



MINUTES
of the
ITEMS FOR CONSIDERATION
CHIEF EXECUTIVE OFFICER EXERCISE OF DELEGATION

17 APRIL 2020

at

4.00 pm
Conducted via videoconference

This is a formal record of the items presented to the CEO for consideration and decisions made when exercising his delegated authority.

** Council resolved at its 25 March 2020 Ordinary Meeting to amend the powers of the CEO during the State of Emergency COVID-19. In the event that a quorum cannot be achieved, the CEO will exercise the delegation in accordance with the delegated powers.

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1. DECLARATIONS OF INTEREST

Craig Lloyd, CEO declared that he did not have any conflicts of interest in relation to the matters for consideration.

2. OUR PROMISE

2.1 2020/21 DRAFT ANNUAL BUDGET AND STRATEGIC RESOURCE PLAN

Attachment(s): 2020/21 Draft Annual Budget (Attachment 2.1a)
Strategic Resource Plan (2020/21 Review) (Attachment 2.1b)
Proposed projects subject to savings and external grant funding
(Attachment 2.1c)

Purpose

The purpose of this report is to seek the Chief Executive Officer's endorsement of the draft 2020/21 Annual Budget (draft Budget) and draft Strategic Resource Plan (2020/21 Review) (SRP) for the purposes of informal public exhibition.

Officer Recommendation

That the CEO by exercise of delegation:

1. note that the draft 2020/21 Annual Budget (draft Budget) attached to this report is the draft Budget prepared by Council for the purposes of Section 127 (1) of the *Local Government Act 1989* (the Act)
2. note that the property rates increase included in the draft Budget is 0%.
3. note that for the 2020/21 financial year only, the Commercial / Industrial differential rate is adjusted from 125% to 100%, matching the rate in the dollar to the general differential rate
4. note that the draft Budget includes \$500,000 for a COVID-19 relief and recovery package funded from the remaining 2009 bushfire government assistance funds provided by the State Government, which is currently held in reserve
5. note the proposal to approve the list of capital works projects included in Attachment 3 to proceed if savings or alternative funding sources are found during the financial year or grant submissions are successful.
6. release the draft Budget for informal public exhibition on the Murrindindi Shire Council Website
7. note that, subject to the successful passage of Victorian Government legislation to enable Council meetings to be held online, it is proposed that a Special Meeting of Council be held at 6:00pm on Wednesday 6 May 2020 to consider :
 - a. giving formal public notice of the draft Budget 2020/2021 and draft Strategic Resource Plan (SRP) in accordance with Section 129 of the Local Government Act 1989,
 - b. commence a public submission process in accordance with Section 223 of the Local Government Act 1989, and
 - c. resolve on a date for a subsequent Special Meeting of Council to hear public submissions.

Background

The preparation of the financial budget is part of a cyclical process that begins with the development of the Council Plan, the four-year blueprint for Council activities. Council developed the Council Plan 2017-2021 following consultation with the community. Council has also developed the Strategic Resource Plan (SRP), which ensures resource allocation is able to

service Council's long term activities and initiatives. The SRP and its underpinning strategies inform the budget development process. The annual budget is a one-year financial plan that considers Council Plan activities, current influences and any new initiatives.

The draft Budget 2020/21 attached to this report outlines the financial implications of the strategic objectives and initiatives planned by Council, focusing on the coming financial year.

The draft Budget balances the need to deliver infrastructure and services while also providing the best possible value for residents, recognising the adverse impacts on the community associated with the current COVID-10 pandemic, and ensuring careful ongoing financial management.

Discussion

The draft Budget details the resource requirements and project priorities that are in accordance with the key strategic objectives that have been set in the Council Plan 2017 -2021.

The draft Budget has been prepared on the principles of responsible financial management to achieve an operating result that ensures and maintains long term financial sustainability.

In response to the COVID-19 pandemic, the direction set by Council in framing the draft budget for 2020/21 is to balance the need to lessen as much as possible the financial impacts on the community at this critical time, whilst at the same time meeting the need to continue and in some cases enhance critical services in response to government directives and to support the community's longer term recovery from this crisis.

