



Cardinia

MINUTES OF SPECIAL COUNCIL MEETING

MONDAY, 26 MARCH 2018

MINUTES OF SPECIAL COUNCIL MEETING

held in the Council Chambers, 20 Siding Avenue, Officer
on Monday, 26 March 2018
The meeting commenced at 6.15pm

PRESENT:

Mayor, Collin Ross, Chairman

Councillors Michael Schilling, Carol Ryan, Graeme Moore, Ray Brown, Jeff
Springfield, Leticia Wilmot, Brett Owen

Messrs Garry McQuillan (CEO), Mike Ellis (GMAS), Derek Madden
(GMCS), Andrew Paxton (GMPD), Jenny Scicluna (GMCWB), Doug Evans (MG)

APOLOGIES:

Jodie Owen,

DECLARATION OF PECUNIARY AND OTHER INTERESTS

Nil.

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1 PROPOSED BUDGET 2018-19

FILE REFERENCE INT1818819

RESPONSIBLE GENERAL MANAGER Derek Madden

AUTHOR Richard Williams

RECOMMENDATION

That:

1. The Proposed Budget annexed to this resolution be the budget prepared by Council for the purposes of section 127 of the Local Government Act 1989;
2. The Chief Executive Officer be authorised to give public notice of the preparation of such budget in accordance with section 129 of the Local Government Act 1989;
3. Council hear any submission on any proposal (or proposals) contained in such budget, made in accordance with sections 129 and 223 of the Local Government Act 1989 at a Special Council Meeting to be held on Monday 7 May 2018 at the Council Chambers, Civic Centre, 20 Siding Avenue, Officer, 3809, and
4. Council consider the adoption of the budget and the declaration and levy of rates and charges for the 2018-19 financial year at the Council Meeting to be held on Monday 21 May 2018.

Attachments

- 1 Proposed Budget 201-19 72 Pages

EXECUTIVE SUMMARY

To consider adoption of the proposed Budget for the forthcoming financial year and to release the budget for public feedback.

BACKGROUND

This budget was developed with a proposed 2.25% rate increase for 2018-19 (2.0% in 2017-18). This rate increase has been able to be achieved due to strong financial planning by Council over the last 5 years, which has allowed Council to absorb the lower rate increases proposed as part of this budget.

The forecast result for 2018-19 is a surplus of \$4.941m, before adjusting for capital and other one-off items. After these adjustments, the underlying result is a deficit of \$557k, which is \$571k unfavourable to the 2017-18 budgeted underlying result of a surplus of \$14k.

Note that due to ongoing issues with the sale of recycled material overseas, the garbage charge may change from what is currently reported in the proposed budget. This should be resolved over the coming weeks, at which time the new charge will be determined. This will also affect the rates and charges (garbage charge income) and materials and services (garbage contract costs) in the Comprehensive Income Statement, but should have minimal overall impact on the underlying result.

Council has prepared a proposed budget for the 2018-19 financial year that focuses on delivering the right balance between managing Cardinia Shire's ongoing development, while ensuring continued support and services for residents in the community. It is important that Council's response to the impact of lower rating is a "planned" response and not a reactive year on year response. The financial viability of the Council will depend on these decisions.

The ongoing challenge for this Council is that 79.1% of Council's operating revenue is received via rates and charges with the remainder primarily consisting of government grants, fees & 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 financial plan adopted as part of its 2018-19 budget plan has been developed to ensure that Cardinia residents continue to be serviced with resources and facilities in line with expectations and on par with other Councils.

In a lower rating environment, it is important that a balanced budget continues to be achieved in future years to ensure Council can continue to meet current and future needs of its residents. The proposed budget attempts to balance the need to deliver infrastructure and services, while also providing the best possible value for residents and recognising the need for careful financial management.

In response to the lower rating environment, future budgets will be created and managed based on the six principles below:

1. Effectively manage the Asset Renewal Gap
 - Performance Indicator: Gap existing at July 2017 does not grow
2. Continue to manage debt
 - Performance Indicator: Debt is managed as per the adopted Debt Management Strategy
3. Underlying financial result to remain in surplus*
 - Performance Indicator: Council adopted underlying result to be positive at 30 June each year
4. Improved community understanding of the budgeting process
 - Performance Indicator: Council workshops and feedback received annually
5. Key services maintained at existing levels
 - Performance Indicator: Annual Customer Satisfaction Survey results, Community Feedback
6. Any further cost shifting by either state or federal government is to be rejected.
 - Performance indicator: All cost shifting to be reported quarterly via council meetings.

*Due to the borrowings associated with delivery of the roads sealing program, a small underlying deficit is forecast for 2018-19.

As one of Victoria's fastest growing municipalities, Cardinia Shire's population is expected to grow from the 2016 population of 97,629 to an estimated 185,387 in 2036, an increase of 89.9%. The number of dwellings in Cardinia Shire is forecast to grow from 35,645 in 2016 to 67,125 in 2036 an increase of 88.3%. 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.

The 2018-19 Proposed Budget will enable Council to continue to meet the challenges associated with this rapidly expanding population. A Capital Works program of \$55.656m has been prepared to ensure residents across the shire have access to an expanding range of new recreational and leisure opportunities, and renewed and upgraded infrastructure. In addition to the Capital Works council have identified significant works that will be completed subject to funding from State Government, a detailed listing of these contained in Appendix B.

