



***HEPBURN SHIRE COUNCIL
SPECIAL MEETING OF COUNCIL***

TUESDAY 22 JUNE 2010, 7pm

**CRESWICK SENIOR CITIZENS
WATER STREET
CRESWICK**

DRAFT MINUTES

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Hepburn Shire Council Special Meeting



DRAFT MINUTES

TUESDAY 22 JUNE 2010

Creswick Senior Citizens

Water St, Creswick

Commencing 7pm

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KAYLENE CONRICK
Chief Executive Officer
21 June 2010

1. ACKNOWLEDGEMENT OF TRADITIONAL OWNERS:

We would like to acknowledge we are meeting on Jaara people country, of which members and elders of the Dja Dja Wurrung community and their forebears have been custodians for many centuries.

On this land the Jaara people have performed age old ceremonies of celebration, initiation and renewal.

We acknowledge their living culture and their unique role in the life of this region.

2. OPENING OF MEETING: The Meeting opened at 7.03pm

PRESENT: Mayor Councillor Janine Booth, Deputy Mayor Councillor Rod May, Birch Ward Councillor Jon Barrell, Cameron Ward Councillor Tim Hayes, Coliban Ward Councillor Sebastian Klein, Creswick Ward Councillor Don Henderson, Holcombe Ward Councillor Bill McClenaghan.

IN ATTENDANCE: Chief Executive Officer Kaylene Conrick, General Manager Corporate Services Lucy Roffey, General Manager Infrastructure Peter Reeve, General Manager Sustainable Development Robert Jennings, General Manager Community Development Martin Walmsley, Manager Finance Anthea Lyons.

STATEMENT OF COMMITMENT

“WE THE COUNCILLORS OF HEPBURN SHIRE
DECLARE THAT WE WILL UNDERTAKE ON EVERY OCCASION
TO CARRY OUT OUR DUTIES IN THE BEST INTERESTS
OF THE COMMUNITY
AND THAT OUR CONDUCT SHALL MAINTAIN THE STANDARDS
OF THE CODE OF GOOD GOVERNANCE
SO THAT WE MAY FAITHFULLY REPRESENT
AND UPHOLD THE TRUST PLACED IN THIS COUNCIL BY THE
PEOPLE OF HEPBURN SHIRE”

3. APOLOGIES: Nil.

4. DECLARATION OF CONFLICTS OF INTEREST: Nil.

5. CORPORATE SERVICES:

5.1 ADOPTION OF PROPOSED BUDGET 2010/11

(A/O – Manger Finance)

Introduction

Council's *Proposed Budget 2010 – 2011* was on public exhibition from 22 April 2010 to 24 May 2010 and submissions were heard on Tuesday 8 June 2010. Councillors are required to consider the submissions and adopt the Budget prior to 31 August each year.

Report

1. Submissions received

61 submissions have been received from individuals and/or groups on the proposed budget. One of these submissions was a petition signed by 511 residents.

Some of these submissions covered numerous components within the budget, resulting in 87 items in total being considered. The following table summarises the issues identified in the submissions received:

TABLE 1

SUBMISSION SUBJECT	# OF ITEMS
OVERALL RATE INCREASE TOO HIGH	10
FARM RATE TOO HIGH / FARM DIFFERENTIAL TO BE DECREASED	39
REINSTATE HIGHER MUNICIPAL CHARGE	2
ENVIRONMENTAL CHARGE - REMOVE OR INCORPORATE INTO GENERAL RATES	11
116% DIFFERENTIAL FOR COMMERCIAL, MIXED USE AND INDUSTRY - HASN'T BEEN REVIEWED WITH APPROPRIATE STAKEHOLDERS	2
TOURISM SECTOR - INTRODUCE BED TAX or TOURISM LEVY	6
VACANT LAND - HIGHER RATE IS WRONG	1
OTHER	16
TOTAL	87

A special council meeting was held on 8 June 2010 which provided an opportunity for those who wished to speak to their submission to be heard.

