

# Minutes

## Of the Ordinary Council Meeting

**Location:** Council Chambers, Municipal Offices  
62-68 Ovens Street, Wangaratta

**Date:** 26 May 2020

**Time:** 3PM



RURAL CITY OF  
**WANGARATTA**

Brendan McGrath  
Chief Executive Officer



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1. **ACKNOWLEDGEMENT OF TRADITIONAL OWNERS**

*We acknowledge the traditional owners of the land on which we are meeting. We pay our respects to their Elders and to Elders from other communities who may be here today.*

2. **OPENING PRAYER**

*Almighty God, we humbly ask thee to bless and guide this council in its deliberations so that we may truly preserve the welfare of the people whom we serve. Amen*

3. **PRESENT**

Councillors:

Mr David Fuller, Mr Dean Rees, Mr Harry Bussell, Mr Harvey Benton, Mr Ken Clarke OAM, Mr Mark Currie, Ms Ashlee Fitzpatrick.

Officers:

Brendan McGrath, Chief Executive Officer Alan Clark, Director Infrastructure Services Jaime Chubb, Director Community Wellbeing Stephen Swart, Director Development Services, Sarah Brindley, Director Corporate Services

4. **ABSENT**

Nil.

5. **ACCEPTANCE OF APOLOGIES & GRANTING OF LEAVE OF ABSENCE**

**ORDER OF BUSINESS**

6. **CITIZEN CEREMONY**

Nil

7. **CONFIRMATION OF MINUTES**

**RESOLUTION:**

**(Moved: Councillor H Benton/Councillor K Clarke OAM)**

***That Council read and confirm the Minutes of the Ordinary Meeting of 5 May 2020 as a true and accurate record of the proceedings of the meeting.***

**Carried**

## 8. CONFLICT OF INTEREST DISCLOSURE

In accordance with sections 77A, 77B, 78 and 79 of the *Local Government Act 1989* Councillors are required to disclose a '*conflict of interest*' in a decision if they would receive, or could reasonably be perceived as receiving, a direct or indirect financial or non-financial benefit or detriment (other than as a voter, resident or ratepayer) from the decision.

**Disclosure must occur immediately before the matter is considered or discussed.**

## 9. RECEPTION OF PETITIONS

Nil.

## 10. HEARING OF DEPUTATIONS

Nil.

## PRESENTATION OF REPORTS

### 11. COUNCILLOR REPORTS

#### Cr Dave Fuller

On behalf of the group I would like to recognise today is National Sorry Day, 22 years from conception. It brings families and communities together to acknowledge the stolen generations and we continue to work with the Bangerang people to ensure the gaps of the past are not forgotten or overlooked. I would also like to make a special acknowledgement of the schools and groups that have done marvellous work to still acknowledge the day due to the COVID situation in different ways.

## OFFICERS' REPORTS

### 12. EXECUTIVE SERVICES

Nil

### 13. CORPORATE SERVICES

#### 13.1 QUARTERLY COUNCIL PLAN MEASURES REPORT

**Meeting Type:** Ordinary Council Meeting  
**Date of Meeting:** 26 May 2020  
**Author:** Governance and Risk Advisor  
**File Name:** 2018-2019 - Council Plan Reporting  
**File No:** IC20/791

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### Executive Summary

This report is presented to Council to communicate Council's performance against the measures detailed in the Council Plan 2017-2021 (2019 Revision) for quarter 3 of the 2019-20 financial year.

#### **RESOLUTION:**

**(Moved: Councillor K Clarke OAM/Councillor A Fitzpatrick)**

***That Council receives the 'What You Will See in 2019-20' Status Report, and the 'Council Plan Measures Report' for Quarter 3 of the 2019-20 financial year.***

**Carried**

#### Background

Part of Council's mission is to provide the leadership necessary to maintain open communication and community engagement. Providing reports to the community on Council's progress against the Council Plan outcomes will assist to achieve this mission.

These results measure our progress against what is important and allow ourselves and everyone in our community to understand the impact that we are having.

#### Implications

Two reports are provided.

