

1 August 2017

11.2 – COUNCIL RESOLUTION

Moved: Councillor Fristacky

Seconded: Councillor Coleman

1. That Council notes:
 - (a) that Council's Budget and Long Term Financial Strategy (LTFS) is under pressure due to population increases, capital and asset renewal needs, the State Government Rate Cap, debt management requirements, and increasing costs of providing services within the constraints of shrinking grants and financial assistance;
 - (b) its primary responsibility to delivering good quality services and programmes to the community and to do so within an environmentally and financially sustainable way with an emphasis on social equity;
 - (c) the need to review expenditure or raise additional revenue over this Council term;
 - (d) that with low working capital, Council will be limited in its ability to respond to emerging community priorities, financial shocks or pressures;
 - (e) the many submissions on Council's proposed Budget and LTFS from Yarra residents, ratepayers and citizens focused on these elements; and
 - (f) its responsibilities under Section 3D and Section 136 of the Local Government Act 1989, to provide sound governance and financial management.
2. That Council resolves:
 - (a) to articulate the following financial parameters for the 2017/18 budget and term of its new 4-year Council Plan, to be achieved by 30 June 2020, to improve Council's overall financial position;
 - (i) continue to achieve improved operating efficiencies through measures including:
 - a. reviewing management staffing levels and corporate structures;
 - b. further shared services and joint procurement;
 - c. reducing the use and cost of external consultants including legal services;with reporting to Council as part of the mid-term review in 2(a)(ix);
 - (ii) implementing more effective debtor management strategies with actions reported on quarterly;
 - (iii) complete the delivery of a comprehensive property management strategy with targets to increase revenue from more effective use of assets, and prudent management of assets surplus to Council's requirements;
 - (iv) that as part of the mid-term review in 2(a)(ix), Council receive a report, on how cash flow can be improved by setting a working capital ratio target over the next 4 years of 1.4 to be achieved by 30 June 2020;
 - (v) continue advocacy to increase Council's external grants for 2017/18 and subsequent years;
 - (vi) increase the quality of communication with regards to open space contributions, by reporting quarterly on contribution income, expenditure and the running balance (through the quarterly financial reports);
 - (vii) complete the review of Council's fleet with the aim of reducing passenger fleet reliance;
 - (viii) that progress against the above parameters be reported in quarterly financial reports during this Council's 4-year term;
 - (ix) that the Chief Executive Officer implement a rigorous review of the 2017/18 budget and that Council receive a comprehensive mid-term review by the first Council meeting of 2018;

- (b) to implement:
 - (i) the approach to the planning of capital works, including renewals and maintenance, be communicated more effectively to the Yarra community;
 - (ii) the production of a supplementary plain language budget document that makes the budget more meaningful and accessible to the Community;
 - (iii) that considering Council's financial position and the need to review expenditure and/or find additional revenue, and further, considering impacts of changes in expenditure on the provision of services to the community:
 - a Council call for a report outlining a proposed participatory/deliberative process to engage a representative sample of the Yarra population in the development of a Services Policy; this process may take the form of a panel, a citizen's jury or some other form;
 - b that this Services Policy will **guide** the types of services and service levels Yarra will continue to provide within expected resources; and
 - c that the report to Council should include the costs and way to achieve a proposed participative/deliberative process for a Services Policy in 2017/18.
3. That Council:
- (a) having received and considered all submissions under Section 223 of the Local Government Act 1989 (the Act), resolves to incorporate the following amendments to the 2017/18 Budget:
 - (i) funding Local Area Traffic Management/Placemaking initiatives through a \$2M Local Area Place Making (LAPM) program (\$1M funding from VicRoads) to be delivered over the next 3 years, with \$200,000 funding from VicRoads for 2017/18 to support delivery of outstanding works in Gold Precinct Collingwood (LAPM 10), and undertaking LAPM studies for Scotchmer Precinct North Fitzroy (LAPM 3), Abbotsford Precinct (LAPM 13) and Bendigo Precinct Richmond LAPM 19);
 - (ii) an amount of \$144,000 for intersection up-grades at Nicholson/Harper Street, Abbotsford, and Shelley/Elizabeth Street, Richmond as part of the 2017/18 Capital Works Program, funded by VicRoads Black Spot funding;
 - (iii) the Chief Executive Officer to establish dedicated in-house Heritage Advice from existing internal staffing resources on a 12-month trial;
 - (iv) that as part of the mid-term review in 2(a)(ix), Council receive a report on options for deferring/reducing expenditure in areas that may include the following:
 - a. IT infrastructure, including but not limited to PC/laptop replacement, asset management system, mobile devices;
 - b. Passenger car renewal;
 - c. Expenditure on building assets and Council owned premises;
 and that the report include the impact of any such measures on services to the community.
 - (b) adopts the alternate 2017/18 Proposed Budget (excluding the waste service charge and including the above amendments) as the Annual Budget of Council for the 2017/18 financial year;
 - (c) adopts the alternate 2017/18 - 2026/2027 LTFS (excluding the waste service charge) as the LTFS for 2017/18;
 - (d) makes copies of the 2017/18 adopted Budget & LTFS available at Council offices, libraries and on Council's website;
 - (e) authorises the Chief Executive Officer to give public notice of the decision to adopt the Annual Budget and submit a copy to the Minister for Local Government, in accordance with Section 130 of the Act;

- (f) notifies in writing the persons who have made a submission regarding the 2017/18 Proposed Budget and LTFS of Council's decision, in accordance with Section 223 of the Act, which will include a response to the issues raised in the submission;
- (g) declares rates and charges as per pages 57-59 of the budget document, in summary, an amount of \$105,398,000.00 (or such greater amount as is lawfully levied as a consequence of this resolution) as the amount which Council intends to raise by General Rates and other charges, which is calculated as follows:
 - (i) General Rates \$ 104,058,000.00
 - (ii) Special Rates Schemes \$ 240,000.00
 - (iii) Supplementary Rates \$ 1,100,000.00
 - (iv) Total Rates and Charges \$ 105,398,000.00
- (h) advises in respect to General Rates:
 - (i) a general rate be declared in respect of and for the entire duration of the 2017/18 financial year;
 - (ii) it further be declared that the general rate be raised by application of a uniform rate;
 - (iii) a percentage of 0.04091118 be specified as the percentage of the uniform rate which may be alternatively expressed as \$0.04091118 cents in the NAV dollar;
 - (iv) it be confirmed that no amount is fixed as the minimum amount payable by way of a general rate in respect of each rateable property within the municipality; and
 - (v) the Council funded Pensioner Rate Rebate be declared at \$178.50 for 2017/18;
- (i) declares no Annual Service Charge in respect of the 2017/18 financial year;
- (j) declares no Municipal Charge in respect of the 2017/18 financial year; and
- (k) authorises the Chief Executive Officer to effect minor administrative and wording changes to the 2017/18 Budget & LTFS documents, which may be required.