



Councillor
(as addressed)

The next Council Meeting will be held as a virtual meeting, on Thursday 18 June 2020, commencing at 6.00pm and your presence is requested.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Steve Kozlowski', with a long horizontal stroke extending to the right.

Steve Kozlowski
CHIEF EXECUTIVE OFFICER

Note:

Due to COVID-19 this is a virtual meeting of Council and the meeting is being streamed live on the internet and recorded and can be viewed on Council's website via

<http://webcast.maroondah.vic.gov.au/video.php>

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ORDER OF BUSINESS

1. Prayer
2. Acknowledgment of Country
3. Apologies
4. Declaration of Interests
5. Confirmation of Minutes of the Ordinary Council Meeting held on Monday 18 May 2020.
6. Officers' Reports

Director Corporate Services

1. Draft Council Plan 2017-2021 (2020/21 Update) and Proposed Budget 2020/21

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**DRAFT COUNCIL PLAN 2017-2021 (2020/21 UPDATE) AND
PROPOSED BUDGET 2020/21**

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PURPOSE

To provide Council the *Draft Council Plan 2017-2021 (2020/21 Update)* and proposed Budget 2020/21; and to seek Council endorsement for public exhibition in accordance with Council's *Community Engagement Policy 2015* and the Right to Make Submission (S.223) under the *Local Government Act 1989* ("the Act"). This commences the legislative procedure for formal adoption by Council.

This procedure incorporates the period of public inspection and invitation to the community to make submissions in accordance with the provisions of the Act.

STRATEGIC / POLICY ISSUES

The following directions contained in *Maroondah 2040: Our future together* and the *Council Plan 2017-2021* provide the strategic framework that underpins the purpose of this report.

Outcome Area: A well governed and empowered community

Our Vision: In 2040, Maroondah will be an empowered community that is actively engaged in Council decision making through processes that consider the needs and aspirations of all ages and population groups. Council will provide strong and responsive leadership, ensuring transparency, while working with the community to advocate for and 'champion' local needs.

Key Directions 2019 – 2020:

- 8.1 Provide enhanced governance that is transparent, accessible, inclusive and accountable.
- 8.2 Ensure responsible and sustainable management of Maroondah's resources, assets, infrastructure and natural environment.

BACKGROUND

DRAFT COUNCIL PLAN

The Council Plan together with *Maroondah 2040: Our future together*, the Annual Budget and Annual Report, are Council's high-level strategic documents which draw together the community aspirations, preferred outcomes and key directions for the future. These high-level strategic documents and associated processes form an integral part of Maroondah City Council's Integrated Planning Framework (shown below).

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Figure 1: Council's Integrated Planning Framework



The *Draft Council Plan 2017-2021 (2020/21 Update)* has been prepared in accordance with requirements of the *Local Government Act 1989*.

The Act requires the Council Plan to include the strategic objectives of the Council (community outcome areas), strategies for achieving the objectives for at least the next four years (key directions), strategic indicators for monitoring the achievement of these objectives (Council Plan indicators) and a Strategic Resource Plan describing the financial and non-financial resources required to deliver the Council Plan, and Council services, over the next four years. At Maroondah, the Council Plan also includes priority actions - initiatives to be undertaken by Council that will significantly contribute to the achievements of key directions.

The Council Plan is refreshed annually to ensure identified priority actions meet emerging community needs and aspirations, and the Strategic Resource Plan accurately reflects resource requirements.

Reporting against the Council Plan and Annual Budget is undertaken quarterly to Council and the Audit and Risk Advisory Committee. Reporting on annual achievements is undertaken through the Annual Report and the 'Our Achievements' document.

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PROPOSED ANNUAL BUDGET

The proposed Budget for 2020/21 (the proposed budget) is one of Council's high level strategic documents. The community's aspirations for Maroondah's future direction and development are set out in *Maroondah 2040: Our Future Together* and this forms the foundation from which Council shapes its medium term plans for the municipality. The proposed Budget then addresses the provision of financial resources for the next 12 months as well as articulating how those resources are to be spent in delivering services to the community.