The first report is the Council Plan 'What You Will See in 2019-20' report (**Attachment 1**) which provides information on the quarter 3 progress of projects or initiatives to be delivered in the 2019-20 financial year.

Of the projects or initiatives identified by Council to be completed during 2019-20 and listed within 2017-2021 Council Plan (2019 Revision) under 'What You Will See in 2019-20', 43 remained in progress at the commencement of quarter 3. The following has since been achieved:

- 11 are 'Completed';
- 31 are underway, of which:
  - 14 are 'Nearing Completion – 80-99% Complete';
  - 12 are 'On-going – 60-79% Complete' with 3 rated as Off Track (*Mental Health and Family Violence Program delivery; Tourism marketing campaign delivery; and the Environmental Sustainability Strategy 2014 review and update*);
  - 4 are 'Underway – 30-59% Complete' with 1 Off Track (*Gun Club rehabilitation*);
  - 1 has 'Started – 1-29% Complete'; and
- 1 has 'Not Started – 0% Complete' (*Comprehensive service planning framework*) as it is no longer proceeding.

The second report is the council plan measures report (**Attachment 2**) which provides the quarter 3 results for council plan measures.

The 22 quarterly measures set in the 2017-2021 Council Plan (2019 Revision) Council show the following results for quarter 3:

- 16 measures are within 5% of target;
- 5 measures are within 10% of target; and
- 1 measure is more than 10% outside of target.

Several measures have been impacted by the restrictions imposed by the State Government to control the spread of Covid-19.

### **Policy Considerations**

There are no specific Council policies or strategies that relate to this report.

### **Financial/Economic Implications**

There is no immediate financial impact related to this report.

### **Legal/Statutory**

The *Local Government Act 1989* requires Council to report on performance annually in the Annual Report. This quarterly report provides the community with a progress update against some of Council's key measures.

**Social**

The Council Plan 2017-2021 (2019 Revision) provides for the achievement of several social objectives.

**Environmental/Sustainability Impacts**

The Council Plan 2017-2021 (2019 Revision) provides for the achievement of several Environmental/Sustainability objectives.

**Council Plan 2017-2021 (2019 Revision)**

This report supports the Council Plan 2017-2021 (2019 Revision):

**WE ARE SUSTAINABLE****The Non-Negotiables**

Our team will make the best and most efficient use of Council's resources.

**We will Plan, Research & Advocate for the Future**

By accurately understanding the constraints and opportunities that face our organisation, our community and our region.

**WE ARE INSPIRED****The Non-Negotiables**

Our commitment to communicate and engage with our community about local decision making in a way that is clear, accessible and easy to understand.

**What we do everyday**

We talk to, inform and engage with the people who live, work and visit in our community.





## **Risk Management**

<b>Risks</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Rating</b>	<b>Mitigation Action</b>
Council Plan targets are not achieved leading to reputational risk	Low	High	<b>Moderate</b>	Identified unfavourable variances are examined and addressed.  Regular monitoring and reporting.

## **Conclusion**

This report assists Council to monitor its performance in achieving the targets prescribed within the Council Plan.

## **Attachments**

- 1 'What You Will See in 2019-20' - Quarter 3 Report 
- 2 Council Plan Measures - Quarter 3 Report 

## 13.2 FINANCE STATUS REPORT - APRIL 2020

**Meeting Type:** Ordinary Council Meeting  
**Date of Meeting:** 26 May 2020  
**Author:** Manager Finance  
**File No:** IC20/798

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

### **Executive Summary**

This report is presented to Council to provide an update on the financial impact of the Coronavirus COVID-19 pandemic.