2. Summary of informal discussions at Councillor briefing sessions

Three Councillor Briefing Sessions have been held since the submission period closed on 24 May 2010.

Below is a summary of the informal discussions subsequent to receiving the submissions:

- Decrease the farm differential to 65%
- Lower the rate increase by \$162k as the Grants Commission Income is anticipated to be higher than first estimated
- Lower the overall general rate increase to 5% (offsetting savings in expenditure to be made)
- Retain the 116% differential for commercial, mixed use and industrial
- Halve the environmental charge to \$11
- Include the \$116,500 mineral springs capital projects
- The \$65,000 that would have been spent on the unsuccessful Sport and Recreation Grant projects to be allocated to the Daylesford Playground
- Remove the Newlyn Roundabout Beautification project as 50% contribution will not be received (\$9,000)

Revenue and cash inflows

Per the summary above, the increase in revenue to be raised from rates, the municipal and environmental charge would be 6.95%. This constitutes a 5% increase in revenue from all property types, plus an additional 0.95% to be raised from commercial, industrial and mixed use businesses and an additional 1% (\$108,000) to be raised from the environmental charge.

The change in the farm differential to 65% will not impact the overall amount of revenue raised, rather it changes the amount of revenue to be raised from the other eight property types. This 5% decrease in the farm differential will not materially impact the other eight property types.

The change in rate percentage increases from the advertised proposed budget reduces the revenue to be received by \$388,000. However, part of this decrease is offset by the \$162,000 increase in grants commission income.

The following table summarises the financial impact on revenue and cash inflows:

TABLE 2

	Budget 2010/11 - Per advertised Proposed Budget \$'000	Budget 2010-11 - As a result of changes identified above \$'000
Revenue raised from rates and the municipal charge	\$ 11,700,000	\$ 11,419,000
Revenue raised from the environmental levy	\$ 216,000	\$ 108,000
Total revenue raised from rates, the municipal and environmental charge	\$ 11,915,000	\$ 11,527,000
Decrease in total revenue raised from rates, the municipal and environmental charge (3.6% decrease)		-\$ 388,000
Anticipated increase in Grants Commission revenue		\$ 162,000
Net decrease in revenue and cash inflows		-\$ 226,000

Expenditure and cash outflows

\$274,000 of capital works and projects and other operating expenditure has been identified by Council that could be removed from the budget. This decrease is required given the decrease in revenue outlined above. This will be offset by \$67,000 of capital works and projects have been identified by Council for inclusion in the budget.

A number of Sport and Recreation capital works and projects were not successful in receiving associated grant money. It is proposed that the \$65,000 that Council was going to contribute to these three projects, be allocated to the Daylesford Community Park. Therefore, rather than \$100,000 being spent on the park per the advertised proposed budget, \$65,000 would be spent.

The details and the financial implications on expenditure and cash outflows are outlined in the table below:

TABLE 3

	2010/11
New expenses or capital works to be included in the 2010/11 Budget	
Swiss Italian Festa (MOU)	\$ 10,000
Cycling/Walking Strategy	\$ 25,000
Additional contribution to Landcare (Tree planting only)	\$ 12,000
Skatepark Upgrade for all 4 locations	\$ 20,000
Total additional cash outgoings	\$ 67,000
	2010/11
Expenses or capital works to be excluded from the 2010/11 Budget	
Wombat Hill Botanic Garden linear path	\$ 10,000
Wombat Hill Botanic Garden pump	\$ 40,000
Environment Officer	\$ 65,000
Newlyn Roundabout Beautification	\$ 9,000
Elm Leaf Beetle project, with \$10k retained for monitoring works	\$ 50,000
Operating expenditure savings	\$ 100,000
Total removed cash outgoings	\$ 274,000
Net decrease in expenditure and cash outflows	\$ 207,000

Overall impact

The financial impact of the discussions outlined above is a decrease in cash of \$19,000.

