

Special Council Meeting

Minutes

Monday 26 June 2023

Commenced at 7:00 PM

Council Chambers
20 Siding Avenue, Officer
Victoria

Members:	Cr Tammy Radford	Mayor apology
	Cr Jack Kowarzik	Deputy Mayor
	Cr Kaye Cameron	
	Cr Stephanie Davies	
	Cr Jeff Springfield	
	Cr Graeme Moore	
	Cr Collin Ross	
	Cr Brett Owen	Leave of absence
	Cr Carol Ryan	
Officers:	Carol Jeffs	Chief Executive Officer
	Peter Benazic	General Manager Infrastructure and Environment
	Lili Rosic	General Manager Liveable Communities
	Owen Hardidge	Acting General Manager Governance, Facilities and Economy
	Debbie Tyson	Acting General Manager Customer, People and Performance
	Doug Evans	Manager Governance

Meeting opened at 7.00pm.

Order of Business

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The Deputy Mayor, Cr Jack Kowarzik advised that he would be the Chairperson for the Special Meeting due to the Mayor Cr Radford being an apology due to being unwell and opened the meeting at 7pm

1 Opening And Reflection/Prayer

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

Cr Radford submitted an apology as she was unwell and it was noted that Cr Owen was on a leave of absence

4 Ordinary Business

4.1 Financial Reports

4.1.1 Adoption of Budget 2023/24

Responsible GM: Debbie Tyson
Author: Scott Moore

Recommendation(s)

That Council, having completed the community engagement process in respect of the Budget 2023/24 consistent with Council's Engagement Policy, including the review and consideration of community feedback and submissions at Councillor budget workshop on Monday 5 June 2023, 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 2023/24 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*.
3. The Budget Fees & Charges Schedule be amended to include a cost for Annual Parking passes for Emerald Lake Park, as follows
 - Free for Cardinia Shire residents
 - \$40 for non-Cardinia Shire residents.

Attachments

1. Budget 2023-24 [4.1.1.1 - 82 pages]
2. Budget 2023-24 Engagement Submissions Summary [4.1.1.2 - 3 pages]
3. Budget 2023-24 Engagement Creating Cardinia Report [4.1.1.3 - 22 pages]

Executive Summary

To consider adoption of the Budget and declaration and levy of rates and charges for the 2023/24 financial year contained within.

Background

The Proposed Budget 2023/24 has been developed through a comprehensive process of review and analysis, including six Councillor workshops and three Councillor briefings and consideration of community feedback received during the Creating Cardinia engagement process.

It focuses on meeting the adopted Council Plan 2021-25 commitments by funding the delivery of the community's service and infrastructure priorities and expectations in an efficient, effective and financially responsible way within the constraints of limited revenue sources and the rate cap.

The budget engagement process included Council community feedback and submissions on the draft budget received via the Creating Cardinia platform and by email over the period from 5 May to 21 May 2023.

The budget was developed within a proposed 3.50% rate increase for 2023/24 (1.75% in 2022/23) consistent with the Average Rate Cap determined by the Minister for Local Government in December 2022. This rate increase is well below current and projected inflation, service contract cost increases, staff enterprise agreement commitments and supply chain cost increases. The rate cap places sustained pressure on Council's adjusted underlying result, which will be supported by accumulated surplus and cash reserves generated from positive financial performance by Council over the last several years, together with proposed new loan borrowings to assist council funding of a continuing extensive capital works program.

The proposed budget for 2023/24 includes a total comprehensive surplus of \$100.18 million, before adjusting for capital and other abnormal items. After these adjustments, the adjusted underlying result is a deficit of \$9.76 million, which is \$3.78 million higher than the 2022/23 forecast underlying deficit of \$5.98 million.

An average unit cost increase of 6.7% for the residential garbage service charge and 3.3% for the green waste service are proposed to subsidise increased waste and garbage contract costs of approximately 7.6% for 2023/24, together with a Victorian government landfill levy increase of approximately \$3.37 per tonne (to \$129.27).

Council plans to supplement its cash flow with new loan borrowings of \$30.0 million in 2023/24 to fund a significant and progressive capital works program totalling \$113.79 million, including carry overs and excluding operating initiatives.

