



AGENDA
of the
SPECIAL MEETING OF COUNCIL
to be held on
WEDNESDAY 30 APRIL 2014
in the
ALEXANDRA COUNCIL CHAMBERS
commencing at
6.00 pm

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1. PRAYER**2. APOLOGIES AND REQUESTS FOR LEAVE OF ABSENCE****3. DISCLOSURE OF INTEREST OR CONFLICT OF INTEREST****4. OPEN FORUM****5. DRAFT BUDGET 2014-2015 AND DRAFT COUNCIL PLAN REVIEW 2013-2017 (INCORPORATING THE STRATEGIC RESOURCE PLAN)**

REF: 14/6392

(Refer Attachments – Draft Budget 2014-2015 and Draft 2013-2017 Council Plan Review (incorporating the Strategic Resource Plan))

Purpose:

The purpose of this report is to provide Council with the Draft 2014-15 Budget document and 2013-2017 Council Plan Review (including the Strategic Resource Plan) that have been prepared. These documents articulate Council's strategic direction and document the key activities we will undertake and the way in which they are to be funded.

Recommendation:

- 1. That the 2013-17 Council Plan Review annexed to this resolution and initialled by the Mayor for identification, is the Council Plan and Strategic Resource Plan prepared by Council for the purposes of Section 125 (7) and Section 126 (3) of the *Local Government Act 1989*;**
- 2. The 2014-15 Budget annexed to this resolution and initialled by the Mayor for identification, is the Budget prepared by Council for the purposes of Section 127 (1) of the *Local Government Act 1989*;**
- 3. The Chief Executive Officer be authorised to:**
 - (i) Give Public Notice in the newspapers detailed below of the proposed Budget, Council Plan and Strategic Resource Plan, in accordance with section 129 of the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2014*;**
 - (ii) Make available for public inspection the information required to be made available by the Sections 125, 126 and 129 of the *Local Government Act 1989*; and**
 - (iii) That pursuant to Section 129(3) (b) of the *Local Government Act 1989*, Council prescribes the following places for display of prescribed information required under Regulation 16:**

- **Alexandra Council Office, Perkins Street, Alexandra 3714**
 - **Kinglake Council Office, 19 Whittlesea-Kinglake Road, Kinglake 3763**
 - **Yea Council Office, Civic Centre, Semi Circle, Yea 3717**
 - **Eildon Resources Centre Main Street Eildon 3779**
 - **Marysville Visitor Information Centre, 5 Murchison Street Marysville 3779**
4. **Council consider submissions on a proposal (or proposals) contained in the Budget made in accordance with section 223 of the *Local Government Act 1989* at the Special Meeting of Council on Wednesday 11 June 2014 commencing at 6.00 pm at the Alexandra Council Chambers.**
 5. **That following the consideration of all written and verbal submissions, the 2014-15 Budget, Council Plan and Strategic Resource Plan be presented to an Ordinary Meeting of Council to be held on Wednesday 25 June 2014 commencing at 6.00 pm at the Alexandra Council Chambers.**

Background:

The development of the financial budget is part of a cyclical process that begins with the review of the Council Plan, a four year blue print for Council activities. Council has reviewed the current Council Plan (2013-17) and revised its intended strategic actions for the 2014-15 financial year. Following on from that process, review occurs of 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 SRP activities, current influences and any new initiatives.

Council is required under the Local Government Act 1989, to prepare and adopt an annual budget. The Murrindindi Shire Council Budget 2014-15 presented in this report outlines the financial implications of actions 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 and recognising the need for careful ongoing financial management.

The Mayor's introduction and Chief Executive Officer's summary of the 2014-15 Budget details the key outcomes from the budget process.

Council Plan/Strategies:

The Budget is the financial output of funding normal operations and the initiatives detailed in the development Council Plan for 2013-17 (incorporating the SRP).

Legal/Policy Issues:

The Budget is legislated under Section 127 of the *Local Government Act 1989*. The requirement for the Council Plan inclusive of Strategic Resource Plan (SRP) is detailed under Sections 125 and 126 of the *Local Government Act 1989*.

Financial/Resources/Risk

The proposed draft budget for 2014-15 is conservative in its scope of discretionary spending, whilst balancing Council's commitment to the Community with regards to rate increases for 2014-15, providing a responsible and viable financial plan for the ensuing year.

Discussion:

The 2014-15 Draft Budget, Council Plan and Strategic Resource Plan ultimately details

resource and project priorities that are in accordance with the key strategic directions outlined in the Council Plan.

The review of the Council Plan (2013-17) has seen minor adjustments of the key strategies aligned to the four goals of Council, namely:

- Our Community
- Our Environment
- Our Economy
- Our Council

With some minor exceptions, it is proposed that the strategic objectives and strategies remain unchanged from 2013-2014. The proposed Year Two Actions have been updated to reflect anticipated progress on implementing the Council Plan as at 30 June 2014. Key actions proposed for 2014/15 include the following:

- Commence implementation of Council's 2030 vision.
- Coordinate a master plan for growing the rates base.
- Progress the redevelopment of the Yea Swimming Pool.
- Develop an advocacy plan to support the need for new public and social housing options in the Shire.
- Develop a policy which guides Council's decision making in relation to new infrastructure development.
- Commence implementation of the new Waste Management Strategy.
- Participate in the Indi Electorate Mobile Blackspots project.
- Develop and implement the Murrindindi Business Prospectus.
- Complete a feasibility assessment of a trail link between Alexandra and Eildon.
- Complete and implement the Council's new Rating Strategy.