In addition, Council have proposed to include \$117,000 of Mineral Springs Reserves Projects (with matching funding to be received). These projects would be funded out of cash reserves to be repaid in the future out of the Mineral Springs reserve when it

moves into surplus. This will impact on the budgeted working capital ratio along with the cash decrease above.

Relevant Policies / Council Plan implications:

Local Government Act 1989

Community Engagement

Council's Proposed Budget 2010 – 2011 was on public exhibition from 22 April 2010 to 24 May 2010 and submissions were heard on Tuesday 8 June 2010. Further, six community meetings were held in relation to the Proposed Budget during April and May.

Financial Implications:

The financial implications have been outlined in the report above.

Recommendation:

5.1.1 *That Council instruct officers to revise the Proposed Budget 2010/2011 as follows:*

- Decrease the farm differential to 65%
- Lower the rate increase by \$162,000 as the Grants Commission Income is anticipated to be higher than first estimated
- Lower the overall general rate increase to 5%
- Halve the environmental charge to \$11
- Include the \$116,500 Mineral Springs Reserves capital projects
- Reallocate the \$65,000 that would have been spent on the unsuccessful Sport and Recreation Grant projects to the Daylesford Playground
- Include the \$67,000 additional projects and capital works as identified in table 3 above
- Exclude the \$274,000 of expenditure and capital works as identified in table 3 above

5.1.2 *That the revised **Proposed Budget 2010/2011** be presented for Council consideration at the July Ordinary Meeting of Council scheduled 20 July 2010.*

Motion:

That Council:

5.1.1 *Instruct officers to revise the **Proposed Budget 2010/2011** as follows:*

- *Decrease the farm differential to 65% for genuine primary producers*
- *Lower the rate increase by \$162,000 as the Grants Commission Income is anticip[ated] to be higher than first estimated*
- *Lower the overall general rate increase to 5%*
- *Halve the environmental charge to \$11*
- *Include the \$116,500 Mineral Springs Reserves capital projects*
- *Reallocate the \$65,000 that would have been spent on the unsuccessful Sport and Recreation Grant projects to the Daylesford Playground*
- *Include the \$67,000 additional projects as capital works as identified in table 3 above*
- *Exclude the \$274,000 of expenditure and capital works as identified in table 3 above*

5.1.2 *Consult the MAV's consulting economist and rates modelling expert to scope the impacts of lowering the farm rate differential to 65% of the General Rate on other property rating types*

5.1.3 *Prepare strategic statements to validate all proposed alterations to rating differentials above or below the General Rate*

5.1.4 *Consider the revised **Proposed Budget 2010/2011** to be presented to Council at the July Ordinary Meeting of Council scheduled 20 July 2010.*

Moved: Cr Bill McClenaghan

Seconded: Cr Don Henderson

Carried.

Cr Hayes left the Meeting at 8pm and returned at 8.06pm

6. CLOSURE OF MEETING TO THE PUBLIC;

That pursuant to the provisions of Section 89(2) of the *Local Government Act 1989* the Meeting be closed to the public to consider:

(d) Contractual matters;

Recommendation:

6.1 That the meeting be closed to members of the public under Section 89(2) of the *Local Government Act 1989*, specifically the following sub-sections:

89(2)(d) Contractual Matters

To consider Tender H211-2009 – Building and Oval Works for the Doug Lindsay Recreation Reserve, Creswick.

Recommendation:

6.1 That the meeting be closed to members of the public under Section 89(2) of the *Local Government Act 1989*, specifically the following sub-sections:

89(2)(d) Contractual Matters

To consider Tender H211-2009 – Building and Oval Works for the Doug Lindsay Recreation Reserve, Creswick.

Moved: Cr Jon Barrell

Seconded: Cr Rod May

Carried.

7. SUSTAINABLE DEVELOPMENT:

7.1 TENDER H211-2009 – BUILDING AND OVAL WORKS FOR THE DOUG LINDSAY RECREATION RESERVE, CRESWICK

(Action Officer – General Manager Sustainable Development)

Introduction

This report provides Council with an update on the tender evaluation of the Doug Lindsay Recreation Reserve Multi-purpose Facility and Oval project.