The ongoing challenge for Council is that approximately 79.4% of its adjusted underlying revenue is received via rates and charges, with the balance primarily consisting of government grants, fees and charges, and contributions from developers. While Council has worked to reduce costs, the ability to continue to generate efficiencies and savings without impacting services, service levels and capital programs into the future will be challenging. The budget

provides for a significant capital program to continue to support the local economy and job creation.

Value for money, capacity to pay and service accessibility remain guiding principles in this budget to keep rates and charges as affordable as possible, while delivering a wide range of valued services to our community within the State Government's rate cap.

The proposed budget is based on key principles, including:

1. Achieving long term financial sustainability, while delivering on Council's strategic objectives as specified in the Council Plan.
2. Maintain key services at existing levels.
3. Effectively manage the Asset Renewal Gap.
4. Continue to manage serviceable debt.
5. Maintain cash reserves above minimum statutory levels.

As one of Victoria's fastest growing municipalities, Cardinia Shire's population is expected to grow approximately 40.75% from the 2023 population forecast of 129,896 to an estimated 182,833 in 2041. The number of dwellings in Cardinia Shire is forecast to grow by approximately 46.47% from 45,632 in 2023 to 66,837 in 2041. 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 2023/24 will enable Council to continue to meet the challenges associated with this rapidly expanding population. A Capital Works program of \$113.79 million for 2023/24 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 2022/24 are:

- Princes Highway Intersections (Tivendale/Bayview) \$17.9m
- Sealing the Hills \$16.3m
- Connect Cardinia Stage 2 Road Sealing Program \$10.0m
- Land acquisitions \$7.0m
- Integrated Children's Facility (Brunt Road) \$7.0m
- Koo Wee Rup Bowls and Community Facility \$5.4m
- Integrated Children's Facility (Thewlis/Cardinia Road) \$4.0m
- Garfield Netball Pavilion Upgrades \$3.6m
- Officer District Masterplan - Civil Works \$3.5m
- Cardinia Youth Facility \$2.5m
- Upper Beaconsfield Recreation Reserve \$1.4m
- Pakenham Tennis Club Relocation (Club Room Renovation) \$1.0m.

As Council continues to increase asset delivery across the shire, it is also increasing its focus to renew and upgrade existing assets, with \$69.20 million committed to asset renewal and upgrades in 2023/24, including roads, bridges, footpaths, drains, buildings and plant. Council's Asset Management plans assist to identify renewal requirements and to make informed investment in various asset classes to maintain their optimum condition.

The Proposed Budget 2023/24 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 prepared operating and capital budgets based on service and capital works program needs, the prior year's Budget Plan and the adopted Financial Plan 2021-31. Financial implications of known changes were also taken into consideration.

The draft budget was available for public feedback and all submissions were noted and presented with officer recommendations at a Councillor budget workshop in June. Any changes resolved from the workshop 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 103 responses via the Creating Cardinia platform and 6 submissions via emails. The Budget document includes the following Councillor resolved amendments resulting from the budget engagement process:

- Cora Lynn Reserve – Pavilion Design/Construct: Project has been brought forward from years 3 and 4 (2025-27) to years 2 and 3 (2024-2026). With modular construction to now be managed by Council, rather than local clubs, an additional \$408,611 is allocated to cover these costs within the project.
- McGregor Road Duplication Project: Project has been moved from year 2 (2024/25) to years 3 and 4 (2025-27).
- Funding for a “Choose Tap” fountain at The Garfield Rec Reserve oval has been prioritised within current budget allocations.
- Council officers will organise members of the Parks Services Team and Citywide to inspect the Bunyip Oval and provide maintenance recommendations to the Recreation Reserve Committee, including providing a recommended annual maintenance schedule.

Council must prepare and adopt a budget for the forthcoming financial year and subsequent three years to fund the range of required services and programs for the community. Any subsequent material change that Council considers will be subject to community engagement as required by the communication and engagement policy and would require a revision to be made to the Budget 2023/24 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 2023-27 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 2023/24 and declaration and levy of rates and charges for the 2023/24 financial year contained therein.

Resolution

Moved Cr Stephanie Davies, seconded Cr Jeff Springfield.

That Council, having completed the community engagement process in respect of the Budget 2023/24 consistent with Council's Engagement Policy, including the review and consideration of community feedback and submissions at Councillor budget workshop on Monday 5 June 2023, resolves as follows:

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Carried