

MINUTES

TUESDAY, 26 MARCH 2019
MANSFIELD SHIRE OFFICE
33 Highett Street, Mansfield
3.00PM

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TUESDAY, 26 MARCH 2019
MANSFIELD SHIRE OFFICE
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3.00PM

1. OPENING OF THE MEETING

The Mayor, Cr Harry Westendorp, opened the meeting at 3.00pm.

Councillors:	Marg Attley	<i>Tolmie Ward</i>
	Peter Olver	<i>Mansfield Ward</i>
	Paul Sladdin	<i>Bonnie Doon Ward</i>
	Paul Volkering	<i>Mansfield Ward</i>
	Harry Westendorp	<i>Jamieson Ward</i>
Chief Executive Officer:	Alex Green	
Finance Manager:	Mandy Kynnersley	
Governance and Risk Co-ordinator:	Michelle Kain	

2. STATEMENT OF COMMITMENT

The Councillors affirmed the following Statement of Commitment:

“We the Councillors of Mansfield 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 Mansfield Shire.”

3. ACKNOWLEDGEMENT OF COUNTRY

The Councillors affirmed the “Acknowledgement of Country” for the Mansfield Shire Council:

“Mansfield Shire Council recognises that indigenous people have been custodians of this area for generations. We acknowledge the living culture and unique role of Taungurung people in our region.”

4. APOLOGIES

Nil.

5. DISCLOSURE OF CONFLICT OF INTERESTS

Nil.

6. DEPUTATIONS

Nil.



7. PRESENTATION OF REPORTS

7.1 Consideration of the Mansfield Shire Council Proposed Budget 2019-20

File Number: E5790

Responsible Officer: Finance Manager, Mandy Kynnersley

Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a direct or indirect interest in this matter, as provided in accordance with the *Local Government Act 1989*.

Introduction

Council officers have prepared a proposed budget for the 2019-20 financial year. The draft, once endorsed by Councillors, must be made available for public exhibition for a period of 28 days during which submissions may be received for Council consideration prior to formal adoption in June.

Background

The proposed budget contains the necessary statutory information required under the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2004*.

The proposed budget 2019-20 responds to the results of the Long Term Financial Plan, and seeks to achieve:

- Fully funded asset renewal
- Breakeven underlying result
- Breakeven or better cash result
- Increasing cash reserves above \$3 million
- Debt below prudential level of 60% of rates

Key indicators in the 2019-20 proposed budget are:

- Operating surplus \$5.8 million
- Underlying surplus \$0.7 million
- Cash inflow from operations of \$9.3 million
- Cash reserves of \$7.1 million (included \$0.9 million from proposed sale of assets)
- Debt at 16% of rates and no new borrowings forecast in the medium term
- Asset renewal of \$3.2 million (compared to depreciation of \$3.4 million), new assets of \$7.7 million and asset upgrades of \$2.5 million

Statutory Requirements

Local Government Act 1989, Section 127, 129, 223

Local Government (Planning and Reporting) Regulations 2014



7.1 Consideration of the Mansfield Shire Council Proposed Budget 2019-20 cont.

Council Plan

The budget has been developed to allocate resources in order to achieve Council Plan objectives. Section 2 of the budget document presents revenue and expenditure in relation to services listed under each of the Council Plan objectives.

Financial

The 2019-20 budget is the primary financial planning document for the financial year and underpins all spending in the 2019-20 financial year.

The 2019-20 budget provides for a year of consolidation. Long term forecasting continues to indicate financial sustainability over the next ten years enabling Council to continue to deliver the same level of services, and continue to fund asset renewal appropriately.

Council are proposing to fund just a few new initiatives and allocate additional funds to renew the council's infrastructure. Some of the new initiatives include:

- Development of a public open space strategy
- A review of the planning scheme over two years
- Continuing to develop web capability
- Preparation of a business plan for improved operation of the Performing Arts Centre

The Capital Works program for 2019-20 will cost \$13.4M. The program will be funded with \$6.5M from grants and \$7.8M from Council operations.

Some of the key infrastructure projects to be undertaken include:

- A new dual court indoor multi-use sports stadium, in conjunction with the Department of Education and Mansfield Secondary College
- Installation of a new radio frequency identification system at the library which will modernise and automate many library functions in relation to the checking in/out and cataloguing of books
- A new footpath along Mt Buller road between Timothy Lane and Highton Lane to improve pedestrian safety in the area
- Rejuvenation of the Mansfield Wetlands, including dredging and de-silting
- Renewal of the playground facilities at the Mansfield Botanic Park
- A new pavilion at the Lords Oval (carried forward from 2018-19)

There is a significant financial assumption underlying the 2019-20 budget, and that is the approval of an application to the Essential Services Commission (ESC) for a variation to the rate cap.