#### **RESOLUTION:**

**(Moved: Councillor D Fuller/Councillor K Clarke OAM)**

#### ***That Council:***

- 1. Notes this Covid-19 Finance Status Report;***
- 2. Endorses the changes to the 2019/20 Capital Works Budget, of \$637,716 of savings and of \$2.166 million to be deferred to the 2020/21 and later years budgets. This will result in a total decrease in spend of \$2.804 million within the 2019/20 year to mitigate losses from COVID-19;***
- 3. Endorses increases in 2019/20 of \$215,930 to the WISAC Implementation Budget;***
- 4. Allocates \$174,072 for the refurbishment of the café and foyer areas in 2019/20, and removes this amount from the proposed 2020/21 Draft Budget; and,***
- 5. Approves the proposed Wangaratta Indoor Sports and Aquatic centre implementation costs and refurbishment costs in points 3 and 4 above (at no additional Net Cost), from savings created out of the cost mitigation measures already undertaken and endorsed in point 2 above.***

**Carried**

### **Background**

The Coronavirus COVID-19 pandemic has significant immediate and ongoing impact on Council, staff and our community. This report sets out the forecast financial impact to Council due to Covid-19 up to the end of the 2019-20 financial year, based on best estimates made as at 30 April 2020. The report covers estimated income losses and deferrals, and new and re-phased expenditure.

Council has taken proactive measures to manage its cashflow in light of these changes. A Covid-19 Finance Steering Committee has been put in place and

Financial Guidelines have been set for the organisation including: to stop or delay spend on non-essential materials, goods and services; to obtain approval to waive any planned revenue (e.g. fees and charges, leasing and licences); and, where possible to pause recruiting and hold vacant a number of staff positions. It has also identified savings and deferrals to the 2019/20 Capital Works budget - details of these changes are also included in this report.

### **Community Support Measures**

It is estimated that the financial impact of the Community Support Measures put in place on 8 April 2020 will amount to \$185k in lost revenues, and \$1.236m in deferred revenues by the end of the 2019/20 financial year. This is based on latest estimates and the government restrictions in place to combat the spread of Covid-19 as at 30 April 2020. The measures below aim to alleviate the impact of the pandemic on the health and well-being of residents and to provide ongoing support to local business that are currently experiencing devastating levels of disruption, uncertainty or closure.

<b>Community Financial Assistance Package</b>		
<b>Assistance</b>	<b>Cash (Variance to Budget) \$'000</b>	<b>Cash (Variance to Budget) \$'000</b>
	<b>Deferred</b>	<b>Loss</b>
Rates (Residential and Businesses): Fourth quarter rates due date extended to 30 June. Financial Hardship Assistance repayment plans available. Unpaid rates anticipated to increase to 15% from c.3.5% pre-Covid	1,124	
Rates interest (Residential & Business): No penalty interest on overdue rates or other payments up to 30 June		37
Debt Recovery: Cease debt recovery from 16 March until 30 June including potential bad debt provisioning	50	3
Car Parking: Free street parking to 30 June		106
Animal Registration: Due date extended to 30 June upon request, anticipated 15% default	20	
Commercial Waste: Allow flexibility in waste collection terms for businesses no longer trading (upon application)	42	
Community Groups: No charging of seasonal licence agreements while there is no sporting use		34
Building & Planning: Waiving of building and planning permit fees relating directly to the Covid-19 emergency until 30 June	-	5
Suppliers: Continuing to pay all suppliers as quickly as possible	-	-
<b>Total</b>	<b>1,236</b>	<b>185</b>

### **Impact to 2019/20 Income**

Council anticipates other deferred and reduced income by the end of the 2019/20 financial year amounting to \$529k, again based on latest estimates as at 30 April 2020. These figures will change in accordance with future government Covid-19 physical distancing requirements:

<b>Revenue</b>	<b>Deferred</b>	<b>Loss</b>
	<b>\$'000</b>	<b>\$'000</b>
Wangaratta Performing Arts and Convention Centre		241
Children Services	96	112
Animal Control Infringements	52	
Reduced Planning Permits	15	
Reduction of Commercial Rents		5
Library		8
<b>Total Loss of Income</b>	<b>163</b>	<b>366</b>

### **Impact to 2019/20 Expenses**

The following COVID-19 related unbudgeted expenses of \$237k are expected to be incurred by the end of the 2019/20 financial year:

<b>Expenditure</b>	<b>New Expenditure</b>
	<b>\$'000</b>
WISAC Operational Maintenance Funding	203
Additional Finance Resource	28
Additional Cleaning	6
<b>Total Additional Expenditure</b>	<b>237</b>

Expenditure of \$203,094 has been allocated to ensure council's third party supplier can maintain the WISAC as an ongoing functioning facility whilst it is closed due to Covid-19 restrictions.

