



28 April 2009

Councillor
(as addressed)

Re: Special Meeting of Council Monday 4 May 2009

A Special Meeting, under the provisions of Section 84(1) of the Local Government Act 1989, has been called, which will be held in the Council Chamber, Municipal Offices, Braeside Avenue, Ringwood on Monday 4 May 2009 at 6.00pm, and your presence is requested.

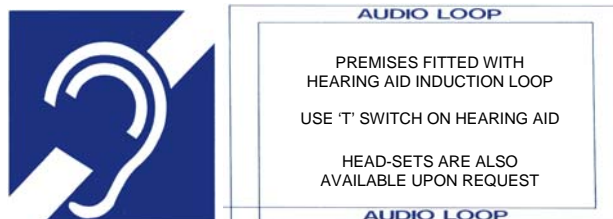
The purpose of the meeting is for Council to consider placing on public exhibition the 2009/13 Council Plan and 2009/10 Budget.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Michael Marasco', is written over a white background.

Michael Marasco
CHIEF EXECUTIVE OFFICER

Attached is the copy of the call of the meeting received from the Mayor, Cr Gurr.



Correspondence: City Offices, Braeside Avenue Ringwood (P.O.Box 156, Ringwood 3134)
DX 38068 Ringwood Telephone: 1300 88 22 33 Fax: (03) 9298 4345

Service Centres: Croydon: Civic Square **Ringwood:** Level 2, Shop G104, Eastland



22 April 2009

Chief Executive Officer

Re: Special Meeting of Council Monday 4 May 2009

In accordance with Section 84(1) of the Local Government Act 1989, I hereby call a Special Meeting of Council to be held in the Council Chamber, Municipal Offices, Braeside Avenue, Ringwood on Monday 4 May 2009 at 6.00pm.

The purpose of the meeting is for Council to consider placing on public exhibition the 2009/13 Council Plan and 2009/10 Budget.

Yours faithfully,

Peter Gurr
MAYOR

Correspondence: City Offices, Braeside Avenue Ringwood (P.O.Box 156, Ringwood 3134)
DX 38068 Ringwood Telephone: 1300 88 22 33 Fax: (03) 9298 4345

Service Centres: Croydon: Civic Square **Ringwood:** Level 2, Shop G104, Eastland

AGENDA

1. Apologies
2. Declaration of Interests
3. Officers' Reports

Director Corporate Services

1. Proposed Council Plan 2009/13 and Budget 2009/10 3

**PROPOSED COUNCIL PLAN 2009/13 and
BUDGET 2009/10**

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PURPOSE

To provide Council with information regarding the proposed Maroondah Council Plan 2009/2013 and to seek Council endorsement for its public exhibition in accordance with Council's Community Engagement Policy (2008) and the Right to Make Submission (S.223 Local Government Act). Additionally, this report presents the 2009/10 Proposed Budget to commence the legislative procedure for its formal adoption by Council. This procedure incorporates a period of public inspection and invitation to make submissions in accordance with the provisions of the Local Government Act 1989 ("the Act").

STRATEGIC / POLICY ISSUES

COUNCIL PLAN

The Council Plan together with the Annual Budget and Report, are Council's high level strategic documents, which draw together the communities aspirations, objectives and strategies for the coming period. This Council Plan reflects directions articulated in the Maroondah 2025 strategy.

Councillors will be aware the reporting against the Council Plan and Budget is undertaken annually through the Annual Reporting process. These three high level documents – Council Plan, Annual Budget and Annual Report, with associated processes, comprise part of Maroondah Council's highest level Strategic Planning and Performance Framework.

The Act requires the Council Plan to include the strategic objectives of the Council, strategies for achieving the objectives for at least the next four years, strategic indicators for monitoring the achievement of the objectives and a Strategic Resource Plan describing financial and non-financial resources. At minimum, plans are to be completed once every four years or within the period of six months after each general election or by the next 30 June, whichever is later. At Maroondah the Plan is updated annually in order to reflect current community needs and aspirations.

BUDGET

Similarly, the Proposed Budget for 2009/10 is one of Council's three high level strategic documents. The community's vision for Maroondah's directions and development over future years is set down in its document titled Maroondah 2025 and this forms the foundations from which Council shapes its medium term plans for the municipality. The 2009/10 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.

Amendments to the Act have mandated improved transparency and accountability for the performance of municipalities. The Annual Budget together with the Council Plan and the Annual Report are the major municipal planning and reporting documents that are now used to achieve that aim. In this regard the most significant accountability tool utilised is the financial 'Standard Statements' so that the community may more readily follow strategic financial planning (in the Council Plan) through to operational financial planning (in the Annual Budget) and then be able to measure actual performance against those plans (in the Annual Report).