7.1 Consideration of the Mansfield Shire Council Proposed Budget 2019-20 cont.

Social

Social issues have been taken into account during the budget process and underpin many of the assumptions contained therein.

Environmental

Environmental issues have been taken into account during the budget process.

Economic

Economic issues have been taken into account during the budget process and underpin many of the assumptions contained therein.

Risk Management

The proposed budget has been developed primarily to address financial risk, and the risk of asset failure. The capital spend in the 2019-20 proposed budget provides primarily for asset renewal (\$19.1m) above new (\$10.4m) and upgrade (\$7.6m) projects. The operating budget assumes approval of a rate variation application to enable Council to retain existing income levels and continue to provide the same levels of service to the community.

Community Engagement

Upon approval by Council of this proposed 2019-20 budget, the document will be placed on public exhibition for the statutory period of 28 days. It is proposed that public submissions received will be heard by Council at a Special Meeting on 28 May 2019.

Officer's Comments

The proposed 2019-20 budget has been developed in accordance with legislative and best practice requirements, based on the model provided by Local Government Victoria. It reflects the five objectives of the revised Council Plan and reports sound financial indicators as required by the *Local Government (Planning and Reporting) Regulations 2014*.

The proposed budget 2019-20 is underpinned by an assumption that an application for a rate variation will be approved by the Essential Services Commission. Once an application is submitted, a decision will be notified by the ESC by 31 May 2019.

If approval from the ESC is not obtained, Council will issue a revised budget for further consultation with the community.

Attachment

Proposed Mansfield Shire Council Budget 2019-20



7.1 Consideration of the Mansfield Shire Council Proposed Budget 2019-20 cont.

Councillors Sladdin/Volkering:

That Council:

1. Approve the proposed Budget 2019-20 for public consultation.
2. Give notice in the Mansfield Courier, on Council's website and Facebook page that the proposed Budget 2019-20 will be on public exhibition from 17 April – 14 May 2019, in accordance with section 125 3(A) of the *Local Government Act 1989* and that it is seeking written submissions, which can be supported by a verbal presentation to Council by the submitter or a representative acting on their behalf, as per the provisions of section 223 of the Act.
3. Place a copy of the proposed Budget 2019-20 on exhibition:
 - at Council's Office at 33 Highett Street, Mansfield and the Mansfield Library, Collopy Street Mansfield
 - on the home page of Council' website
 - through a link to a post on Council's Facebook page.
4. Set the meeting date for Council to hear verbal submissions and consider all written submissions from 1.00pm on 28 May 2019 in the Council Chamber at 33 Highett Street, Mansfield and that the details of this meeting be included in the notice of the public consultation period.

Carried



7. PRESENTATION OF REPORTS CONT.

7.2 Consideration of the Mansfield Shire Council Reviewed Council Plan 2017-21 and Draft Strategic Resource Plan 2019-23

File Number: E4397

Responsible Officer: Governance and Risk Co-ordinator, Michelle Kain

Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a direct or indirect interest in this matter, as provided in accordance with the *Local Government Act 1989*.

Introduction

This report requests Council to endorse the public exhibition of the revised draft Mansfield Shire Council Plan 2017-21, which includes the updated draft Mansfield Shire Strategic Resource Plan 2019-23, for a period of 28 days in accordance with Sections 125, 126 and 223 of the *Local Government Act 1989* (the Act).

Background

The Act requires Council to review the Council Plan at least once during each financial year.

Minor changes have been made to the draft Plan to reflect the changes in staffing during 2018-19 and to expand the application of a number of strategies over additional years.

The updated draft Strategic Resource Plan 2019-23 outlines the allocation of financial and non-financial resources over the next four years, as required by Section 126 of the Act, to support the implementation of the revised Council Plan.

Statutory Requirements

The original Mansfield Shire Council Plan 2017-21 was adopted at a Special meeting of Council on 27 June 2017. Section 125 of the Act states that a Council Plan must include:

- (a) *the strategic objectives of the Council;*
- (b) *strategies for achieving the objectives for at least the next 4 years;*
- (c) *strategic indicators for monitoring the achievement of the objectives;*
- (d) *a Strategic Resource Plan containing the matters specified in Section 126;*
- (e) *any other matters which are prescribed by the regulations.*

Section 126 of the Act outlines the requirements for a SRP. The SRP must include financial statements describing the financial and non-financial resources, including human resources, required to achieve the Council Plan's strategic objectives.