Expenditure on the delivery of Council's 5-year ICT Strategy has been rephased between the 2019/20 and 2020/21 financial years, to enable a rapid transition to home working and to ensure the necessary business continuity support systems are in place. There is no net increase to the 2019/20 budget for this spend:

<b>Expenditure</b>	<b>Budgeted Expenditure</b>
	<b>\$'000</b>
IT – Hardware (funded by existing ICT Strategy Budget)	175
IT – Software (funded by existing ICT Strategy Budget)	150
<b>Total Additional Expenditure</b>	<b>325</b>

## **Additional Budget Changes – Transition of Management of the Wangaratta Indoor Sports & Aquatics Centre (WISAC)**

Council is in the process of transitioning the WISAC from third party management by the YMCA to a council operated facility - due October 31, 2020. More detailed and comprehensive understating of the condition of the current WISAC facility and the works required to achieve optimum customer experience has been gathered over the last several months. This has allowed a detailed budget assessment to take place.

Given the current closure of WISAC due to COVID-19, a range of works can be completed with minimal disruption to the community and customers. This funding will support council in its vision of building the premier sporting precinct in regional Victoria and meeting community expectations in customer experience.

The expenditure will enable the following works to be completed:

- Information Technology cabling works,
- Re-branding and marketing of the facility,
- Refurbishment of the café and foyer areas.

The associated funding changes requested are:

- Increase the WISAC Implementation Budget (2019/20) from \$106,550 to \$215,930 (an increase of \$109,380). Of this increase, \$56,269 relates to Capital Works due to IT cabling and installation requirements;
- Allocate an additional \$174,072 for WISAC Building Renewal in the 2019/20 financial year and make a corresponding reduction to Council's Draft Budget for the 2020/21 financial year.

## **Capital Expenditure Savings**

The 2019/20 capital works revised budget is \$43.253 million. \$2.804 million of these works has been stopped or deferred as a proactive measure to enable mitigation of any losses due to COVID-19. This will bring the revised capital works budget to \$40.449 million. The detailed capital works breakdown is included as an attachment 1 to this report.

## **Implications**

### **Policy Considerations**

There are no specific Council policies or strategies that relate to this report.

### **Financial/Economic Implications**

The net forecast cashflow impact up to the end of the 2019/20 financial year is a favourable \$227k, based on latest estimates as at 30 April 2020.

<b>Impact on Cashflow</b>	<b>\$'000</b>
Community Assistance Package	(1,421)
Other Revenue Impact	(529)
Expenses Impact	(237)
WISAC Transition Funding	(390)
Capital Expenditure Savings	2,804
Net Cashflow Impact	<b>227</b>

### **Legal/Statutory**

There are no legal/statutory implications identified for the subject of this report.

### **Social**

Community package provides support and a positive social impact for the community during the pandemic.

### **Environmental/Sustainability Impacts**

There are no environmental or sustainability impacts identified for this subject of this report.

### **Risk Management**

<b>Risks</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Rating</b>	<b>Mitigation Action</b>
That the impact of COVID-19 will result in substantial and unplanned financial losses to Council	Likely (Strong likelihood of occurrence in next 12 months)	Catastrophic (extensive financial loss \$1m+)	9 - Extreme	To provide ongoing updates to Council on the management of council finances and re-allocation and proactive re-prioritisation of funding and initiatives if required
That the anticipated benefits of the gradual easing of Covid-19 restrictions may reverse due to localised outbreaks which would incur further unplanned financial losses	Likely (Strong likelihood of occurrence in next 12 months)	Catastrophic (extensive financial loss \$1m+)	9 - Extreme	To provide ongoing updates to Council on the management of council finances and re-allocation and proactive re-prioritisation of funding and initiatives if required

Risks	Likelihood	Consequence	Rating	Mitigation Action
to Council				
That the WISAC implementation budget may be insufficient to meet all requirements for Council operations to commence from 31 Oct 2020.	Likely (Strong likelihood of occurrence in next 12 months)	Moderate (loss of \$50k - \$500k)	7 - High	That Council reviews and reports any increase in 2020/21 budget requirements as a budget submission. That Councillors consider any such submission on 11 <sup>th</sup> June 2020.