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BACKGROUND

COUNCIL PLAN

As is usual practice at Maroondah, the draft Council Plan 2009/2013 has its basis in Maroondah 2025, a strategy that was developed in 2001, in consultation with the community. Maroondah 2025 sets out strategic directions under six key themes: Community, Leisure and Culture, Urban Design and Development, Natural Environment, Economic Development and Employment and Transport. These key themes, together with the emerging focus on Infrastructure and Governance and Corporate Support, provide the structure for the Council Plan.

Key actions for the coming 12 month period are then listed many of which require specific planning and further development. For example in the theme area of Community a key action is "Encourage partnerships with external agencies and service providers to deliver initiatives in community health, safety and wellbeing".

BUDGET

In addition to sound governance, management and fiscal responsibility, Section 127 of the Act requires Council to prepare a budget for each financial year commencing 1 July, Section 129 of the Act provides that Council follows a public consultation process prior to formal adoption and the Valuer General is required to agree to the municipalities valuation data. Section 130 of the Act provides that Council must adopt its budget by 31 August each year.

ISSUE / DISCUSSION

COUNCIL PLAN

The Council Plan has undergone an internal review by both Councillors and Officers. This has contributed to and enhanced an integrated approach to discussions, data collection and commitment ownership. A copy of the Draft has been distributed to Councillors. There is further opportunity for revisions to be made to the directions and document during the public exhibition period, which will run for the statutory period of 28 days, in this instance, 8 May to 5 June 2009.

It is intended that a final report be submitted to Council following the further consultation period prior to the final Council Plan 2009/2013 reaching the Minister of Local Government by 30 June, as prescribed by the Local Government Act 1989.

BUDGET

Similarly, the Proposed Budget 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 rating strategy as well as estimating the net worth of the municipality at the end of the year. It is the culmination of Councillor briefings (including extensive discussions at a weekend workshop) and detailed preparation by employees.

The Proposed Budget document as presented and to be placed on exhibition contains detailed schedules, tables and comments on all significant aspects of budget input and outcomes. Its contents are also consistent with the Strategic Resource Plan component of

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the draft 2009/13 Council Plan and demonstrate 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.

Copies of the Proposed Budget were distributed to Councillors prior to the meeting.

The key direction to staff in the preparation of the 2009/10 Proposed Budget has been to maintain and enhance service standards within the community. The 2009/10 Budget is predicated on achievement of at least the same satisfaction levels over the same wide range of Council services, together with a range of community enhancements proposed for the coming year. Community satisfaction levels for Maroondah over the past years average in the high 80's as independently undertaken by the State Government Department of Planning and Community Development.

A reduction in interest income (\$825k) expected from cash and investments due to the downturn in performance of equity markets as a result of the global economic crisis presents Council with challenges in seeking alternative sources of funding to insulate against the impact on ratepayers as much as possible. Ultimately however, Council has no other options but to make up the shortfalls thus incurred by increasing the general rates payable on property.

In 2004/05 Council introduced a Municipal Charge equal to the amount of the contribution it was required to pay to the Metropolitan Fire and Emergency Services Board (MFESB). This measure was designed to add transparency to the rating structure and to emphasise the large increases in a cost to Council over which it has no control. For 2009/10 this cost to Council will rise by a further \$20,880 to \$905,880. Accordingly it is proposed that the Municipal Charge rise from \$19.90 to \$20.15 per assessment to offset this added expenditure burden.

The 2009/10 rating strategy is based upon no change to the Capital Improved Value basis, the use of a differential rate for vacant land and the continuation of assistance to ratepayers who qualify under Council's financial hardship provisions. It is proposed to raise \$43.872m in general rates. This is considered a responsible outcome given the external cost pressures and the aim to maintain or enhance service levels.

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 be maintained at the same level as that applied in 2008/09, which is possible due to the reduction in the capital component cost of the collection contracts. Charges will be \$193.00 for a 120-litre bin, and \$163.00 for an 80-litre bin.

In addition to the rating strategy, the Proposed Budget also includes strategy documents on borrowings and infrastructure and other assets. These documents confirm that there will be no new borrowings proposed for 2009/2010, that user fees and charges will generally rise in line with the CPI and that the 2.5% infrastructure levy will again form part of the general rate rise.

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The Budget provides for a Capital Expenditure program totalling \$13.651m. The program is funded externally via grants and contributions to the extent of \$1.525m and the balance internally through general rates and developer's contributions. Gross expenditure on asset renewal is \$11.028m, which includes the 2.5% infrastructure levy whilst new projects total \$2.623m.

The operating result for the 2009/10 year is planned at \$3.217m deficit. The anticipated net deficits operating result in 2009/10 to 2014/15 will be converted into a surplus in 2015/16. This trend is maintained into the longer term.

