

Special Council Meeting

Minutes

Monday 27 June 2022

Commenced at 7:00 PM

Council Chambers
20 Siding Avenue, Officer
Victoria

Members: Cr Jeff Springfield Mayor
Cr Tammy Radford Deputy Mayor
Cr Ray Brown
Cr Stephanie Davies
Cr Jack Kowarzik
Cr Graeme Moore
Cr Collin Ross
Cr Brett Owen
Cr Carol Ryan

Officers: Carol Jeffs Chief Executive Officer
Doug Evans Manager Governance

Order of Business

1 Opening And Prayer	3
2 Acknowledgements	3
3 Apologies	3
4 Adoption And Confirmation Of Minutes.....	3
5 Declaration Of Interests	3
6 Ordinary Business.....	4
6.1 General Reports	4
6.1.1 Adoption Of Budget 2022-26	4
7 Presentation Of Petitions	100
8 Urgent Business	101
9 Councillor Questions.....	101

1 Opening And Prayer

Meeting opened at 7:01pm.

I would ask those gathered to join us now for a few moments of silence as we reflect on our roles in this chamber. Please use this opportunity for reflection, Prayer or thought, to focus on our shared intention to work respectfully together for the well-being of our whole community.

2 Acknowledgements

Cardinia Shire Council acknowledges that we are on the traditional land of the Bunurong and Wurundjeri people and pay our respects to their elders past, present and emerging.

3 Apologies

The Mayor advised that both himself and the Deputy Mayor were ill and were remotely participating in the meeting. As such, he wished to step down as chairperson as it was difficult to chair remotely. The CEO called for nominations to appoint a temporary chair for the meeting.

Cr Ryan nominated Cr Owen, seconded Cr Kowarzik.

Carried.

Cr Owen was unanimously voted in and was appointed as temporary chair for the meeting.

The Manager Governance advised Cr Moore and Cr Davies were apologies for the meeting.

4 Adoption And Confirmation Of Minutes

5 Declaration Of Interests

6 Ordinary Business

6.1 General Reports

6.1.1 Adoption of Budget 2022-26

Responsible GM: Jenny Scicluna
Author: Scott Moore

Recommendation(s)

That Council, having completed the community engagement process in respect of the Budget 2022-26 consistent with Council's Engagement Policy, including the review and consideration of community feedback submissions at Councillor Briefing on Monday 23 May 2022, resolves as follows:

1. The Budget annexed to this resolution be adopted for the purposes of sections 91, 93 and 94 of the *Local Government Act 2020* and section 161 of the *Local Government Act 1989*.
2. The declaration and levy of rates and charges for the 2022-23 financial year, contained within the Budget annexed to this resolution, be adopted for the purposes of section 94 of the *Local Government Act 2020* and sections 157-158 and 161-163 of the *Local Government Act 1989*.

Attachments

1. Budget 2022-2026 [6.1.1.1 - 81 pages]
2. Budget Engagement Submissions Summary [6.1.1.2 - 2 pages]
3. Budget Engagement Submissions Detailed Listing [6.1.1.3 - 8 pages]

Executive Summary

To consider adoption of the Budget and declaration and levy of rates and charges for the 2022-23 financial year contained within.

Background

The Proposed Budget 2022-26 has been developed through a comprehensive process of review, including three Councillor workshops and three Councillor briefings. The budget also considered the Community feedback received during the Imagine Cardinia engagement process. This budget focuses on operating efficiently and effectively in a financially responsible way to meet community needs and to deliver on the commitments in the adopted Council Plan 2021-25.

As a part of the budget engagement process, Council engaged with the community via the Creating Cardinia platform and email submissions to receive their feedback. The budget engagement was open for public feedback over the four-week period from 13 April 2022 to 11 May 2022.

This budget was developed within a proposed 1.75% rate increase for 2022-23 (1.5% in 2021-22) consistent with the Average Rate Cap determined by the Minister for Local Government in

December 2021. This rate increase has been able to be achieved due to positive financial performance by Council over the last several years, which has allowed Council to absorb the lower rate increase proposed as part of this budget.

The proposed budget for 2022-23 is a surplus of \$80.817 million, before adjusting for capital and other abnormal items. After these adjustments, the adjusted underlying result is a deficit of \$8.157 million, which is \$7.69 million higher than the 2021-22 forecast underlying deficit of \$0.46 million. An average unit cost increase of 6 per cent for the residential garbage service charge is proposed to subsidise the increased recycling contract costs and the increased landfill levy of approximately \$20 per tonne proposed by the Victorian government. Council plans to supplement the cash flow from new loan borrowings of \$12.11 million in 2022-23 to fund a significant and progressive capital works program totalling \$99.49 million, including carry overs and excluding operating initiatives.

The ongoing challenge for Council is that approximately 77% of Council's adjusted underlying revenue is received via rates and charges, with the remainder primarily consisting of government grants, fees and charges, and contributions from developers. While Council has worked to reduce costs to a level where it is one of the lowest cost providers of services, the ability to continue to find efficiencies and savings into the future will be challenging without potential reductions in services or service levels. The budget provides for a significant capital program to continue to support the local economy and job creation.

In a lower and restricted rating environment, it is important that a balanced budget be achieved within the next four years to ensure Council can continue to meet current and future needs of its residents without prolonged use of accumulated surplus. The proposed budget attempts to balance the need to deliver infrastructure and services of a growing shire, while also providing the best possible value for residents and recognising the need for careful financial management during the immediate and ongoing economic challenges.