Report

The Doug Lindsay Recreation Reserve Multi-purpose Facility and Oval project is currently in tender evaluation phase. The Tender Evaluation Panel is currently seeking further clarification and information from tenderers to enable a thorough evaluation of the submissions.

This means that the Evaluation Panel is not in a position at this point in time to make a recommendation for Council's consideration. The Panel Chair has suggested that a Special Council Meeting be called on Tuesday 29 June 2010 to consider the tenders.

The Doug Lindsay Community Facility and Oval is a major project for the Hepburn Shire and will provide Creswick and the region generally with a quality multi-use community and sporting facility. The three million dollar project has been made possible by the funding from a number of sources.

The construction project had been previously tendered in three sections, closing in January 2010 which was later abandoned and ceased as a result of raised probity concerns.

Later, on 1 May 2010 Council advertised the construction project with a closing date 26 May 2010.

The project is currently in tender evaluation phase. The evaluation process is being undertaken by the Doug Lindsay Community Facility and Oval Tender Evaluation Panel. The Evaluation Panel and advisors consist of:

Panel

- Robert Taylor (Chairperson) *also Chair Audit & Risk Advisory Committee*
- Lucy Roffey
- Peter Reeve
- Robert Jennings (Project Manager)

Advisors

- Josie Thwaites (Probity Advisor)
- Jim Kennedy (Technical Advisor)

The Tender Evaluation Panel and specialist advisors have to date met on 24 May 2010, 9 June 2010 and 16 June 2010, and are currently seeking further clarification and information from tenderers to enable a thorough evaluation of the submissions. This means that the Panel is not in a position at this point in time to make a recommendation for Council's consideration.

The Chair confirmed that they will still be able to meet the 30 June deadline (as discussed with Federal Department of Infrastructure, Transport, Regional Development & Local Government officers) and suggested that a Special Council Meeting be called on Tuesday 29 June 2010 to consider the tenders.

This sequence of events has resulted in the recommendation to defer this report until 29 July 2010.

Relevant Policies

Nil

Community Engagement

Not Applicable

Financial Implications

Nil

Recommendation

That Council resolves:

- 7.1.1 *To defer the consideration of this item, due to the need to seek further clarification and information; and*
- 7.1.2 *Call a Special Council Meeting at 7.00pm, Tuesday 29 June 2010, to be held at the Daylesford Town Hall to consider awarding the Doug Lindsay Recreation Reserve Multi-purpose Facility and Oval construction contract.*

Motion

That Council resolves:

- 7.1.1 *To defer the consideration of this item, due to the need to seek further clarification and information; and*
- 7.1.2 *Call a Special Council Meeting at 7.00pm, Tuesday 29 June 2010, to be held at the Daylesford Town Hall to consider awarding the Doug Lindsay Recreation Reserve Multi-purpose Facility and Oval construction contract.*

Moved: Cr Don Henderson

Seconded: Cr Jon Barrell

Carried.

8. RE-OPENING OF MEETING TO THE PUBLIC

Recommendation:

- 8.1 *That Council having considered the confidential item, re-open the Meeting to members of the public.*
- 8.2 *That the decision about Tenders for Contract H211-2009 Building and Oval Works Doug Lindsay Recreation Reserve, Creswick, be considered at a Confidential Special Meeting of Council on 29 June 2010.*

Motion:

- 8.1 *That Council having considered the confidential item, re-open the Meeting to members of the public.*
- 8.2 *That the decision about Tenders for Contract H211-2009 Building and Oval Works Doug Lindsay Recreation Reserve, Creswick, be considered at a Confidential Special Meeting of Council on 29 June 2010.*

Moved: Cr Rod May

Seconded: Cr Sebastian Klein

Carried.

9. CLOSE OF MEETING.

The Meeting closed at 8.10pm.