



MINUTES
of the
SPECIAL MEETING OF COUNCIL
held on
WEDNESDAY 27 JULY 2016
in the
ALEXANDRA CHAMBERS
commencing at
6.00 pm

INDEX

1.	PRAYER, OATH & RECONCILIATION STATEMENT	2
2.	APOLOGIES AND REQUESTS FOR LEAVE OF ABSENCE	2
3.	DISCLOSURES OF INTEREST OR CONFLICT OF INTEREST	2
4	PUBLIC PARTICIPATION TIME	2
4.1	Hearing of Submissions.....	2
5.	OFFICER REPORTS.....	2
5.1	Consideration of Submissions For Council Budget 2016-2017	2
5.2	Consideration of submissions For Council Plan 2013-2017 (Including Strategic Resource Plan) Final Year Review	7

1. PRAYER, OATH & RECONCILIATION STATEMENT

The meeting was opened with Prayer and reading of the Oath and Reconciliation Statement.

2. APOLOGIES AND REQUESTS FOR LEAVE OF ABSENCE

REF: SF/306

There were no apologies or requests for leave of absence tendered.

Present:

Crs M Rae (Chair), C Challen, J Kennedy, J Walsh, E Lording, C Healy

In attendance:

Chief Executive Officer: Margaret Abbey

General Manager Infrastructure and Development: Elaine Wyatt

Manager Business Services: Andrew Bond

Manager Communications Library & Customer Services: Jacqui Rabel

Manager Infrastructure Assets: John Canny

Manager Development Services: Shivaun Brown

Senior Planning Officer: Melissa Crane

Governance Officer: Audrey Kyval

3. DISCLOSURES OF INTEREST OR CONFLICT OF INTEREST

REF: SF/783

Nil

4. PUBLIC PARTICIPATION TIME**4.1 HEARING OF SUBMISSIONS**

Nil

5. OFFICER REPORTS**5.1 CONSIDERATION OF SUBMISSIONS FOR COUNCIL BUDGET 2016-2017**

REF: D15/6291

Purpose:

The purpose of this report is to provide Council with a summary of the submissions received in relation to the Council Budget 2016-2017.

Officer Recommendation:

That Council considers the submissions received in relation to the Council Budget 2016-2017.

Background:

At the Special Meeting of Council on 15 June 2016, the Draft 2016-2017 Budget was endorsed for public exhibition in accordance with Section 127 of the *Local Government Act 1989*. The budget documents were made publically available at Council Offices and on Council's website and submissions were sought from the public.

Advertisements were placed in the relevant weekly newspapers in the Shire, with submissions due by 5pm Wednesday 20 July 2016.

At the time of preparing the agenda, two submissions were received by Council. Both submissions were provided to all Councillors for review prior to the Special Meeting.

Subsequent to the publication of the agenda, two further submissions were received by Council which were provided to all Councillors and tabled at the Special Meeting as formal submissions to be considered.

Council Plan/Strategies:

This process is part of the required process for adoption of the 2016-2017 Council Budget.

Legal/Policy Issues:

The process complies with the relevant provisions of the *Local Government Act 1989*.

Financial/Resources/Risk:

There are no financial considerations regarding the consideration of submissions.

Consultation:

The Council Budget 2016-2017 was advertised for public consultation and submissions in the following publications:

Newspaper / Other	Publishing Date (s)
Alexandra Standard	21-Jun-16
Yea Chronicle	21-Jun-16
Marysville Triangle	22-Jun-16
North Central Review	20-Jun-16
Website	20-Jun-16
Copies at Council offices: Alexandra, Kinglake, Yea and also Eildon Resource Centre & Marysville Visitor Information Centre	20-Jun-16

Discussion:

Four submissions were received in relation to the Draft 2016-2017 Budget.

Following consideration of the submissions, the submitters will receive a reply with respect to the matters identified.

Summary of Submissions:**Submitter 1**

The submission raises many questions, those specifically related to the budget include:

- Other Income is budgeted \$1,107,000 what is that other income and why it is not detailed?
- Employee cost is budgeted at \$13,866,000 and on page 30 under Section 3.4 flows from operating activities is shown as \$13,615,000. Why is that different?