The proposed budget is based on key principles, including:

1. Maintain financial sustainability in the medium to long term, while achieving Council's strategic objectives as specified in the Council Plan.
2. Maintain key services at existing levels.
3. Achieve long term adjusted underlying surplus.
4. Effectively manage the Asset Renewal Gap.
5. Continue to manage serviceable debt.
6. Cash reserves are maintained above minimum statutory levels.

As one of Victoria's fastest growing municipalities, Cardinia Shire's population is expected to grow from the 2022 population forecast of 131,834 to an estimated 200,238 in 2041, an increase of 51.89%. The number of dwellings in Cardinia Shire is forecast to grow from 44,746 in 2021 to 71,241 in 2041 an increase of 59.21%. This growth reflects the unique qualities of the municipality and confidence in its future. It does, however, continue to place services, infrastructure, and resources under significant pressure particularly in a constrained rate cap environment.

The Proposed Budget 2022-26 will enable Council to continue to meet the challenges associated with this rapidly expanding population. A Capital Works program of \$99.49 million for 2022-23 has been prepared to ensure residents across the shire have access to an expanding range of new recreational and leisure facilities and renewed and upgraded infrastructure. A detailed listing of these projects over four years is contained in Appendix A.

Highlights of the Capital Works program for 2022-23 are:

- Cardinia Youth Facility - \$3.9m
- Integrated Centre (Timbertop Facility) - \$2.5m

- Integrated Centre (Brunt Rd) - \$3.2m
- Road Resurfacing Program - \$3.7m
- Officer District Masterplan (Civil Works) - \$3.3m
- Road Sealing Program (Connect Cardinia) - \$7.0m
- Princes Hwy Intersections - \$16.0m, funded by government grants and developer contributions
- Sealing the Hills - \$10.0m, funded from government grants.

Asset Renewal and Upgrade:

Council has committed to capital expenditure of \$57.78m on asset renewal and upgrades, including roads, bridges, footpaths, drains, buildings and plant.

The Proposed Budget 2022-26 has been designed to reflect Council's commitment to make Cardinia Shire the best possible place to live, work and raise a family.

Policy Implications

Nil.

Relevance to Council Plan

Responsible leaders

5.2 Manage our finances responsibly and leave a positive legacy for future generations

Climate Emergency Consideration

Nil.

Consultation/Communication

The Proposed Budget was prepared in consultation with the Senior Leadership Team and all business unit managers. Managers were required to prepare their operating and capital budgets based on the needs of service and capital works programs, whilst keeping in line with the prior year's Budget Plan and Financial Plan 2021-31. Financial implications of known changes were also taken into consideration.

The budget documents were available for public feedback and all submissions were noted and presented at Councillor Briefing with officer recommendations. Any changes resolved from the Briefing meeting have been reflected in the budget document and figures updated.

Financial and Resource Implications

The Budget outlines the financial resources available to Council for continuous operation and delivery of the Council Plan.

During the budget feedback process, Council received and considered a total of 95 responses via the Creating Cardinia platform and 7 submissions via emails. The Budget document includes the following Councillor resolved amendments resulting from the budget engagement process:

- Worrell Reserve Master Plan: \$150k allocated for design in 2022-23 and the State government promised capital grant of approximately \$1m included in 2023-24.
- IYU Athletics: Realignment of project funds allocation, approximately \$600k moved from lighting project in 2023-24 to the pavilion, and lighting moved out to 2026-27.

- Puffing Billy park playground renewal: Allocate funds of approximately \$60k in 2023-24.

Council must prepare and adopt a budget for the forthcoming financial year and subsequent three years to be able to fund the various services and programs required. Any subsequent material change that Council considers should be the subject of community engagement would require a revision to be made to the Budget 2022-26 document.

Conclusion

Working within the framework provided by the adopted Financial Plan 2021-31, this Budget outlines how resources will be allocated to deliver the initiatives, programs, services and capital works to the community as framed by the Council Plan for the 2022-26 period. It also outlines the associated arrangements for financing and servicing financial debt.

The budget has been influenced by the consultation process and is based on sound financial principles, prudent debt management, responsible asset management and ratepayer equity, value and affordability principles.

Having complied with the *Local Government Act* (LGA) provisions (LGA 1989 sections 157-158 and 161-163; LGA 2020 sections 91, 93 and 94) and having considered the community engagement submissions received, Council is able to formally resolve on the Budget 2022-26 and declaration and levy of rates and charges for the 2022-23 financial year contained therein.

Resolution

Moved Cr Jack Kowarzik, seconded Cr Jeff Springfield.

That Council, having completed the community engagement process in respect of the Budget 2022-26 consistent with Council's Engagement Policy, including the review and consideration of community feedback submissions at Councillor Briefing on Monday 23 May 2022, resolves as follows:

1. The Budget annexed to this resolution be adopted for the purposes of sections 91, 93 and 94 of the *Local Government Act 2020* and section 161 of the *Local Government Act 1989*.
2. The declaration and levy of rates and charges for the 2022-23 financial year, contained within the Budget annexed to this resolution, be adopted for the purposes of section 94 of the *Local Government Act 2020* and sections 157-158 and 161-163 of the *Local Government Act 1989*.

Carried

Cr Ryan called for a division.

For: Cr Springfield, Cr Kowarzik, Cr Radford, Cr Owen.

Against: Cr Ryan, Cr Cameron, Cr Ross.

7 Presentation Of Petitions

Nil.

8 Urgent Business

There was no urgent business.

9 Councillor Questions

Nil.

10 Meeting Closure

Meeting closed at 7:22pm.

Minutes confirmed
Chairman