7.2 Consideration of the Mansfield Shire Council Reviewed Council Plan 2017-21 and Draft Strategic Resource Plan 2019-23 cont.

When the Council Plan and SRP are updated through the annual review process, the draft amended Plans must be publically advertised for a period not less than 28 days and comment sought in accordance with the requirements of section 223 of the Act. This means submitters can request the opportunity to make a verbal presentation to Council in support of their written submission.

Once this process has been undertaken, Council is then required to advise the Minister for Local Government that adjustments have been made to the Council Plan and SRP.

Council Plan

The Council Plan is the key strategic document that outlines the agenda for the term of this Council. It is a four year strategic document which outlines how Council will deliver initiatives that address issues facing the municipality and respond to community priorities.

Five Strategic Directions underpin the Plan, which are:

- Strategic Direction One: Participation and Partnerships
- Strategic Direction Two: Financial Sustainability
- Strategic Direction Three: Community Resilience & Connectivity
- Strategic Direction Four: Enhanced Liveability
- Strategic Direction Five: Responsible Leadership.

Financial

The SRP drives the allocation of resources and development of both short and medium term financial strategies. The SRP outlines how resources will be allocated over a four year period, whilst the supporting annual budget provides greater detail as to how resources will be used to deliver the Council Plan over the next twelve month period.

Social

The Council Plan is one of the key means through which Council is able to identify community issues and aspirations and outlines how Council will work in partnership with the community to achieve its goals.

Strategic Direction One relates to Participation and Partnerships, while Strategic Direction Three relates to Community Resilience and Connectivity. Under both of these key themes sit a number of Strategic Objectives and strategies to support the participation and inclusion of all our community in decision making, improved community resilience and connections. Several strategies relate to the development of strategic plans relating to active ageing and youth, supported by the provision of infrastructure to reflect changing community needs.

Environmental

Strategic Direction One relates to Participation and Partnerships and includes a Strategy relating to supporting the work undertaken by local environmental groups as well as advocating to other levels of government on environment related issues that relate to our community.



7.2 Consideration of the Mansfield Shire Council Reviewed Council Plan 2017-21 and Draft Strategic Resource Plan 2019-23 cont.

Strategic Direction Four relates to Enhanced Liveability and outlines strategies to support the protection and enhancement of our environment, including the preparation of a Waste Management Strategy and review of the Environment Strategy in partnership with the community. Supporting the work of Landcare is another important strategy included within the Plan.

Economic

Strategic Direction Two relates to Financial Sustainability and outlines strategies to promote tourism and review economic development in partnership with the business community to ensure a medium term plan is in place to support ongoing economic growth.

Risk Management

The draft updated Council Plan meets all statutory requirements.

Strategic Direction Five relates to Responsible Leadership and outlines strategies relating to risk management including the completion of three internal audits per year, provision of quarterly updates on the progress of the Council Plan, undertaking an annual review of the Corporate Risk Register and ensuring the Audit and Risk Advisory Committee oversees the implementation of Council's risk management strategy and corporate risk register.

Community Engagement

The original Council Plan adopted in 2017 was shaped by community input and consultation including a community survey, discussions at a series of community forums and through written and verbal submissions to Council.

The Council Plan is reviewed each year by Councillors and senior officers prior to being placed on public exhibition for a period of 28 days. During this time members of the community can make a written submission and also request an opportunity to make a verbal presentation to a committee of Council.

Officer's Comments

Minor amendments have been made to the Council Plan to:

- Reflect the changes in staffing during 2018-19;
- Expand the application of a number of strategies over additional years.

The updated SRP for 2019-23 has been prepared in parallel with the 2019-20 budget and preparation of the ten year Long Term Financial Plan.

Key new initiatives funded in the SRP include:

- Development of a public open space strategy
- A review of the planning scheme over two years



7.2 Consideration of the Mansfield Shire Council Reviewed Council Plan 2017-21 and Draft Strategic Resource Plan 2019-23 cont.