- Rates and charges are shown \$19,102,000. In Section 3.1 they are shown as \$19,237,000, which do we believe is the correct figure?
- Motor vehicles and plant, cost is shown \$939,000. Can you please explain in more details what motor vehicles and for what use and what plant is going to be purchased?
- Public Convenience Renewal in Leckie Park is shown to cost \$89,000. What works will be done?
- Leckie Park Pavilion cost is shown \$50,000. What will be done there?
- Utilities are budgeted \$538,000, What items, goods are there?
- Legal Expenses are budgeted to \$241,000. In year 2015/2016 it was \$248,000. Please let me know examples of cases and the reasons for legal expenditure?
- Consultants are budgeted for \$246,000 again can I please see some examples for last fiscal year, for what works, services were consultants paid?
- Roads, Streets and Bridges for repairs or maintenance should be named and where they are. I feel that ratepayers/residents are entitled to know where the works are to be done.
- At the information session on the budget, the Councillor Margaret Rae commented that the Council has to prepare the budget to satisfy government regulations. How about sharing those regulations with us, the ratepayers, so we can see what is required of the council to inform and declare to the ratepayers/residents in the budget.

Officer Comment

The comparisons of various figures made by the submitter relate to differences between the operating statement and the cashflow statement, which represent different accounting treatments. Items that appear in the operating statement represent when the activity occurred, but may not be recorded in the cashflow statement due to timing differences (eg. Rates are raised within one financial year, but are not collected until the following financial year if they are not paid on time).

Council's budget documentation has been prepared in accordance with Australian Accounting Standards and with reference to the Chartered Accountants ANZ "Victorian City Council Model Budget 2016/2017" a best practice guide for reporting local government budgets in Victoria.

Details relating to the various capital projects raised by the submitter, as well as clarification on other operating expenditure will be addressed in the response provided to the submitter pending Council's consideration of the submission.

Submitter 2

The second submission raises many questions and discussion points, those specifically related to the budget include:

- It seems Council is putting money into reserves for future servicing and maintenance of assets while also obtaining loans that are to be paid for by future ratepayers. Why is this?
- By offsetting the Rural sector by placing a higher rate on residential, commercial and Industrial ratepayers thus causing disharmony and disparity between these ratepayers, pitting one against the other and using the excuse that the rural sector has further to travel is seriously erroneous as we both know there are many small hamlets who have to travel for services.
- A number of clarifications are also sought regarding the calculation of rates in the dollar, rate revenue, supplementary rates and employee numbers.

Officer Comment

Details relating to the various operational matters raised by the submitter, as well as clarification on the use of financial reserves to fund various projects and future requirements will be addressed in the response provided to the submitter pending Council's consideration of the submission.

Submitter 3

The submission raises many questions and discussion points, those specifically related to the budget include:

- MSC states that we are have a 4.3% rate rise but this is not the case. Without consultation the shire has reduced the rural rate, therefore ordinary people will have to pay a higher percentage to cover this. The shire should not have implemented this before consulting with the ratepayers and the policy being publicly exhibited. All changes should have been part of the budget process.
- One of the biggest parts of the budget is the 42% spent on wages. This is a very high figure for a small rural shire. So the shire should not be awarding pay rises at this time, as many ratepayers have not had pay rises to help us pay our rates.
- The shire is calculating depreciation, but needs to declare how much is in the fund, where is located and is in an investment account earning interest. If it is not it should be. It certainly does not show up on cash and investments as this decreases this financial year.
- The submitter also raises a number of questions about a list of capital works projects that are included in the budget, including Yea Shire Hall, Leckie Park, Kinglake Memorial Reserve and the Council offices in Alexandra.
- At the tip there seems to be problems with people being charged different rates. Also the shire needs to enforce that non-residents are charged the different rate.
- The shire states we need to all pay more. They need to declare what more is.

Officer Comment

Council rates will rise on average by 4.3% in 2016/17. As detailed in the budget, as 2016/17 is a revaluation year, individual properties will vary to the average rate of 4.3% dependant on the variance in individual property prices to the total increase across the Shire. Additional supplementary rate revenue of \$154,769 is also budgeted to be collected, but this only relates to additional rates paid by properties that are developed or built in the Shire during 2016/17, ie. it is representative of growth. Supplementary rate revenue increases the total amount of revenue collected by Council, but does not affect the average rate rise of 4.3% that is applied across all properties.

Council's budgeted employee costs are comparable to other rural Councils. As a service provider, be it for community services, maintenance of public facilities or the renewal of public roads, these services are undertaken by people employed by Council. Council renegotiated its Enterprise Bargaining Agreement in 2015, reducing the annual employee cost increases.

Depreciation is an accounting treatment that represents the financial cost associated with the deterioration of an asset. This is not a cash item, although Council's strategy of ensuring that funds are available for the future renewal of existing infrastructure does require revenue to be continually invested to ensure that Council is best placed to manage its longer term public infrastructure obligations. All Council investments are held in interest earning accounts. Council's budget also projects an increase of \$1.924 million throughout 2016/17.

Council has extensively reviewed the waste charges for the Resource Recovery Centre and transfer stations for 2016/17.