It is a critical planning and resource tool of Council and is vital to the ongoing operational and financial viability of Council. It sets out the expected income and expenditure for the coming year and also incorporates Council's rates and charges as well as estimating the net worth of the municipality at the end of the year. It is the culmination of Councillor Briefings (including discussions at the Councillor Conference) and detailed preparation by employees and management.

ISSUE / DISCUSSION

DRAFT COUNCIL PLAN

The *Draft Council Plan 2017-2021 (2020/21 Update)* is aligned with *Maroondah 2040: Our future together (July 2020 update)*, the long term vision for the community that will be taken to Council for formal adoption in July 2020. This alignment ensures that the Council Plan continues to form part of an integrated approach to planning that is informed by community aspirations for Maroondah's future.

The *Draft Council Plan 2017-2021 (2020/21 Update)* acknowledges progress made on priority actions undertaken during 2019/20 and provides an amended list of proposed priority actions for the final year (2020/21) of the *Council Plan 2017-2021*. The amended list takes into account the impacts of COVID-19 on Council's service delivery, and includes two specific priority actions relating to Council's COVID-19 emergency relief and recovery.

The *Draft Council Plan 2017-2021 (2020/21 Update)* identifies priority actions as either major initiatives or initiatives. Major initiatives are defined as the significant activities of Council that will directly contribute to the achievement of the Council Plan and are a major focus in the budget. In 2020/21, a total of 26 priority actions have been defined as major initiatives. The remaining 39 priority actions are defined as initiatives and are either one-off in nature and / or lead to improvements in service.

Despite this being the first year that priority actions have been classified as either major initiatives or initiatives in the Council Plan, for budget purposes this distinction has been made in prior years as required under the Local Government Act 1989 s127(2)(d).

The following are the proposed major initiative Council Plan priority actions for Council either commencing or continuing in the forthcoming 2020/21 financial year.

- 1) Design and construct sporting/multipurpose pavilion redevelopments at HE Parker Reserve, Silcock Reserve, and Proclamation Park; and at Springfield and Ainslie Park (subject to funding)

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- 2) Establish a regional cricket hub at the Jubilee Park sporting precinct
- 3) Undertake a strategic review of Maroondah Golf
- 4) Plan and implement the Dorset Recreation Reserve and Eastfield Park Enhancement Plans and undertake staged redevelopment works
- 5) Develop a Maroondah Liveability and Wellbeing Strategy 2021-2031 (incorporating the Municipal Public Health Plan)
- 6) Undertake a strategic review of shopping centres in Maroondah and develop a Maroondah Community Shopping Centre Strategy
- 7) Design the Karralyka Centre redevelopment, and undertake staged redevelopment works
- 8) Implement the new Arts and Cultural Development Strategy 2020 - 2025
- 9) Work in partnership to implement the Reimagining Tarralla Creek project
- 10) Complete the tender and implement contracts for waste collection, landfill and the receipt and sorting of recyclables
- 11) Complete the Lincoln Road upgrade, east of Dorset Road in Croydon
- 12) Advocate for public transport improvements in the Bayswater Business Precinct
- 13) Design and construct multi-level carparks in Croydon, Ringwood, Heathmont; and Heatherdale station
- 14) Undertake the renewal of New Street in Ringwood, including flood mitigation works, between Maroondah Highway and Sylvia Grove
- 15) Undertake improvement works of the carpark at McAlpin Reserve Ringwood North
- 16) Continue the upgrade of drainage, including flood mitigation works in Acacia Court catchment in Ringwood; Power Street catchment in Croydon North; and Scenic Avenue catchment in Ringwood East
- 17) Implement the Greening the Greyfields project in partnership with stakeholders to facilitate a sustainable approach to urban redevelopment in identified residential precincts
- 18) Develop a new Croydon Structure Plan (including urban design guidelines) and commence preparation of a planning scheme amendment to incorporate the policy into the Maroondah Planning Scheme
- 19) Undertake the staged redevelopment of the Croydon Community Precinct
- 20) Monitor the National Disability Insurance Scheme and My Aged Care reform agenda and implement transitional arrangements for relevant areas of Council service delivery
- 21) Develop a new Customer Service Strategy that will continue to advance Council's commitment to be highly responsive and customer focused
- 22) Advocate on key local issues in the lead up to the Victorian and Australian Government elections in 2022
- 23) Implement the new Local Government Act 2020 following its enactment
- 24) Following the Council election prepare a new Council Plan 2021-2025