Given these are unprecedented times and following briefings with Council, it is proposed to take the unprecedented step of a 0% property rate rise for the 2020/21 year, with the only variations ratepayers will see on their rate notice being attributable to changes in property valuations (as set by the Victorian State Government) as at 1 January 2020, waste and recycling charges (based on cost recovery) including the landfill levy, and the Fire Services Property Levy, with both levies set by the State Government, not Council.

Further, for the 2020/21 year it is proposed to remove the 25% premium paid by commercial and industrial property owners under the commercial/industrial differential rate in recognition of the need to support business recovery in our Shire over the coming 12 months.

Whilst recognising this will reduce Council's income over the longer term, with an approximately \$5million reduction in predicted rate revenue over 10 years, this is still considered a prudent step due to the severity of the current crisis, Council's current relatively healthy financial position and the ability to manage the effects of this reduction in revenue through future savings, deferral of non-essential spending, the re-prioritisation of expenditure and the availability of discretionary reserves.

The draft budget also proposes a substantial COVID-19 pandemic relief and recovery package, by drawing down on \$500,000 remaining from the 2009 bushfire government assistance funds, provided by the State Government to Council to support its ongoing operations and which is currently held in reserve. These funds will be made available for initiatives to support community and business recovery in our Shire during the 2020/21 financial year.

The draft Budget also proposes that Council will spend \$46.40 million to deliver services and improve infrastructure. This includes an expanded \$11.68 million Capital Works Program to help stimulate economic and community recovery.

Highlights of the Capital Works Program include:

- \$3.86 million on roads and paths including reseals, re-sheeting, footpath renewals and improvements to unsealed roads
- \$175,000 to improve safety at the Kinglake West Primary School crossing and surrounds
- \$479,000 on Marysville Swimming Pool renewal works
- \$160,000 on Kinglake Public Toilet Renovation (Aitken Crescent)
- \$350,000 on a new public toilet in Kinglake Memorial Reserve
- \$45,000 on solar hot water showers for male and female amenity blocks at Eildon and Marysville swimming pools
- \$40,000 to replace bi fold doors at Yea Recreation Reserve Clubrooms
- \$189,000 to improve connectivity to Kellock Lodge (William Street to Johnston Street, with connection to Leckie Park)
- \$45,000 for additional shade sails at the Yea Swimming Pool
- \$100,000 for the extension of the footpath in Falls Road, Marysville (Stage 1 – Gallipoli Park to Goulds Terrace)
- \$50,000 for bridge renewal at the entrance to the Yea Caravan Park

In addition to capital projects proposed in the draft budget, attached to this report (attachment 3) is a list of projects that will only proceed if savings or alternative funding sources become available, or grant applications are successful.

Other new initiatives proposed to be funded in the draft Budget for 2020/21 include:

- provision for free public entry to our Swimming Pools in Alexandra, Eildon, Marysville and Yea and a one year trial of late-night pool openings on Fridays and Saturdays at our busiest Swimming Pools in Alexandra and Yea to promote greater utilisation of these important facilities
- the much-needed addition of an arborist to Council's staff and a \$100,000 increase to funding for tree works across the Shire, reflecting increased need given recent storm events and changing climate patterns.
- funding to implement the new Murrindindi Shire Tourism and Events Strategy, which will help us support and re-energise this crucial sector when pandemic-related restrictions are eventually eased.
- funding to strengthen our ability to effectively manage waste and improve recycling in the community in light of new State Government policy directions for Victoria's waste and recycling sector.
- funding set aside to support the conduct of Council elections scheduled for October 2020 and the training and support of newly elected councillors.

This report proposes the release the draft Budget by the Chief Executive Officer for informal public exhibition on the Murrindindi Shire Council Website.

