

Additional Council Meeting

Agenda

Date: Wednesday 1 May 2024

Time: 5.30pm

Venue: Civic Centre (Council Meeting Room)
13 Mair Street, Benalla

Any person wishing to participate in Public Submissions in accordance with Rule 7.3 of the *Governance Rules 2020* should contact the Council by emailing council@benalla.vic.gov.au or telephoning the Governance Coordinator Jess Pendergast on (03) 5760 2600.

In accordance with Rule 6.4 of the *Governance Rules 2020* the Council Meeting will be livestreamed via the Council's website and an audio recording will be made of the proceedings.

Members of the public are encouraged to watch the live broadcast of the meeting at www.benalla.vic.gov.au

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Agenda

Chair	Councillor Danny Claridge (Mayor)	
Councillors	Councillor Peter Davis	
	Councillor Don Firth	
	Councillor Bernie Hearn	
	Councillor Punarji Hewa Gunaratne	
	Councillor Justin King	
	Councillor Gail O’Brien	
In attendance	Dom Testoni	Chief Executive Officer
	Robert Barber	General Manager Corporate
	Cathy Fitzpatrick	Manager Finance
	Jess Pendergast	Governance Coordinator

Opening and Acknowledgment of Country

The Chair will open the meeting and recite the following Acknowledgement of Country.

We, the Benalla Rural City Council, acknowledge the traditional custodians of the land on which we are meeting. We pay our respects to their Elders past and present and to Elders from other communities who may be here today.

Apologies

Recommendation:
That the apology/ies be accepted.

Statement of Commitment

The Councillors will recite the following Statement of Commitment:

I declare,

that as a Councillor of Benalla Rural City

I will undertake on every occasion

to carry out my duties in the best interests of the community

and that my conduct shall maintain the standards of our Councillor Code of Conduct

so that I may faithfully represent

and uphold the trust placed in the Council

by the people of Benalla and District.

Governance Matters

This Council Meeting is conducted in accordance with the *Local Government Act 2020* and the *Benalla Rural City Council Governance Rules 2020*.

Recording of Council Meetings

In accordance with Rule 6.4 of the *Governance Rules 2020* the Council Meeting will be livestreamed via the Council's website and an audio recording will be made of the proceedings and made available for public access, with the exception of matters identified as confidential items in the agenda.

Behaviour at Meetings

Members of the public present at a meeting must remain silent during the proceedings other than when specifically invited to address the Committee.

The Chair may remove a person from a meeting for interjecting or gesticulating offensively after being asked to desist, and the chair may cause the removal of any object or material that is deemed by the Chair to be objectionable or disrespectful.

The Chair may call a break in a meeting for either a short time, or to resume another day if the behaviour at the Council table or in the gallery is significantly disrupting the Meeting.

Disclosures of Conflict of Interest

In accordance with the *Local Government Act 2020*, a Councillor must declare any Conflict of Interest pursuant to Section 130 of the Act in any items on this Agenda.

At the time indicated in the agenda, a Councillor with a conflict of interest in an item on that agenda must indicate they have a conflict of interest by clearly stating:

- the item for which they have a conflict of interest;
- whether their conflict of interest is general or material; and
- the circumstances that give rise to the conflict of interest.

Immediately prior to the consideration of the item in which they have a conflict of interest, a Councillor must indicate to the Meeting the existence of the conflict of interest and leave the Meeting.

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Officer Reports

1. Proposed 2024/25 Budget

SF/2485-09

Cathy Fitzpatrick – Manager Finance
Robert Barber – General Manager Corporate
Dom Testoni – Chief Executive Officer

PURPOSE OF REPORT

The report presents for consideration the proposed *2024/25 Budget*.

BACKGROUND

Under section 94 of the *Local Government Act 2020*, the Council must prepare and adopt a budget for each financial year and the subsequent three financial years.

The four-year ‘rolling’ Budget must:

- give effect to the Council Plan
- contain financial statements in the form required by the regulations (and accounting standards)
- provide a general description of services and initiatives to be funded
- identify major initiatives from the Council Plan that will be priorities for each financial year
- for services funded in the budget, the prescribed indicators, and measures of service performance
- total rate income and information on differential or fixed components of rates
- a statement on whether Council intends to apply for an increase or variation to the rate cap.

The four-year budget will outline how resources will be allocated across initiatives, programs, services, and capital works, as well as financing and debt redemption/servicing. It also provides a comprehensive outline of all income to be derived from rates, fees and charges, grants, and other revenue.

DISCUSSION

Key components of the proposed *2024/25 Budget* are discussed below.

The proposed *2023/24 Budget* has been provided under separate cover and is available for download from the Council’s website.

Operation results

The budgeted operating result is a surplus of \$184,000. The operating surplus is primarily due to the receipt of \$4.356 million in grant income to fund capital projects.

The Council's reliance on external grant income is highlighted by the operating deficits projected in the 2025/26, 2026/27 and 2027/28 financial years where only a conservative \$975,000 annually in capital grant income is projected.

Rates and charges

Rates and Charges are budgeted to raise \$23.041 million a \$813,000 increase from the 2023/24 forecast.

Based on an increase of 2.75 per cent in line with the Victorian Government's Rate Capping system, General rates and Municipal charge will raise \$18.040 million.

Revenue in lieu of rates is budgeted to be \$416,000 in 2024/25.

The total number of assessments is budgeted to increase to 8,495 from 8,366 in 2023/24. The Residential (Benalla) rating category increases by 80 and the Vacant Land (Benalla properties) rises by 43 to 246.