Council's rate increase of 4.3% for 2016/17 has been independently reviewed and approved by the Essential Services Commission (ESC). As stated in the budget documentation, this is only valid for one year and any future increases above the rate cap set by the Minister for Local Government would require further consultation, review and ultimate approval by the ESC.

Submitter 4

The submission raises many questions and discussion points, those specifically related to the budget include:

- Was it necessary to apply to the Essential Services Commission for variation to increase rate cap?
- All properties are revalued in 2016 which adds to Council revenue.
- Make staff more efficient and accountable with new computer systems and phones.
- Freeze wages for 5 years.
- No reduction to home care and maintenance services. Hours should be increased where required.
- Four rate notices are received per year in the mail resulting in high administration costs.

Officer Comment

Council has attempted to prepare a budget for 2016/17 that results in the continuation of all services presently enjoyed by the community, as well as continuing its commitment to responsibly manage the ongoing renewal of public infrastructure under its control. To meet these obligations, Council was unable to contain rate increases to the cap of 2.5% that was set by the Minister for Local Government in December 2015 and thus successfully sought a variation to this figure through the Essential Services Commission. This variation only applies to 2016/17 and will require further review for future years.

All properties within the Shire were revalued for rating purposes for the 2016/17, in accordance with the statutory requirements of the Local Government Act. However, a revaluation does not result in Councils being able to collect additional revenue, it only effects the distribution of the total rate increase across all properties.

Council continues to invest in improving its technology systems to ensure efficient services to the community. \$173,000 has been allocated in the capital budget for 2016/17 to provide for the renewal and upgrade of Council's IT systems and computer hardware.

Council renegotiated the Enterprise Bargaining Agreement for all employees during the 2015/16 financial year which resulted in lowered annual increases for staff. The agreement is next due to be reviewed in 2018.

Council has not changed its commitment to the provision of home care and maintenance services. Balancing the costs associated with the delivery of this service to correspond with the need of the community is considered in the development of the budget each year, as it is for all services provided by Council.

Council is required under legislation to issue rate notices for each rate amount due to be paid by ratepayers to Council. For ratepayers that elect to pay via quarterly instalment, Council must issue them with a quarterly rate notice to comply with legislation, and to assist in the timely payment of rates to Council.

Conclusion:

It is appropriate that Council considers any submissions received for relevance and its influence on the Draft 2016-2017 Budget prior to adoption at the Special Meeting of Council on 3 August 2016.

RESOLUTION:

Cr J Walsh / Cr J Kennedy

That Council accepts for consideration the submissions received in relation to the Council Budget 2016-2017.

CARRIED

5.2 CONSIDERATION OF SUBMISSIONS FOR COUNCIL PLAN 2013-2017 (INCLUDING STRATEGIC RESOURCE PLAN) FINAL YEAR REVIEW

Purpose:

The purpose of this report is to provide Council with a summary of the submissions received in relation to the 2013-2017 Council Plan Review and Strategic Resource Plan.

Officer Recommendation:

That this report be received.

Background:

On 15 June 2016, Council endorsed the 2013-2017 Council Plan Review and Strategic Resource Plan for public exhibition in accordance with Sections 125 and 126 of the *Local Government Act 1989*.

Submissions were sought from the public and the documents were made available at Council Offices and on Council's website. Advertisements were placed in the relevant weekly newspapers in the Shire.

Council Plan/Strategies:

This process is part of the required process for adoption of the 2013-2017 Council Plan and Strategic Resource Plan.

Legal/Policy Issues:

The process complies with the relevant provisions of the *Local Government Act 1989*.

Financial/Resources/Risk:

There are no financial considerations regarding the consideration of submissions.

Consultation:

The 2013-17 Council Plan and Strategic Resource Plan were advertised for public consultation and submissions in the following publications:

Newspaper / Other	Publishing Date (s)
Alexandra Standard	21-Jun-16
Yea Chronicle	21-Jun-16
Marysville Triangle	22-Jun-16
North Central Review	20-Jun-16
Website	20-Jun-16
Copies at Council offices: Alexandra, Kinglake, Yea and also Eildon Resource Centre & Marysville Visitor Information Centre	20-Jun-16

Discussion:

At the time of preparing the agenda, no submissions were received in relation to the Draft 2013-2017 Council Plan Review and SRP.

Conclusion:

It is appropriate that Council gives consideration to formally adopting the 2013-2017 Council Plan Review and Strategic Resource Plan at the Special Meeting of Council on 3 August 2016.

RESOLUTION:

Cr C Challen / Cr J Kennedy
That this report be received.

CARRIED

There being no further items of Business, the Chairperson declared the meeting closed at 6.10 pm.

CONFIRMED THIS

24 August 2016.

CHAIRPERSON

R. I. Rae