



# Cardinia

**MINUTES OF SPECIAL MEETING OF GENERAL COUNCIL 1**

**MONDAY, 7 MARCH 2016**

## MINUTES OF SPECIAL MEETING OF GENERAL COUNCIL 1

held in the Council Chambers, 20 Siding Avenue, Officer  
on Monday, 7 March 2016

The meeting commenced at 7.35pm

**PRESENT:**

Mayor, Jodie Owen, Chairman

Councillors Kate Lempriere, David Young, George Blenkhorn, Brett Owen,  
Collin Ross, Graeme Moore, Leticia Wilmot

Messrs Garry McQuillan (CEO), Mike Ellis (GMAS), Derek Madden  
(GMCS), Phil Walton (GMPD), Jenny Scicluna (GMCWB), Waudi Tahche  
(GMPC), Doug Evans (MG)

**APOLOGIES:**

Cr Tania Baxter

**DECLARATION OF PECUNIARY AND OTHER INTERESTS**

Nil.

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## **1 PROPOSED BUDGET 2016-17**

FILE REFERENCE INT1612079

RESPONSIBLE GENERAL MANAGER Garry McQuillan

AUTHOR Derek Madden

### **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, 11 April 2016 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 2016-17 financial year at the Council Meeting to be held on Tuesday, 26th April 2016.

### **Attachments**

- 1 Proposed budget 2016-17 88 Pages

### **EXECUTIVE SUMMARY**

This budget was developed under the State Government cap on the level of rate increases. This cap was set at set 2.5% for 2016/17. Due to some unique factors that have materialised in the 2015/16 year Council is in a position to accept this cap; these factors include:

- Council are negotiating a significant asset sale which off-sets the effect of the impact of the cap on rate for 2016/17.
- Due to strong financial planning Council had anticipated that it would deliver a \$1m+ surplus for the 2016/17 year. This surplus was to be invested into asset renewal; due to the rate cap Council will be reporting a balanced budget.

Within these constraints Council has prepared a proposed budget for the 2016-17 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 Councils response to the impact of rate capping is a "planned" response and not a reactive year on year response. The financial viability of the Council will depend on these decisions.

Over the last 5 years Cardinia has effectively managed its finances to be in a position to report an underlying budgeted surplus for 2015/16 of over \$1m compared to an underlying deficit of \$7.9m in 2010/11. This is a significant result for Cardinia and has been achieved via careful financial management to ensure no, one off large rate increase, was passed to residents. The ongoing challenge for this Council is that 78% of Council revenue is received via rates and charges with the remainder consisting of government grants 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 2015/16 budget plan was developed to ensure that Cardinia residents continue to be serviced with resources and facilities in line with expectations and on par with other Councils. We did not want to create a second tier of Council and the plan set out to ensure Cardinia could deliver services and facilities on a par with other Councils so our residents are not disadvantaged.

Unfortunately Council needed to adjust the forward Plan adopted as part of the 2015/16 budget to allow for the impact of rate capping and a draft of this revised plan is shown as part of this proposed budget. As can be seen from the updated Financial Plan the ability for Cardinia to operate within the cap will provide challenges and a future Council will be required to review the plan due to the significant decrease in Cash available in future years. As mentioned this Council has worked over the past years to position Council to be financially sustainable. 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.

For 2015/16 we commenced conversations with our residents through our on-line forum “Big Budget Brainstorm” and a number of planned local community meetings; this will continue in 2016/17. The information gathered from these and future meetings will provide guidance to Council on how to adjust the forward Plan to allow for the impact of rate capping.

For future years the impact of rate capping will be viewed through council's ability to effectively manage the six principles below:

1. Effectively manage the Asset Renewal Gap - Attachment 9 listing of infrastructure assets
  - Performance Indicator: Gap existing at July 2015 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.

