

NARACOORTE LUCINDALE COUNCIL

MINUTES FOR SPECIAL AUDIT COMMITTEE MEETING HELD ON
14 May 2019

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NARACOORTE LUCINDALE COUNCIL

MINUTES FOR SPECIAL AUDIT COMMITTEE MEETING HELD ON 14 May 2019

<u>COMMENCED:</u>	Meeting commenced at 4.34pm in Naracoorte Council Chamber, DeGaris Place, Naracoorte	
<u>PRESENT:</u>	Independent Member (Presiding Member):	Jim Ker
	Independent Member:	
	Elected Members:	Cr Grundy Cr Ross
<u>APOLOGIES:</u>	Independent Member:	Robyn Mencil
	Elected Members:	Cr Earl
<u>ON LEAVE:</u>		
<u>OFFICERS:</u>	Chief Executive Officer	Trevor Smart
	Director Corporate Services	Fiona Stringer
	Director Operations	Steve Bourne
	Manager Governance & Community Development	Sally Klose
<u>MEDIA REPRESENTATIVES:</u>		

ITEM 1 ELECTED MEMBER'S DECLARATION OF INTEREST (IF ANY) (Section 74, Local Government Act, 1999)

Members of the Committee shall comply with the conflict of interest provisions contained within Sections 73, 74, 75 and 75A of the Local Government Act, 1999.

Members are reminded of their obligations under Division 3 – Conflicts of Interest.

Under section 74 – Material conflicts of interest, if a member of a council has a material conflict of interest in a matter to be discussed at a meeting of the council, the member must:

- a) inform the meeting of the member's material conflict of interest in the matter; and
- b) leave the meeting room (including any area set aside for the public) such that the member cannot view or hear any discussion or voting at the meeting, and stay out of the meeting room while the matter is being discussed and voted on.

Under section 75A - Actual and perceived conflicts of interest, if in relation to a matter to be discussed at a meeting of a council, a member of the council:

- a) has a conflict of interest in the matter (an actual conflict of interest); or
- b) could reasonably be taken, from the perspective of an impartial, fair-minded person, to have a conflict of interest in the matter (a perceived conflict of interest),

the member must deal with the actual or perceived conflict of interest in a transparent and accountable way. The member must inform the meeting of:

- a) the member's interest in the matter; and
- b) if the member proposes to participate in the meeting in relation to the matter, how the member intends to deal with the actual or perceived conflict of interest.

ITEM 2 REPORTS FOR DECISION

2.1 Draft Annual Business Plan & Budget 2019-20

Audit Committee Function

Work Program Item 2.1

- *The Audit Committee shall comment on the draft annual business plan prior to its formal consideration for adoption by Council, particularly in terms of consistency with Council's strategic management plans, recognising that Council is responsible and accountable for policy positions and service level decisions but mindful also that the Audit Committee has responsibilities to ensure Council is aware of the impact on ongoing financial sustainability of its proposals.*

REPORT

The Draft Annual Business Plan and Budget for 2019-20 have been prepared and are provided for Members consideration prior to release by Council for public consultation on 14 May 2019.

The Budget for the year ending 30 June 2020 includes provision for the continuation of services for the Community, including: -

- Parks and Gardens / Swimming Lake / Playgrounds and Town Hall Facilities
- Road Maintenance, Construction, Resealing and Resheeting Projects
- Footpath & Bike Network Maintenance
- Urban & Rural Drainage Maintenance
- Planning Services including Fire Control, Parking, Health & Building Inspections
- Naracoorte Regional Livestock Exchange & our Visitor Information Centre
- Waste & Recyclables Collection and Disposal
- Regular Street and Pit (drainage) Cleaning
- Volunteer Services Support
- Library Services
- Administration Services

Provision for the support of community events and sport and recreational groups, including: -

- Continuation of the community chest program
- Financial and in-kind support for the Frances Folk Gathering, South East Field Days, TASTE the Limestone Coast Festival, Harmony Day and Senior Super Bowls Series
- Financial support for the Naracoorte Art Gallery
- Organisation of civic events such as Australia Day and Anzac Day
- Support for new events – Tour of the Great South Coast – Bike Race, World Heritage Festival & Fun Run and Limestone Coast Multicultural Soccer Carnival

The Budget also includes provision for the following projects:

- ARC Linkage Project (relates to the Naracoorte Caves)
- Naracoorte Caves Connection Project
- Review of Council's Strategic Management Plans
- Continuation of improvement to district boundary signs, Naracoorte southern entrance and promotional flags at the northern entrance to Naracoorte.
- Community Wellbeing Support
- Replacement of retractable seating at the Naracoorte Town Hall and continuation of re-painting program
- Installation of town signage as part of the Storyboard Project (Lucindale & Hynam)
- Implementation of the Frances Master Plan
- Continued replacement, renewal and upgrade of Council roads, footpaths, kerbs & watertables.
- Continued promotion and upgrade of the Naracoorte Regional Livestock Exchange to ensure it maintains its position as a premium selling facility

There is continued emphasis on the renewal of road infrastructure. Further information in relation to individual road and infrastructure projects may be sourced from Council's Roads & Major Infrastructure Projects report, which will be provided prior to the meeting.