**Options for Consideration**

- That Council endorses the recommendations;
- That Council proposes alternative savings from the 2019/20 Budget to mitigate the financial impact of Covid-19 within this financial year;
- That Council proposes alternative amendments to the budget for the WISAC transition of management.

**Conclusion**

Council will continue to forecast and monitor projected impacts on income and expenditure for the 2019/20 financial year and beyond, will keep in place the current interim Covid-19 Financial Controls, and will take further proactive decisions to manage its finances and cashflows as necessary.

**Attachments**

- 1 Capital Expenditure Savings & Deferrals 

### 13.3 INSURANCE TENDER

**Meeting Type:** Ordinary Council Meeting  
**Date of Meeting:** 26 May 2020  
**Author:** Manager People & Governance  
**File No:** IC20/799

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### **Executive Summary**

This report is presented to Council to address a procedural matter, to enable the CEO to authorise payment of council's insurance premiums in the second and third years of the existing insurance contract.

#### **RESOLUTION:**

**(Moved: Councillor A Fitzpatrick/Councillor K Clarke OAM)**

***That Council pursuant to Contract T1819.043 with Jardine Lloyd Thompson Pty Ltd (JLT), Council authorise the Chief Executive Officer to approve the premium issued by JLT for years 2 and 3 of the contract.***

**Carried**

#### **Background**

The Council resolution at its meeting on 16 April 2019 awarding the insurance contract to JLT for 3 years authorised the CEO 'to approve total expenditure in year 2 and year 3 at increases of up to CPI +2% annually.'

With such a limit it is doubtful Council will be able to secure insurance for its operations as the re-insurance market operates on a 12 months cycle due to annual market fluctuations in response to changing international conditions. We anticipate a more significant increase in premium than 2% given local and international events impacting the insurance market, such as the unprecedented bushfire seasons in both hemispheres, and the impact of the current global pandemic on economic markets.

The arrangement Council has is for JLT to provide insurance as required by Council for 3 years at the best price JLT is able to secure on Council's behalf. JLT was appointed Council's insurance contract last year following a competitive tender process.

We request that Council replace its 16 April 2019 resolution so far as it authorises the CEO to approve year 2 and 3 of the insurance contract. We seek a new resolution to ensure the CEO can approve payment of the premiums that will be issued to Council in June 2020, and in June 2021 for years 2 and 3 of the



insurance contract. If this is not addressed in advance of the premium being issued, it risks Council being uninsured and acting contrary to the commitment it made by approving the 3-year insurance contract.

Provision has been made in the 2020/2021 budget for an increase in the insurance contract premium, albeit that the precise amount of the increase will not be known until June 2020 (and again in June 2021) when the insurer advises the quantum they have been able to secure for the premium renewal.

### **Implications**

#### **Policy Considerations**

There are no specific Council policies or strategies that relate to this report.

#### **Financial/Economic Implications**

There are no financial or economic implications identified for the subject of this report as the increase to the insurance premium has already been included in the budget.

#### **Legal/Statutory**

There are no legal/statutory implications identified for the subject of this report.

#### **Social**

There are no social impacts identified for the subject of this report.

#### **Environmental/Sustainability Impacts**

There are no environmental/sustainability impacts identified for this subject of this report.

### **2017 – 2021 Council Plan (2019 Revision)**

This report supports the 2017-2021 Council Plan:

#### **Goal**

We are Sustainable

#### **Strategic Links**

##### **a) Rural City of Wangaratta 2030 Community Vision**

N/A

##### **b) Other strategic links**

N/A

## **Risk Management**

Risks	Likelihood	Consequence	Rating	Mitigation Action
Inability to recover council assets due to a lack of insurance being in place	Rare (highly unlikely in next 25 years)	Catastrophic (> \$1m financial impact)	6 - Medium	Give CEO authorisation to approve payment of the insurance premium.