Waste increase by 5 per cent and will raise \$4.534 million.

User fees

User fees will raise \$3.546 million in 2024/25 a decrease of \$72,000 primarily due to a reduction in budgeted developer contributions.

Operating grants

Operating grants will contribute \$6.588 million of revenue in 2024/25. Full receipt of the Council's Financial Assistance Grant allocation (\$4.770 million) is budgeted to be received in 2024/25, however, based on previous years' experience a significant portion of this funding may be pre-paid in the 2023/24 financial year.

Capital grants

Budgeted capital grants total \$4.356 million. Significant budgeted capital grants comprise \$2.712 million from the Victorian Government for the Benalla Art Gallery Redevelopment project, \$975,000 in Roads to Recovery funding and \$567,000 from the Australian Government's Local Roads and Community Infrastructure Fund.

Employee costs

Employee costs are budgeted to increase by \$188,000, including a \$55,000 increase in Superannuation Guarantee payments, to \$13.817 million.

Cash

At the end of the financial year, the Council's cash position is budgeted and forecast to be:

2024/25: \$15.883 million

2025/26: \$16.171 million

2026/27: \$15.705 million

2027/28: \$12.539 million.

Borrowings

No new borrowings are budgeted for 2024/25. Borrowings decrease from a forecast \$2.215 million at 30 June 2024 to a projected \$641,000 at 30 June 2028.

Capital Works

Capital works total \$11.016 million in 2024/25. Key areas of expenditure include:

▪ Buildings	\$3.162 million
▪ Roads	\$2.186 million
▪ Waste management	\$1.350 million
▪ Plant, machinery and equipment	\$1.160 million
▪ Drainage	\$972,000.

New asset expenditure is \$2.822 million, asset renewal \$6.567 million and upgrade \$1.627 million.

Capital works are funded by Council cash \$6.659 million and grants \$4.357 million.

New major capital projects budgeted for in 2024/25 include:

Major plant replacement	\$930,000
Reseal program	\$901,000
Gravel re-sheet program	\$852,000
Drainage strategy	\$534,000
Benalla Indoor Recreation Centre roof renewal	\$450,000
Drainage – The Culdesac	\$400,000.

Capital works expenditure of \$3.040 million is budgeted to be carried forward from 2023/24.

COUNCIL PLAN 2021-2025

The Budget is a rolling four-year plan that outlines the financial and non-financial resources required to achieve the strategic directives described in the Council Plan.

COMMUNITY ENGAGEMENT

In accordance with the Council’s *Community Engagement Policy*, it is proposed that, that community engagement on the proposed *2024/25 Budget* be undertaken at the ‘Involve’ level under the International Association for Public Participation’s IAP2 public participation spectrum as detailed in the table below:

Level of Public Participation	Promise to the community	Techniques to be used
Involve	Work with the community to ensure their concerns or aspirations are reflected in the alternatives developed. Feedback provided on how community input influenced the decision.	<ul style="list-style-type: none"> ▪ Community input sought via ‘the Hive’ community engagement website prior to the development of the proposed budget. ▪ Public report presented to Council. ▪ Public notice in the <i>Benalla Ensign</i> and on the Council website. ▪ Proposed <i>2024/25 Budget</i> to be exhibited and feedback invited. ▪ Promotion of proposed <i>2024/25 Budget</i> via media, website and social media. ▪ Community information session conducted. ▪ Proposed <i>2024/25 Budget</i> made available in hardcopy for review at key locations. ▪ Audit and Risk Committee invited to provide feedback.

A 2024/25 Budget Community information session is scheduled to be held on Tuesday 14 May 2024.

LEGAL OR STATUTORY IMPLICATIONS

The proposed *2024/25 Budget* has been developed to ensure compliance with the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

GENDER EQUALITY ACT

Under the *Gender Equality Act 2020* the Council is required to undertake a gender impact assessment when developing or reviewing any policy, program or service that has a direct and significant impact on the public.

A gender equity assessment found the proposed *2024/25 Budget* as having an overall neutral gender impact.

FINANCIAL IMPLICATIONS

Costs associated with the development of the proposed *2024/25 Budget* have been met from existing budget allocations.

OFFICER DECLARATION OF CONFLICT OF INTEREST

No officers involved in the preparation of this report have any general or material conflicts of interest in this matter.

Recommendation:

- 1. That the proposed *2024/25 Budget* be endorsed for public exhibition for a period of at least 28 days from 2 May 2024.**
- 2. That submissions relating to the proposed *2024/25 Budget* be heard at a meeting of the Finance and Planning Committee on 5 June 2024.**
- 3. That the Council consider submissions relating to the proposed *2024/25 Budget* at a Council meeting on 19 June 2023.**
- 4. That the Council consider the adoption of the *2024/25 Budget* at a meeting of the Council on Wednesday 26 June 2023.**

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2. Urgent Business

Business can only be admitted as urgent business by resolution of the council, and only then if it:

- relates to or arises out of a matter which has arisen since distribution of the agenda; and
- cannot be deferred until the next Council Meeting without having a negative impact on the Council, the municipality or the local community; and
- cannot be addressed through the Customer Request Management System.

A Councillor proposing that a matter be admitted as urgent business must lodge it in writing with the Chief Executive Officer by 4pm on the day of the meeting.

The Chief Executive Officer will advise the Mayor of any matter that the Chief Executive Officer determines appropriate for the Council to consider admitting as urgent business.

Closure of the meeting