The draft budget indicates an operating surplus before capital revenue of \$596,062.

The Naracoorte Regional Livestock Exchange is also forecasting an operating surplus of \$235,490 for the year.

The operating result may change following the public consultation period (eg. inclusion or removal of items following requests from the community and decision of Council) and due to final rate modelling based on the most recent capital valuations available to Council prior to adoption at the June Council meeting.

Council's cash position at 30 June 2020 is forecast to be \$3.610 million.

The budget includes the following assumptions: -

- a rate increase of 1.6%
- increase minimum rate by \$5 to \$390
- waste & recycling levy to remain at \$320 per annum
- an increase of 2% on Naracoorte Regional Livestock Exchange Fees
- Grants Commission allocation to increase by 1.6%
- Early Grants Commission payment to be received in June 2019 and June 2020

Property valuations have increased by approximately 16% from 1 July 2018.

Expenditure on non-current assets is projected to be \$11.5 million, with \$9.8 million to be expended on the replacement and renewal of assets and \$1.7 million allocated for new assets.

Capital expenditure will be funded from Council's cash reserves, with no loan borrowings predicted for 2019-20.

Council's asset renewal funding ratio is forecast to be 142% when calculated relative to the level of annual depreciation and 160% when calculated relative to the Infrastructure and Asset Management Plan 2017/18 – 2027/28.

The community was invited to provide suggestions and great ideas for Council to consider during budget deliberations by 22 March 2019. The following community requests were received during this period (items highlighted green have been included in the

draft budget; red items are undergoing investigation or will be taken into consideration in future plans for the area): -

- ✓ Lucindale Xmas Street Party (LINC) – annual request
- ✓ Naracoorte Regional Art Gallery – annual contribution
- ✓ Taste the Limestone Coast Festival – annual contribution
- ✓ Frances Folk Festival – annual contribution
- ✓ Xmas Party for Special Children – annual contribution
- ✓ Naracoorte Interchurch – annual contribution
- ✓ Resident – Master Plan for Naracoorte & District Sports Centre (this project is included in the 2018-19 budget and is currently in progress)
- ✓ Resident – cold burn plan around town. Council’s draft annual business plan & budget includes an allocation for bushfire mitigation around townships
- ✓ Resident – improvement to playgrounds, in particular swings for under 18 months of age. Council’s draft annual business plan & budget includes an allocation for playground maintenance. The comments are noted for future replacement/upgrade of equipment.
- X Resident – McTernan Park to be subdivided and land sold and expended on ongoing maintenance of park – this land is community land. Due to this classification there is a legislated process that must be followed prior to any land division and/or sale
- X Lucindale RSL – request to install a disability ramp. Will be assessed during the development of the Lucindale Master Plan which has commenced, with community consultation to be undertaken during May 2019

Section 123 of the Local Government Act requires Council to release its Draft Annual Business Plan and Budget for a period of public consultation of at least 21 days.

The documents to be released are in draft format only and may be amended at the special Council meeting scheduled for 11 June 2019. Members of the public are invited to this meeting to provide comment and/or suggestions for Council’s annual business plan and budget for year ending 30 June 2020.

The Audit Committee will review the Draft Annual Business Plan and Budget for 2019-20 again at its June meeting prior to formal adoption by Council on 25 June 2019.

Notes from Meeting:

Director Operations provided an overview of the Roads & Major Infrastructure Report (to be provided to Independent Members following meeting)

Discussion re: financial sustainability - draft long-term financial plan to be presented to June Audit Committee meeting

General discussion re: very stable budget, master planning process, achievement of roads & major infrastructure projects, comparison of contractor costs to internal costs, utilisation of assets (eg. library building) – commercial, community and emotional value.

Ms Mencil – need to clarify \$ or \$’000 in financial statements – should be indicated at \$’000

Correction to break up of principal & interest in relation to loan payments for 2019-20 year:

Principal -	\$422,081.66
Interest -	\$126,703.18
TOTAL	\$548,784.84

ATTACHMENTS TO REPORT: -

- [Draft Annual Business Plan 2019-20](#)
- [Draft Budget 2019-20](#)

**MOVED MR KER
SECONDED CR ROSS**

That the Draft Annual Business Plan and Draft Budget for year ending 30 June 2020 are received and the proposed release for public consultation at a Special Council Meeting to be held on 14 May 2019 is noted.

CARRIED 26/19

ITEM 3 DATE OF NEXT MEETING

NEXT MEETING: Next Ordinary Meeting:
18 June 2019 at 4.30pm

ITEM 4 MEETING CLOSURE

CLOSURE: Meeting closed at 5.13 pm

..... CONFIRMED

..... DATE