## **Consultation/Communication**

Officers believe that appropriate internal consultation has occurred and the matter is now ready for Council consideration.

## **Options for Consideration**

1. That Council endorses the recommendation - recommended
2. That Council proposes an alternative to the proposed recommendation – not recommended

## **Conclusion**

This report seeks to resolve a procedural matter to replace a previous resolution to ensure that Council assets remain appropriately ensured.

## **Attachments**

Nil.

### 13.4 PROCUREMENT POLICY

**Meeting Type:** Ordinary Council Meeting  
**Date of Meeting:** 26 May 2020  
**Author:** Procurement Specialist  
**File No:** IC20/800

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### **Executive Summary**

This report is presented to Council to consider submissions and finalise the process of adopting a major Council policy, the Procurement Policy 2020 (the Policy) (*refer attachment*).

#### RECOMMENDATION:

*That Council:*

1. *Adopts the revised Procurement Policy 2020.*

#### RESOLUTION:

**(Moved: Councillor H Bussell/Councillor D Fuller)**

***Councillor H Bussell moved an amendment:***

***That Council adopts the revised Procurement Policy 2020, with removal of the words ‘by applying a weighted score component for local content’ from the Local Content section of the Procurement Policy document.***

**Carried**

#### **Background**

Council adopted a procurement policy in 2016 in compliance with section 186A(1) of the *Local Government Act 1989* (the Act). Section 186A(7) of the Act requires Council to review its procurement policy at least once in each financial year, having regard to any guidelines made by the Minister with respect to form or content. Any changes arising from that review must be adopted by Council.

The current procurement policy has been formulated with regard to the Victorian Local Government Best Practice Procurement Guidelines 2013 and the Municipal Association of Victoria Model Procurement Policy (Updated) August 2011.

Council officers have reviewed the public submissions and included the following amendments in the Procurement Policy (*refer attachment*):

- Policy objectives updated and subsequent section amended to encourage the use of local suppliers;
- Policy objectives updated and subsequent section added to encourage the procurement of environmentally sustainable goods, services and works.

### **Implications**

#### **Policy Considerations**

Council must review the procurement policy in this financial year ending 30 June 2020.

The proposed policy is a Major Council Policy and therefore must be subject to the consultation process set out in the Major Council Policy Consultation Local Law No. 4 of 2015.

#### **Financial/Economic Implications**

The proposed policy sets out the principles, processes and procedures that will apply to all purchases of goods, services and works made by Council. The proposed policy aims to achieve value for money and continuous improvement in the provision of services for the community.

#### **Legal/Statutory**

Section 186A (7) of the Act requires Council to review the Policy at least once in each financial year, having regard to any guidelines made by the Minister.

#### **Social**

The Procurement Policy includes council's commitment to the strategic use of local suppliers to encourage economic development where such purchases are justified on value for money grounds, while remaining compliant with the Competition and Consumer Act 2010 and other fair trading legislation requirements.

#### **Environmental/Sustainability Impacts**

Council will aim to make purchases that have the least impact on the environment and human health, within the context of purchasing on a value for money basis.

### **2017 – 2021 Council Plan**

This report supports the 2017-2021 Council Plan:

#### **Goal**

We are Sustainable

**What we do every day**

We consistently focus on the achievement of the operational parameters framed in the annual budget.

We will ensure our workforce systems and processes are efficient and effective.

We provide a robust and transparent governance framework.

**We will plan, research and advocate for the future:**

For the best options to deliver services in conjunction with our surrounding Council partners.

To ensure our risks are managed strategically and effectively.

**The non-negotiables**

Our team will make the best and most efficient user of Council's resources.

Our legislative, governance and compliance requirements will be met.

**Strategic Links****a) Rural City of Wangaratta 2030 Community Vision**

N/A

**b) Other strategic links**

N/A

**Risk Management**

The Policy aims to achieve high standards of probity, transparency, accountability and risk management.

**Consultation/Communication**

Submissions were invited from the community regarding the Policy in accordance with clause 7 of the Local Law.

