencies?

Mayor: I believe and the report states that the local government cost index for the previous years was significantly higher than was expected. Local government is involved with a lot of construction and obviously construction is where the cost escalations went crazy after COVID and also with the war in Ukraine. Those pressures on our budget have seen a broad range of costs increases on a number of our major projects.

Q2 I do appreciate for example that the fire station in Springdale was an extra \$832,000 of cost overruns, but given that the project is almost close to \$6 million versus the original \$1.7 million - Is that part of the component of the deficiencies that you need to fill?

Mayor: No I would say not. That source of funding is already catered for in our budgeting so that is not one of the things that we can foresee going forward as being a cost for the current rate payments that we are projecting.

3 Meghan Travers - 12 Croyden Road, Roleystone

Q1 I understand that there will be an increase in the GRV across the board in the City of Armadale – some quite high. Will that obviously not be an increase in the rate base that COA gets next year?

Mayor: No that is not the case, so what happens every year is that the GRV may go up a lot or may go down a lot. Hence local governments adjust the rate in the dollar so that we don't see these huge swings with rates up and down and keep the costs to ratepayers on a very flat trajectory.

Q2 So this year is the rates in the dollar amount going down since the GRV has gone up?

CEO: The rate that you pay is a mathematical sum which is your GRV x the rate in the dollar equals what you pay. What the Mayor has described is, as there can be significant fluctuation in the GRV, to end up with a 4.5% (which is what is proposed in this budget) the rate in the dollar is then adjusted so that the overall increase for the average rate payer is only 4.5%.

Q3 So even though the GRV has gone up our rates are also going up by 4.5% ?

CEO: But not by the amount if we had applied 4.5% and let the GRV flow through because the GRV values increase for residential rates for example went up by an average of 20%.

Q4 With the GRV and the rates going up and given the average demographics in the City of Armadale are there concerns that a rate rise will effectively mean a number of defaulted rate payers in the same way that banks are faced with a bunch of defaulted loans?

Mayor: That information is brought to our attention if there is a rise in people being unable to pay their rates. We do have a Hardship Policy which we have been using and which was reviewed during COVID and we are continuing with that policy. So we are trying to be as fair as possible and helping people to pay off their debt over a long period of time.

Q5 Has there been an increased usage of that?

Mayor: The question will be taken on notice and a response provided in writing.

4 Phil Davey - 12 Lenore Street, Roleystone

Q2 Getting back to the \$3.5M potential gain with the new rates. Have the 2 previous budget surpluses been allocated yet and can they not help offset the cost increases?

Mayor: No – part of the surplus has and part of it hasn't. That is not how budgeting works. The \$3.5M is not a one year windfall to cover just one year's increase in costs but is about ongoing cost increases over a period of time.

Q3 If we have a budget surplus what are we spending the budget surplus on? We have had 2 years so far with budget surplus of nearly \$6M.

Mayor: The decision on what remains of the surplus hasn't been made yet. Those are one off amounts that can be applied to a project and when we are doing budgeting like this, this is an amount that goes on in future so it is a long term revenue change.

Q4 With the indicated Public notice going out this week in both the West Australian and Examiner newspapers and the 21 days reply period we are given does the council have the time to go through those public submissions and discuss those submissions as a Council to ensure the best outcome?

Mayor: Yes we take on board feedback every year – submissions are presented and discussed before Council goes forward with its decision to either change or keep the same rate as what we intended in the first place.

Q5 We are already coming into June, so by the time everything happens with this process is there enough time to really consider what is happening before a final decision since we are only approximately 8 weeks from financial year rollover?

Mayor: Yes that is fine.

5 Veronica Hansen - 8 Protector Grove, Roleystone

Q3: The agenda report indicates that there are 953 new rateable properties in FY23. So do these new properties and the added revenue not offset some of the costs you are concerned about and therefore allow for a lesser increase?

Mayor: Obviously they do increase our revenue but by the same token there is the need to provide more infrastructure, more rubbish collection etc. so costs go up as well. So no they don't offset.

Q4: The things like rubbish collections are all part of the cost of the rates anyway. Has any analysis been done on those 953 properties and the value of them to see what impact that will have on the need for a service?

CEO: The best documents that I could recommend that you could look at are the City's publications around its 4 year Budget and Long Term Financial Plan. The City has identified within those financial planning documents how growth affects its finances going forward. What you will find when you read those documents is that once depreciation is factored into that growth it actually puts the City in a negative financial position. I would be happy to provide you with the specific page numbers for those documents that demonstrate that.

7.16pm Moved Cr Peter that question time be extended. Motion Carried (13/0)

6 Meghan Travers - 12 Croyden Road, Roleystone

Q6 At the Xmas markets at the Kelmscott Community Garden held late last year, I did approach Cr Keogh about the Roleystone Community Garden to investigate fencing as they are losing members because of vandalism that is occurring there. I believe Cr Keogh did speak to Cr Mosey. I am just wondering what is happening with that request?

Mayor: Cr Mosey and I met with a member of the community gardens at one of the markets that were on at the time and since then Cr Mosey has raised this at Council and officers are investigating and looking at opportunities to provide security cameras or to work with groups that are using that space. I understand there is a report being submitted for Council consideration and we will be able to update you shortly.

7 Phil Davey - 12 Lenore Street, Roleystone

Q6 Just to recap on my submission last year regarding the rates increase. We have a CPI in 2022 that was up by 5.1%. In 2023 so far it is up 7% as per the ABS web reports. The living cost index in 2022 was at 4.4%, in 2023 it is showing a variance 7.1% – 9.6% so fairly high but our wage price index last year was only 2.4% and this year it has risen to 3.7%. So between our wage price index and the living cost index we have a 4-6% variance as in we are lower than what the cost of living is going up. Some of our biggest increases to most people are our mortgages and more so to the renters for the landlords putting up the rents so whilst some may still consider the proposed increase as little more than a cup of coffee or a takeaway choice are you happy that those already struggling to make such choices 12 months later must endure another 4.5% increase on their rates or can we consider something lesser which I know was put forward last year and not accepted?

Mayor: There is a report on the rate to be advertised for Council to consider at this meeting.

Question time closed at 7.19pm

4 BUSINESS OF THE MEETING

4.1 SPECIAL CHIEF EXECUTIVE OFFICER'S REPORT

Report of the Chief Executive Officer.

MOVED Cr M S Northcott that the report be received.

MOTION not opposed, DECLARED CARRIED (13/0)

BUSINESS ARISING FROM REPORT

Recommendation CEO5/5/23 - Notice of Intention to Impose Differential Rates 2023

MOVED Cr K Busby SECONDED Cr E J Flynn

OPPOSED Cr S Peter

That Council:

- 1. ENDORSE the rating strategy, objects and reasons for each differential rating category and each minimum payment contained in the attachment to this report.**
- 2. Pursuant to section 6.36 of the *Local Government Act 1995*, AGREE to provide local public notice of its intention to impose differential rates and minimum payments for the 2023/24 financial year (FY24) in accordance with the attached *Statement of Rating Objects and Reasons*, and as outlined below:**

Differential Rate Category	Rate in the \$ (cents)	Minimum Rate
1. Vacant Land	14.5778c	\$1,175
2. Residential Improved	9.4040c	\$1,356
3. Business Improved	9.8134c	\$1,577

MOTION DECLARED CARRIED (8/5)

Crs Peter, Kamdar, Silver, Virk and Mosey voted against the Resolution.

5 CLOSURE

The Mayor, Cr Butterfield, declared the meeting closed at 7.47pm

MINUTES CONFIRMED THIS 12 JUNE 2023

MAYOR