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- 25) Develop and implement a COVID-19 community emergency relief referral process
- 26) Develop and implement a COVID-19 Recovery Plan (including social and economic recovery initiatives), following community consultation and engagement

Upon provisional endorsement and authorisation of release, the *Draft Council Plan 2017-2021 (2020/21 Update)* will be on public exhibition for a statutory period of 28 days from 19 June 2020 to 17 July 2020. This is an opportunity for community members to propose revisions.

Following a submission hearing on 22 July 2020, the *Draft Council Plan 2017-2021 (2020/21 Update)* will be amended as appropriate and brought back to Council for formal endorsement (planned for the Council Meeting on 27 July 2020). Submission of the final *Council Plan 2017-2021 (2020/21 Update)* to the Minister for Local Government is required by 31 August 2020.

PROPOSED ANNUAL BUDGET

The Proposed Budget document as presented and to be placed on exhibition contains:

- Linkages to the Council Plan
- Community Outcome Areas (Strategic Objectives)
- Listing of Council Services and Service Performance Indicators
- Summary of Financial Position
- Financial Statements
- Comments on significant budget influences
- Capital Expenditure Program information
- Fees & Charges schedule
- Budgetary process information and Statutory Disclosures

Its contents are consistent with the Strategic Resource Plan and demonstrates the provision of adequate resources to achieve the Plan's objectives and activities for the next 12 months. Overall it is a balanced, sustainable, and responsible way forward to ensure Maroondah continues to be a vibrant city with an active community, strong local economy, and a diverse cultural life in a prosperous and sustainable environment. It provides for the capacity to deal with the challenges of the future and includes 26 major initiatives (priority actions) and 39 initiatives which were identified in the Council Plan for the 2020/21 period.

In 2015 the Local Government (Fair Go Rates) Act was passed in Parliament. The Act introduced a rate cap based on CPI plus or minus any adjustment and allows for multiple caps to be set by the Minister and variations to the cap should Council obtain approval to raise rate revenue by a greater amount than that imposed by the cap. The Minister has determined that the rate cap for 2020/21 is set at an increase of 2.0% over the average property rate of a Council. The average property rate is derived by dividing the total rate revenue adjusted for

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the annualisation of supplementary rate income by the number of rateable properties as at 30 June. The increase under the rate cap applies to rate revenue after growth in the previous year has been considered.

The key aspects of the revised LTFS include:

- Rate revenue increases within the rate cap framework with no variation request required;
- The long-term financial strategy had to be extensively reviewed to assess the overall impacts of COVID19 and what that means for Council's overall financial sustainability. The impact of COVID19 have been quite significant, with a greater than \$10 million-dollar impact on Councils cash position over the 2019/20 and 2020/21 periods;
- Services and service levels maintained at 2019/20 levels with the aim to use fewer resources with an emphasis on innovation, productivity and efficiency enhancements;
- Asset renewal expenditure to be at least at the level of depreciation each year;
- Waste charges reviewed and budgeted for to mitigate the risks in the recycling markets;
- Continuing to maintain the borrowing facility that has been in place and repaid annually;
- Provision of a cash backed defined benefits superannuation fund reserve of \$5 million;
- Provision of a growing cash backed major capital projects reserve to fund as yet unidentified and new major project(s);

The adjusted underlying budget surplus, which is a measure of financial sustainability, shows an underlying surplus being achieved annually over the ten-year period of the strategy. The Budget for 2020/21 proposes an underlying surplus of \$13.4 million and Council's cash and cash equivalents (including Financial Assets) projected to be \$33.1 million at June 2021.

Council is required to conduct an annual General Property Valuation. The most recent General Valuation was carried out with levels of value set as at 1 January 2020. The General Valuation was undertaken in accordance with best practice standards set by the State Valuer-General. These valuations are used for rating purposes to equitably spread the total of Council's own source revenue across Maroondah's total assessment base. Hence, the higher the property value the higher the associated individual property general rates; the lower the property value, the lower the associated individual property general rates.