A notice to this effect was advertised in the Chronicle newspaper and also on Council's website indicating that submissions would be received for 28 days. Public submissions were accepted up to 5:00 pm Friday 24 April 2020 and Council Officers have recommended updates to the policy in response to these submissions.

The change made to the Policy as a result of the public submission process is to:

- Encourage the procurement of environmentally sustainable goods, services and works.

Officers believe that appropriate consultation has occurred and the matter is now ready for Council consideration.

### **Options for Consideration**

The review is required by the Act and the process is governed by the Major Council Policy Consultation Local Law. The options are:

1. To adopt the Procurement Policy (refer attachment)
2. To make further amendments to the Procurement Policy, for consideration at the June Ordinary Council meeting.

### **Conclusion**

The review process ensures compliance with Section 186A(7) of the Act which requires a review of the Policy in each financial year. The Policy sets out the principles, processes and procedures that will apply to all purchases of goods, services and works made by Council, and has been the subject of a public consultation review. The resulting Policy aims to achieve value for money and continuous improvement in the provision of services for the community.

### **Attachments**

- 1 Procurement Policy 2020 
- 2 Draft Procurement Policy 2020 Public Submissions Summary 

### 13.5 LOAN BORROWINGS 2019/20

**Meeting Type:** Ordinary Council Meeting  
**Date of Meeting:** 26 May 2020  
**Author:** Manager - Finance  
**File No:** IC20/851

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### **Executive Summary**

This report is presented to Council to provide details of borrowings prescribed in the 2019/20 Budget as adopted by Council on the 18 June 2019 and to authorise the Chief Executive Officer to execute any necessary loan documentation.

#### **RESOLUTION:**

**(Moved: Councillor H Benton/Councillor K Clarke OAM)**

#### ***That Council:***

- 1. Notes the planned borrowings of \$8,984,000 as prescribed in the 2019/20 Budget.***
- 2. Notes that the Local Government Financing Vehicle is unlikely to undertake a bond issuance in the 2019/20 financial year and loan borrowings will instead be sourced via the Australian Banking system.***
- 3. Notes that the loan of \$8,984,000 is to refinance the existing interim loan of \$5,622,000 with the balance of \$3,362,000 to fund capital works in the 2019/20 Budget.***
- 4. Authorises the Chief Executive Officer and Mayor to execute any necessary loan and mortgage documentation (sign and seal if necessary) to facilitate the loan amount of \$8,984,000 for the ongoing implementation of the capital works projects detailed in the 2019/20 Budget on behalf of Council.***

**Carried**

#### **Background**

In the 2019/20 Budget, Council made provision to borrow \$8,984,000 to fund capital works projects being carried out during the financial year. The required loan funds are to fund the Aquatics Plan \$8,102,000, HP Barr Western Car Park \$582,000 and Cruse Street (DCP) \$300,000.

Council at its Ordinary Council Meeting held Tuesday, 19 July 2019 considered a report regarding loan borrowings in relation to the 2019/20 financial year.

While the MAV conducted a non-binding expression of interest to participate in the Local Government Financing Vehicle (LGFV) process, the Commonwealth Bank of Australia provided Council with a Variable Rate Loan Facility. The Variable Rate Loan Facility was for \$5,622,000 as an interest only loan for 12 months. It was proposed to then revert to a loan through the LGFV if the MAV went ahead with the bond issuance for the 2019/20 financial year, however it appears that they are unlikely to proceed at this stage.

Therefore, part of the proceeds of the loan of \$8,984,000 will repay the interim loan of \$5,622,000, with the additional \$3,362,000 completing Council's planned total borrowings for the 2019/20 financial year.

### **Implications**

#### **Policy Considerations**

There are no specific Council policies or strategies that relate to this report.

#### **Financial/Economic Implications**

Council has available two options to source loan funds. The first option is to borrow from an Australian bank and the second option is to source loan funds via the Local Government Funding Vehicle.

Historically, the local government sector and Council have sourced loan funds from the Australian major banks. This alternative is still available to Council rather than participate in the LGFV facility.

By entering into a loan agreement now with an Australian bank for \$8,984,000 and locking in a fixed interest rate for the next 10 years, Council will be protected from any future interest rate increases. This also enables Council to benefit from the current low interest rates.