The draft Council Plan Review 2013-2017 (including the draft Strategic Resource Plan) and draft Budget 2014-15 have been prepared to provide an opportunity for community comment prior to adoption and submission to the Minister of Local Government before the commencement of the 2014-15 financial year.

A number of significant factors have influenced the review of the Council Plan, and the preparation of the 2014-15 Budget.

The 2013-2017 Strategic Resource Plan ("SRP") and 2014-15 Budget are based upon the following assumptions in the 10 year timeframe:

- Rate increases are limited to 6% plus 1% growth in each year; a third of the 6% increase for each year (around \$249,000) is allocated to an Infrastructure Reserve.
- The organisational establishment will remain relatively static with only 0.5 EFT added for the 2014/15 financial year, although a small number of contract positions that were scheduled to finish at 30 June 2014 have been temporarily continued into the 2014/15 financial year in order to ensure continuation of service delivery to the community.

- Limited new initiatives or programs other than those that have been included in the 10 year capital improvement plan.
- Operating and capital savings from the Murrindindi Services Review have been factored in over successive years.
- Maintenance and operating costs of \$1.2M and \$0.6M depreciation costs are factored in for new and gifted assets arising from the February 2009 reconstruction and rebuilding program.
- Capital works will occur in accordance with the Ten Year Capital Improvement program.
- Provision each year has been made to expense \$300,000 as a contingency for future defined benefits superannuation calls and to quarantine this until such time as a call is made on Council.
- Rebuilding of the Long Service Leave reserve with 25% of the current liability component (\$1.59M) being cash backed. This commenced in 2013-14 and is aimed to be completed over a 4 year period by 2016-17.

For 2014-2015, the Budget has identified total operating expenditure of \$30.93 million against forecast revenue of \$30.65 million, which will generate an operating deficit of \$0.28 million. It is worth noting that the budget 2014/15 deficit of \$0.28 million is well in advance of the \$1.63 million deficit that was forecast in last year's Strategic Resource Plan (SRP). Rate revenue is forecast to increase by 6.0%, which is line with last year's SRP projections. For the 2014/15 year, service levels have been maintained and a limited number of initiatives proposed, in addition to Council reviewing the costs and affordability of managing the renewal of its assets.

Highlights of the \$9.58 million capital works program that are included in this year's draft Budget include:

- Wide spread road upgrades and footpath restoration across the Shire.
- Swimming pool improvement works in Yea, Eildon and Marysville.
- Bridge upgrades in Homewood, Strath Creek, Gobur, Flowerdale and Highlands.
- Township beautification works for Eildon and Yarck.
- Kinglake Arts History Walk.
- Tennis Court renewal at Terip Terip
- Improvement works and preservation of the Alexandra Timber Tramway Museum.
- Shade sail installations at Leckie Park playground in Alexandra.
- Myers Creek Road upgrade in Toolangi.

Financial considerations in relation to this report are contained within the SRP and the proposed 2014-15 Budget. With the current situation regarding the significant impact on Council as a result of gifted assets, it is essential that accurate long-term financial planning exists.

Most importantly this plan identifies the financial challenges that Council faces and supports its advocacy for State Government assistance. Unfortunately, a commitment by the State Government has not yet been made to Council despite repeated submissions regarding the burden of these costs that have been placed on the Murrindindi Shire following the 2009 bushfires.

In the interests of financial responsibility and responsible forward planning, it will be necessary in the coming months to evaluate a range of potential measures that might be applied in the absence of additional financial support. To that end Council will be speaking with the community about these options which may include increasing rate levels, the introduction of differential rates, the sale or closure of assets, and reductions in services to address the long term financial sustainability. Council will also need to review the timeframes for upgrading and renewing our existing infrastructure as well as reviewing the capital works program.

Consultation:

In accordance with the requirement of the Local Government Act, Council is required to give public notice that it intends to adopt the Budget and Council Plan. Both documents must be made available for inspection at its offices and on its website for a period of at least 28 days, and submissions invited from members of the public. The draft Budget and Council Plan will be formally advertised in a range of publications from 5 May 2014, with written submissions called for by 5.00pm on Friday 6 June 2014.

The advertising program for the draft Budget and Council Plan is as outlined below:

Newspaper / Other	Publishing Date(s)
Newspaper:	
Alexandra Standard	7 May 2014
Yea Chronicle	7 May 2014
Marysville Triangle	8 May 2014
North Central Review	6 May 2014
Website	5 May 2014
Copies at Council offices: Alexandra, Kinglake, Yea and also Eildon Resource Centre and Marysville Visitor Information Centre	5 May 2014

Conclusion:

Given the extensive work which has been undertaken by Council it is now appropriate that the 2014-15 draft Budget and Council Plan review (incorporating the Strategic Resource Plan) be adopted for public exhibition. These documents will be available at Council's service centres, agencies and the Council's website from 5 May 2014.