The 2020/21 rating strategy is based upon Capital Improved Value, the use of a differential rate for vacant land, commercial land, industrial land, derelict land and the continuation of assistance to ratepayers who qualify under Council's financial hardship provisions. It is proposed to raise \$79.397 million in general rates derived within the rate cap framework legislated by the State Government.

The next General Valuation will be conducted in 2021 and will be carried out with levels set as at 1 January 2021.

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Further, Council's established policy regarding garbage services is for all waste and recycling costs to be fully recovered through the application of a Garbage Charge in accordance with Council's contractual arrangements. In accordance with this policy, garbage charges will increase in 2020/21 to; \$343.50 for a 120-litre bin, and \$286.00 for an 80-litre bin. Should members of the community wish to reduce their service from a 120-litre bin to an 80-litre bin, they are encouraged to contact Council. Similarly, should residents wish to increase their recycling capacity they are able to secure a second bin at no extra cost. Again, residents are encouraged to contact Council on 1300 88 22 33.

The Proposed Budget also includes information on borrowings and confirms that borrowings of \$24.2m were drawn down in 2014/15 to partly fund the new regional aquatic and leisure centre - Aquanation at Ringwood with repayment of principal and interest over 15 years.

Further, information on Council's 10-year capital works program is also included which reflects the Total Life Cycle Asset Management framework which provides the basis for the capital renewal and upgrade component associated with infrastructure assets.

The Budget provides for an extensive Capital Expenditure program totalling \$85.47m. This capital investment is funded externally via grants and contributions \$26.76m and asset sales of \$20.65m and the balance internally through general rates and cash reserves. Expenditure on asset renewal and asset upgrade is \$30.6m whilst new projects total \$54.8m.

The net result for the 2020/21 year is planned at a \$40.148m surplus which is an increase from the 2019/20 Budget as specific funding for large capital works project are to be received. It is anticipated that net surpluses will continue for the life of the Long Term Financial Strategy.

The planned financial position as at 30 June 2021 reveals Council will continue to be financially sound with projected net assets of \$1.911b, a working capital ratio of 1.13:1, adequate cash and investments to meet its cyclical cash flow requirements, and borrowings in line with agreed loan repayment schedules. It is submitted that the Budget represents prudent financial management that will underpin and facilitate the application and attainment of the future outcomes, key directions and priority actions detailed in the Council Plan and beyond. Hence the 2020/21 Budget has ensured financial sustainability across Council's entire areas of operations and responsibility and in accordance with its long term financial strategy, has kept its own source revenue levels realistic.

FINANCIAL / ECONOMIC ISSUES

The resources required to implement the *Draft Council Plan 2017-2021 (2020/21 Update)* priority actions are contained within the current annual budget and strategic resource plan, except where identified that an action is 'subject to funding'.

ENVIRONMENTAL / AMENITY ISSUES

These are contained within the *Draft Council Plan 2017-2021 (2020/21 Update)* and *Proposed Annual Budget 2020/21* and articulate the Council's current directions.

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SOCIAL / COMMUNITY ISSUES

These are contained with the *Draft Council Plan 2017-2021 (2020/21 Update)* and *Proposed Annual Budget 2020/21* and articulate Council's current directions.

COMMUNITY CONSULTATION

The *Draft Council Plan 2017-2021 (2020/21 Update)* has been informed by stakeholder input during development of the original *Council Plan 2017-2021* in February 2017, along with community engagement inputs from a range of other Council strategic projects over the past four years, including the Maroondah 2040 Interim Review project undertaken over the 2018/19 and 2019/20 period.

To seek feedback on the *Draft Council Plan 2017-2021 (2020/21 Update)* and *Proposed Annual Budget 2020/21*, a public exhibition process will be undertaken in accordance with Section 223 of the Act. The *Draft Council Plan 2017-2021 (2020/21 Update)* and *Proposed Annual Budget 2020/21* will be placed on public exhibition for a statutory period of 28 days from 19 June 2020 to 17 July 2020.