- Continuing to develop web capability
- Preparation of a business plan for improved operation of the Performing Arts Centre
- Building strategic capacity within a relevant organisational structure

The capital works program totals \$37.1 million across the four years of the SRP. Of this, \$19.1 million (51%) relates to renewal, \$7.6 million (20%) to upgrades of existing infrastructure and \$10.4 million (27%) to new infrastructure projects including:

- A new dual court indoor multi-use sports stadium, in conjunction with the Department of Education and Mansfield Secondary College
- Installation of a new radio frequency identification system at the library which will modernise and automate many library functions in relation to the checking in/out and cataloguing of books
- A new footpath along Mt Buller road between Timothy Lane and Highton Lane to improve pedestrian safety in the area
- Rejuvenation of the Mansfield Wetlands, including dredging and de-silting
- Renewal of the playground facilities at the Mansfield Botanic Park
- A new pavilion at the Lords Oval (carried forward from 2018-19)

Attachment

Draft Mansfield Shire Council Plan 2017-21 and Strategic Resource Plan 2019-23

Councillors Volkering/Sladdin:

That Council:

1. **Endorse the public exhibition of the revised Mansfield Shire Council Plan 2017-21, including the updated Strategic Resource Plan 2019-23, for a period of 28 days, to commence after the publication of the required notice in the Mansfield Courier, in accordance with the requirements of Section 223 of the *Local Government Act 1989*.**
2. **Notify the community of their right to make written submission and a verbal presentation to Council on the Draft Council Plan through:**
 - a) notices in the Mansfield Courier;
 - b) a notice in the 'What's New' section on the Shire's website; and,
 - c) posts on the Shire's social media page.
3. **Appoint all Councillors to form the Committee of Council to consider verbal and written submissions relating to the revised Council Plan and updated Strategic Resource Plan at a meeting to be held on 28 May 2019 at the Shire Office, 33 Hihett Street, Mansfield.**

Carried



7. PRESENTATION OF REPORTS CONT.

7.3 Consideration of an Application to the Essential Services Commission for a Rate Cap Variation for 2019-20

File Number: E5736
Responsible Officer: Finance Manager, Mandy Kynnersley

Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a direct or indirect interest in this matter, as provided in accordance with the *Local Government Act 1989*.

Summary

This report asks Council to endorse an application to the Essential Services Commission for a variation to the rate cap for 2019-20.

Background

At the Ordinary Council Meeting on 18 September 2018 Council resolved to prepare the necessary processes and documentation for a rate variation application for the 2019-20 budget.

The purpose of the variation was to transfer \$1.2m in excess waste service charge income to rate income.

The application has now been completed and is attached for Council endorsement.

Statutory Requirements

Under Part 8A of the *Local Government Act 1989* Council may only increase rates by an amount equivalent or less than the rate cap declared by the Minister each year, unless a variation is approved by the Essential Services Commission.

The application, if endorsed by Council, must be submitted to the ESC by the legislated date of 31 March 2019.

Council Plan

Strategic Direction Two: Financial Sustainability

Financial

The rate variation application seeks to transfer \$1.2m from waste income to rate income. Without the approval of this transfer, Council will need to reduce operational expenditure by \$1.2m per annum, which will result in catastrophic service reductions.



7.3 Consideration of an Application to the Essential Services Commission for a Rate Cap Variation for 2019-20 cont.

Social

Services provided to the community may be severely impacted if the rate variation application is not approved by the Commissioner.

Environmental

There are no significant environmental impacts in relation to this matter.

Economic

There are no known economic impacts in relation to this matter.

Risk Management

Compliance with the Victorian Ombudsman's recommendation to reduce waste service charge income to cost recovery should be adhered to. It is expected the new Local Government Act, when introduced, will formalise these recommendations.

If the application is not approved by the Commissioner, there will be severe impacts to services provided by Council.

Community Engagement

Community engagement on the rate variation issue has been lengthy and comprehensive including:

- Community forums
- Explanatory videos via facebook, YouTube and Council's website
- Have Your Say portal
- Drop in sessions
- Survey
- Written submissions

The results of the submissions were considered by Council at the Ordinary Council Meeting on 19 March 2019.

Officer's Comments

The application to the Essential Services Commission for a variation to the rate cap is attached for the review and endorsement of Council.

The application has been prepared using the templates and guidelines issued by the ESC.



7.3 Consideration of an Application to the Essential Services Commission for a Rate Cap Variation for 2019-20 cont.

Attachment

Rate Variation Application

Councillors Sladdin/Volkering:

That Council endorse the Fair Go Rates System Application for Mansfield Shire Council 2019-20 and instruct the Chief Executive Officer to submit the application to the Essential Services Commission by 31 March 2019.

Carried



8. OTHER REPORTS

8.1 Such Other Business Admitted by the Unanimous Resolution of the Council

Nil.

9. MEETING CLOSURE

There being no further business the meeting concluded at 3.26pm.

CONFIRMED this **sixteenth** day of **April** 2019.

Mayor