The planned financial position as at 30 June 2010 reveals Council will be financially sound with projected net assets of \$947m, a healthy working capital ratio of 2.29:1, 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 paints a picture of prudent financial management that will underpin and facilitate the application and attainment of the broad range of strategies and commitments detailed in the Council Plan and beyond. Hence the 09/10 Budget has ensured financial sustainability across Councils' entire areas of responsibility and in accordance with its long term financial strategy, has kept its own source revenue levels realistic.

The current CPI levels as identified by the Australian Bureau of Statistics (ABS) for the December 2008 quarter is 3.2% and the Reserve Bank for the same period has CPI at 3.7%. Maroondah has typically used the CPI figure as identified by the ABS for the preceding December quarter and used this figure for the 2009/10 Budget at 3.2%.

Additionally, due to a zero increase in charges for waste services Council's net municipal wide increase in total rates and charges is contained to 5.9%. This will impact differently on each property assessment depending on valuation movements. For example properties with less capital improved value (CIV) will pay less and properties with larger CIV will pay more.

FINANCIAL / ECONOMIC ISSUES

The resources required to undertake the Council Plan and Budget process are contained within the current budget.

ENVIRONMENTAL / AMENITY ISSUES

These are contained within the Council Plan and Budget and articulate the Council's current directions.

SOCIAL / COMMUNITY ISSUES

These are contained with the Council Plan and Proposed Budget and articulate Council's current directions.

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COMMUNITY CONSULTATION

COUNCIL PLAN 2009/13 and BUDGET 09/10

The community consultation process will include:

- Public exhibition of the proposed Council Plan and Budget on Council's website as well as at all Council Service Centres and local libraries.
- Advertisements in the local papers calling for comments or feedback from the community on the Plan and Budget.

To this end, an advertisement will be placed in The Age newspaper on 7 May 2009 advising the community that documents are available for viewing on Council's website, and will also be available from any of Council's Service Centres and Libraries on Friday 8 May 2009.

Both written and online comments on both documents will be received at the Civic Centre up until 5pm, 5 June 2009.

The community consultation 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 10 June 2009 at Maroondah City Council Offices to consider any public submissions. Anyone wanting to make a submission to the Council should advise of this requirement in their written submission, giving a name and contact number. Written submissions should also be addressed to:

Mr Michael Marasco
Chief Executive Officer
PO Box 156
RINGWOOD VIC 3134

During the public consultation period (i.e. 8 May to 5 June 2009) residents and property owners may obtain further information about the Proposed Budget by appointment.

Once the 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 of 15 June 2009.

CONCLUSION

The draft Council Plan 2009/13 and Proposed Budget 2009/10 have been prepared for community consultation. They reflect the Council's commitment to pursue excellence, good governance and responsible management of resources for the community within the municipal district of Maroondah City Council.

Given Council's legislative obligations it is appropriate to place the proposed Council Plan 2009-2013 and Proposed Budget 2009/10 on public exhibition.

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CONFIDENTIALITY

Not Applicable

RECOMMENDATION

THAT COUNCIL WITH RESPECT TO:

1. THE PROPOSED COUNCIL PLAN 2009/13 AND PROPOSED BUDGET 2009/10

- a) **AUTHORISES THE CHIEF EXECUTIVE OFFICER TO GIVE PUBLIC NOTICE OF THE PREPARATION OF THE PROPOSED PLAN AND BUDGET.**
- b) **APPOINTS A COMMITTEE OF COUNCILLORS COMPRISING COUNCILLORS GURR, STEANE AND LAMONT 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.**
- c) **DETERMINES THAT SUCH COMMITTEE WILL CONSIDER ALL SUBMISSIONS RECEIVED AT A MEETING TO BE HELD IN THE COUNCIL CHAMBERS ON WEDNESDAY 10 JUNE 2009 AT 7PM.**
- d) **NOTES THAT ANY RECOMMENDATIONS FROM THE COMMITTEE TO ADOPT THE COUNCIL PLAN AND/OR BUDGET BE CONSIDERED AT A MEETING OF COUNCIL TO BE HELD ON MONDAY 15 JUNE 2009 AT 7.30PM.**

2. THE PROPOSED BUDGET 2009/10

SUBJECT TO INCLUSION OF ANY AMENDMENTS WHICH, IF APPLICABLE, ARE TO BE DETAILED IN A SCHEDULE TO THIS RESOLUTION, THE BUDGET SEPARATELY CIRCULATED TO THIS RESOLUTION AND INITIALLED BY THE CHAIRMAN OF THE MEETING FOR IDENTIFICATION BE THE BUDGET PREPARED BY COUNCIL FOR THE PURPOSES OF SECTION 127 OF THE LOCAL GOVERNMENT ACT 1989.