Highlights of the Capital Works program are:

New projects totalling \$20.993m, including:
Lang Lang Recreation Facility (\$4.724m),
Comely Banks Children's Facility (\$2.580m),
James Bathe Recreation Reserve (\$2.025m),
Deep Creek Reserve (\$1.865m), and
Bunyip soccer facility (\$1.8m)

Asset Renewal and Upgrade:

Expenditure of \$10.544m on asset renewal, including roads, bridges, footpaths, drains, buildings and plant, and \$24.119m on asset upgrades, the major project being a strategic road sealing program across the Shire at a budgeted cost of \$20.0m.

The \$50 rebate scheme for residential ratepayers who are in receipt of a NewStart Allowance will continue in 2018-19.

In line with the SRP, the 2018-19 Proposed Budget 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

Council is required to prepare a Proposed Budget for public consultation

RELEVANCE TO COUNCIL PLAN

The 2018-19 Proposed Budget outlines the financial resources for the successful delivery of the Council Plan

CONSULTATION/COMMUNICATION

The Proposed Budget was prepared in consultation with the Senior Leadership Team and all departmental managers. Managers were required to prepare their operating budgets based on the needs of their programs, whilst keeping in line with the prior year's Strategic Resource Plan. Financial implications of known changes (for example, the continuing impact of the state government cap on rates) were also taken into account.

Once the Proposed Budget is adopted, it is required to be available for public consultation for 28 days. Notice of adoption of the Proposed Budget will be communicated to the community through the local press. Members of the public are able to make budget submissions, which will be heard by Council once the 28 day consultation period has closed. During the public consultation period, public information sessions, where the Proposed Budget is presented to the public and any questions answered, will be held

FINANCIAL AND RESOURCE IMPLICATIONS

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

CONCLUSION

This budget addresses the key needs of our current community and with the Strategic Resource Plan caters for our current and future communities. It is a budget based on sound financial principles, prudent debt management, and responsible asset management

1 PROPOSED BUDGET 2018-19

Moved Cr L Wilmot Seconded Cr M Schilling

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Cd.

2 COUNCIL PLAN, STRATEGIC RESOURCE PLAN, AND COUNCIL PLAN ACTIONS REVIEWED

FILE REFERENCE INT1818745

RESPONSIBLE GENERAL MANAGER Derek Madden

AUTHOR Peter Philp

RECOMMENDATION

That:

1. the following changes to the Council Plan be adopted and released for public comment:
 - Updates to the Strategic Resource Plan (SRP) to align with budget papers;
 - Updates to the Council Plan actions that identify key initiatives to implement the Council Plan, and;
 - Updates to the Council Plan to accurately reflect updates to the Council Plan actions.
2. Hear any persons that wish to speak in support of their submission made, in accordance with Section 223 of the Local Government Act 1989, at a Special Meeting to be held in the Council Chamber on 7 May 2018

Attachments

- | | | |
|---|---|----------|
| 1 | Draft Council Plan 2018 - including Strategic Resource Plan | 28 Pages |
| 2 | Draft Council Plan Actions 2018 -2022 | 14 Pages |

EXECUTIVE SUMMARY

To release the draft amended council plan and associated action plan for public comment

BACKGROUND

Council Plan

Under the provisions of Section 125 of the Local Government Act Council is required to consider if adjustments are required to the Council Plan. This is part of the annual planning / budgetary cycle. Council has reviewed the existing council plan in conjunction with its annual review of activities, finances and future direction. This review resulted in the changes that are contained in the recommendation.

- Update to the strategic resource plan to align with budget papers

The purpose of the SRP is to plan the resources required to achieve the Council's strategic objectives detailed in the Council Plan. Council agreed to include this in the plan as an appendix, mirroring the information contained in the budget document.

Council plan actions

Council reviewed the key actions to deliver the Council Plan over the 2018-19 to 2021-22 timeframe as part of the annual planning / budgeting cycle. This review resulted in the attached Council Plan actions being for adoption in Draft form, for public circulation.

POLICY IMPLICATIONS

There are no impacts on existing policy by these changes.

RELEVANCE TO COUNCIL PLAN

The recommendations are a key part of the annual review of the Council Plan.

CONSULTATION/COMMUNICATION

Council considers a variety of information when reviewing the Council Plan and associated actions. These include the views of residents, council management and officers and existing strategy plans. Feedback is sought during the public exhibition period

FINANCIAL AND RESOURCE IMPLICATIONS

There are no direct financial impacts of these amendments as changes are to wording rather than the direction of council.

The Council Plan actions are consistent with the draft budget.

CONCLUSION

That council adopt the recommended changes to the council plan and associated Council Plan actions for release for public comment with the budget and strategic resource plan and consider any public submissions.

2 COUNCIL PLAN, STRATEGIC RESOURCE PLAN, AND COUNCIL PLAN ACTIONS REVIEWED

Moved Cr L Wilmot Seconded Cr M Schilling

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Cd.

Meeting closed at 6.52pm

Minutes Confirmed
Chairman