The process will involve:

- Public exhibition of the *Draft Council Plan 2017-2021 (2020/21 Update)* and *Proposed Annual Budget 2020/21* on Council's website as well as at all Council Service Centres and local libraries.
- Advertisement in The Age newspaper seeking comments or feedback from the community on the *Draft Council Plan 2017-2021 (2020/21 Update)* and *Proposed Annual Budget 2020/21*. To this end, an advertisement will be placed in *The Age* newspaper on Friday 19 June 2020.

Both written and online comments on the *Draft Council Plan 2017-2021 (2020/21 Update)* and *Proposed Annual Budget 2020/21* will be received by Council up until 5pm, 17 July 2020.

Written submissions should be addressed to:

Mr Steve Kozlowski
Chief Executive Officer
PO Box 156
RINGWOOD VIC 3134

Online submissions may be made via Council's website:

www.yoursay.maroondah.vic.gov.au

During the public exhibition period residents and property owners may obtain further information about the *Proposed Annual Budget 2020/21* by appointment.

The process will be formalised through public submissions under Section 223 of the Act. A meeting to hear submissions will take place at 7.00pm on Wednesday 22 July 2020 at Maroondah City Council Offices. Anyone wanting to make a submission to Council should advise of this requirement in their written submission, giving a name and contact number.

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Once community feedback is considered, the documents will be amended as appropriate and be brought back to Council for formal endorsement. At this stage, this is planned for the Council Meeting on 27 July 2020.

CONCLUSION

The *Draft Council Plan 2017-2021 (2020/21 Update)* and *Proposed Budget 2020/21* have been prepared for community consultation. They reflect Council's commitment to pursue excellence, good governance and responsible management of resources for the community within the City of Maroondah.

Given Council's legislative obligations it is appropriate to place the *Draft Council Plan 2017-2021 (2020/21 Update)* and *Proposed Budget 2020/21* on public exhibition before they are formally considered for adoption.

ATTACHMENTS

1. 2020-21 Council Plan - Public Exhibition - 19 June 2020
2. MCC Proposed Budget 2020 21 - DRAFT - Version 2 post COVID

CONFIDENTIALITY

Not Applicable

RECOMMENDATION

THAT COUNCIL

1. **PROVISIONALLY ENDORSES THE DRAFT COUNCIL PLAN 2017-2021 (2020/21 UPDATE) AND PROPOSED BUDGET 2020/21, THAT HAVE BEEN PREPARED IN ACCORDANCE WITH SECTIONS 125 AND 127 OF THE LOCAL GOVERNMENT ACT 1989**
2. **AUTHORISES THE CHIEF EXECUTIVE OFFICER TO GIVE PUBLIC NOTICE OF THE PREPARATION OF THE PROPOSED COUNCIL PLAN AND BUDGET**
3. **AUTHORISES THE RELEASE OF THE DRAFT COUNCIL PLAN 2017-2021 (2020/21 UPDATE) AND PROPOSED BUDGET 2020/21 ON PUBLIC EXHIBITION FROM 19 JUNE 2020 TO 17 JULY 2020 AND RECEIVE SUBMISSIONS IN ACCORDANCE WITH SECTION 223 OF THE LOCAL GOVERNMENT ACT 1989**
4. **APPOINTS A COMMITTEE OF THREE COUNCILLORS TO CONSIDER ANY SUBMISSIONS AND HEAR FROM ANY PERSON/S WHO HAS/HAVE REQUESTED TO BE HEARD IN SUPPORT OF THEIR SUBMISSIONS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 223 OF THE LOCAL GOVERNMENT ACT 1989**

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5. DETERMINES THAT SUCH COMMITTEE WILL CONSIDER ALL SUBMISSIONS RECEIVED AT A MEETING TO BE HELD IN THE COUNCIL CHAMBERS ON WEDNESDAY 22 JULY 2020 AT 7.00PM
6. FOLLOWING EXHIBITION AND CONSIDERATION OF ANY SUBMISSIONS RECEIVED, COUNCIL AT ITS MEETING TO BE HELD ON MONDAY 27 JULY 2020 AT 7:30PM, WILL CONSIDER A REPORT ON SUBMISSIONS RECEIVED TO THE COUNCIL PLAN AND/OR COUNCIL BUDGET WITH A VIEW TO ADOPTING BOTH DOCUMENTS