As one of Victoria's fastest growing municipalities, Cardinia Shire's population is expected to grow from the 2015 forecast of 90,325 to an estimated 174,993 in 2036, an increase of 93.7%. The number of dwellings in Cardinia Shire is forecast to grow from 28,372 in 2011 to 65,266 in 2036. 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 2016/17 Proposed Budget will enable Council to continue to meet the challenges associated with this rapidly expanding population. A Capital Works program of \$36.7 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.

The \$50 rebate scheme for residential ratepayers who are in receipt of a NewStart Allowance will continue in 2015-16.

In line with the SRP, the 2016/17 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. Highlights of the Capital Works program are:

- New projects totalling \$26.5m, including:
- Deep Creek Reserve (\$2.0m total);
- Hills Community Hub (\$3.5m)
- IYU Recreation Reserve (regional soccer facility) (\$3.5m);
- Emerald Netball Pavilion/Courts (\$1.57m);
- Chandler Pavilion Recreation Reserve (\$1.0m);
- Heatherbrae Recreation Reserve pavilion (\$2.0m); and
- Arena double kindergarten (\$1.1m).

#### Asset Renewal and Upgrade:

Total expenditure of \$13.9m on asset renewal and upgrade, including roads, bridges and buildings, footpaths and drainage replacement, plant and plant replacement, recreation reserves and sporting facilities.

Included in this are Community Capital Works grants of \$550k and \$100k for implementation of findings relating to township strategies.

## **BACKGROUND**

Preparation of the Proposed Budget is an integral part of the overall annual budget process. It forms the basis for the Budget to be adopted later in the process.

## **POLICY IMPLICATIONS**

Council is required to prepare a Proposed Budget for public consultation. Due to the unavailability of the updated Model Budget for 2016/17 Council has used the 2015/16 framework as its template. Should the model be available at a later date the information will be transferred to the updated template.

## **RELEVANCE TO COUNCIL PLAN**

The 2016-17 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 Management 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 SRP. Financial implications of known changes (for example, the impact of the state government cap on rates) were also taken into

account. For 2015/16 we commenced conversations with our residents through our on-line forum “Big Budget Brainstorm” and a number of planned local community meetings; this will continue in 2016/17. The information gathered from these and future meetings will provide guidance to council on how to adjust the forward Plan to allow for the impact of rate capping.

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.

## **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 2016-17**

Moved Cr C Ross Seconded Cr G Blenkhorn

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, 11 April 2016 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 2016-17 financial year at the Council Meeting to be held on Tuesday, 26th April 2016.

Cd.

## **2 COUNCIL PLAN, STRATEGIC RESOURCE PLAN AND COUNCIL PLAN ACTIONS - REVIEWED FOR 2016-17**

FILE REFERENCE INT1612073

RESPONSIBLE GENERAL MANAGER Derek Madden

AUTHOR Andrew Binks

### **RECOMMENDATION**

That the following changes to the council plan are adopted and released for public comment:

- Update to the population forecasts
- Update to key challenges with the inclusion of "reducing the impact of family violence on our community"
- Update to the strategic resource plan (SRP) to align with budget papers and;
- 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 11 April 2016; and
- The draft Council Plan actions that identify key initiatives to implement the plan are adopted and released to the public.

### **Attachments**

- |   |   |          |
|---|---|----------|
| 1 | Draft amended Council Plan (includes the strategic resource plan) | 11 Pages |
| 2 | Draft Council Plan actions  | 25 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.

- Updates to the population forecasts
- Update to key challenges with the inclusion of " reducing the impact of family violence on our community"
- 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 2016-17 to 2019-20 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**

This report contains recommended changes to the existing 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 on key issues was sought via the Big Budget Brainstorm sessions. It is also 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 FOR 2016-17**

Moved Cr C Ross Seconded Cr G Blenkhorn

That the following changes to the council plan are adopted and released for public comment:

- Update to the population forecasts
- Update to key challenges with the inclusion of "reducing the impact of family violence on our community"
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- The draft Council Plan actions that identify key initiatives to implement the plan are adopted and released to the public.

Cd.

Meeting closed at 8.14pm

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Minutes Confirmed  
Chairman