Subject to the successful passage of Victorian Government legislation to enable Council meetings to be held online, it is proposed that a Special Meeting of Council be held at 6:00pm on Wednesday 6 May 2020 to commence a public submission process in accordance with Sections

129 and 223 of the *Local Government Act*. At this meeting Council will also determine a date for a Special Meeting to hear public submissions about the draft Budget.

At this stage it is anticipated that Council will consider the final adoption of the budget at the Ordinary Council Meeting on June 24, 2020.

Council Plan/Strategies/Policies

The draft Budget and SRP are consistent with the *Council Plan 2017-2021* Our Promise strategy to 'maintain Council's financial sustainability through sound financial and asset management'.

Relevant Legislation

Council is required under the *Act*, to prepare and adopt an annual budget. The structure and contents of the draft Budget and Strategic Resource Plan are legislated under Section 126 & 127 of the *Act*.

Financial Implications and Risk

The proposed 2020/21 Budget is fiscally responsible in its scope of discretionary spending. The draft Budget details how Council can manage its proposed 0% rate rise, whilst providing a responsible and viable financial plan for the ensuing year. Whilst it is recognised that there is a longer term impact in loss of approximately \$5million in rate revenue over 10 years associated with this decision, Council's current sound financial position, its holding of discretionary cash reserves and prudent expenditure management over time will minimise any serious longer term financial impacts.

Conflict of Interest

There are no declared interests by Council officers in the preparation of this report.

Community and Stakeholder Consultation

In accordance with the requirement of the *Act*, Council is required to give public notice that it intends to adopt the Budget. It is proposed that the Council meeting on 6 May 2020, as discussed above, to formally resolve to give public notice. Following this the draft Budget must be made available for inspection at Council offices and on its website for a period of at least 28 days, and submissions invited from members of the public. At the meeting on 6 May 2020, Council will determine a date not less than 28 days after 6 May 2020 to hear budget submissions.

CEO Decision

That as the CEO, I exercise my delegation to:

1. note that the draft 2020/21 Annual Budget (draft Budget) attached to this report is the draft Budget prepared by Council for the purposes of Section 127 (1) of the *Local Government Act 1989* (the *Act*)
2. note that the property rates increase included in the draft Budget is 0%
3. note that for the 2020/21 financial year only, the Commercial / Industrial differential rate is adjusted from 125% to 100%, matching the rate in the dollar to the general differential rate
4. note that the draft Budget includes \$500,000 for a COVID-19 relief and recovery package funded from the remaining 2009 bushfire government assistance funds provided by the State Government to Council to support its ongoing operations and which is currently held in reserve
5. note the proposal to approve the list of capital works projects included in Attachment 3 to proceed if savings or alternative funding sources are found during the financial year or grant submissions are successful.

6. release the draft Budget for informal public exhibition on the Murrindindi Shire Council Website
7. note that, subject to the successful passage of Victorian Government legislation to enable Council meetings to be held online, it is proposed that a Special Meeting of Council be held at 6:00pm on Wednesday 6 May 2020 to consider:
 - a. giving formal public notice of the draft Budget 2020/2021 and draft Strategic Resource Plan (SRP) in accordance with Section 129 of the Local Government Act 1989,
 - b. commence a public submission process in accordance with Section 223 of the Local Government Act 1989, and
 - c. resolve on a date for a subsequent Special Meeting of Council to hear public submissions.

3. CONFIDENTIAL ITEMS

3.1 TENDER CONT20/05 – KING PARROT CREEK ROAD – ROUTE IMPROVEMENT

CEO Decision

That as CEO, I exercise my delegation to:

1. accept the tender from Wrights Earthmoving Pty Ltd for the lump sum price of \$163,351.99 (Excl. GST) (\$179,687.19 Incl. GST) to complete the road improvement works on King Parrot Creek Road
2. approve the allocation of \$49,000 (Excl. GST) (\$53,900 Incl. GST) as a contingency amount to be used for the delivery of this contract as detailed in this report
3. note that this decision is being made under the CEO delegation to ensure that the project is able to commence and be completed within the 19/20 Financial Year as funded
4. release this decision to the public as part of the formal record of the exercise of delegation.