The terms of the loan will be:

- Loan amount \$8,984,000
- Fixed interest rate for 10 years
- Repayment of principal and interest amortising over 10 years

When financing via Australian banks, the banks will provide a borrowing rate and will require Council to accept the loan and sign the loan documentation by 4.00pm on the day of the offer. Current indicative interest rates from the Australian banks range from 2.27% – 2.51% for a principal and interest loan over 10 years.

The Local Government Funding Vehicle (LGFV) sought expressions of interest by 5 July 2019 from councils wishing to borrow funds during the 2019/20 financial year. Council officers notified the MAV of Council's interest in participating in this round of the LGFV process. The MAV has not as yet undertaken a bond issuance



for the 2019/20 financial year, and it appears that they are unlikely to proceed at this stage.

These loan borrowings are in line with Council's Annual Budget and Long-Term Financial Plan. The future interest and principal payments are included in the Long-Term Financial Plan.

### **Legal/Statutory**

Section 144 of the Local Government Act 1989 confers upon Council the right to borrow money to enable Council to perform its functions, subject to the principles of sound financial management. A bond is a form of loan for the purposes of Section 144.

### **Social**

The 2019/20 loan funds allow Council to achieve a positive social benefit that will improve the social sustainability of our community.

### **Environmental/Sustainability Impacts**

The 2018/19 and 2019/20 loan funds allow Council to deliver a number of environmental and sustainability programs and initiatives to the community.

### **2017 – 2021 Council Plan (2019 Revision)**

This report supports the 2017-2021 Council Plan:

#### **Goal**

We are Sustainable

#### **We will plan and make decisions for the future:**

By maintaining a responsible and transparent long-term financial plan.

To make sure that everything we do – from building assets to delivering events – considers the physical, social, cultural and financial needs of our community.

### **Strategic Links**

#### **a) Rural City of Wangaratta 2030 Community Vision**

Not applicable

#### **b) Other strategic links**

Not applicable

## **Risk Management**

Risks	Likelihood	Consequence	Rating	Mitigation Action
Limited participation by other councils in the LGFV will increase interest rates	Low	Medium	Medium	Borrow directly from Australian Banks
Certainty of Funding	Low	Medium	Medium	Quotes and eligibility already obtained from Australian Banks
The best price will not be achieved	Low	Medium	Medium	Best price achieved by obtaining quotes from the major Australian banks.

## **Consultation/Communication**

Council made available the 2019/20 Budget at the Wangaratta Government Centre and Council's website for a period of 28 days to allow the community to consider the budget and provide written submissions.

Details of the borrowings were included in the 2019/20 Adopted Budget.

Council appointed a Committee of Council to hear submitters requesting to be heard, in accordance with Section 223 of the Local Government Act. Submitters were heard at the Committee of Council meeting. Following the conclusion of this process, Council received and adopted the 2019/20 Budget.

The matter is now ready for Council consideration.

## **Options for Consideration**

Historically, the local government sector and Council have sourced loan funds from the Australian major banks. This alternative is still available to Council rather than participate in the LGFV facility.

## **Conclusion**

Council is now ready to complete the borrowing requirements as prescribed in the 2019/20 Budget as adopted by Council on the 18 June 2019.

Given the competitiveness of the financial markets, Council will be able to borrow the funds at a competitive rate thus providing Council with savings.

**Attachments**

Nil.

**14. COMMUNITY WELLBEING**

Nil

**15. INFRASTRUCTURE SERVICES**

Nil

**16. DEVELOPMENT SERVICES****16.1 TOURISM EVENTS PROGRAM**

**Meeting Type:** Ordinary Council Meeting  
**Date of Meeting:** 26 May 2020  
**Author:** Economic Development and Tourism Officer  
**File No:** IC20/785

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

**Executive Summary**

This report is presented to Council to provide a summary Round 1 of the 2020/2021 Tourism Event Funding Program. This program provides funding to eligible events that take place between 1 July and 31 December 2020.

Council received ten applications with a total funding request of \$34,900. The applications have an estimated economic value of \$3.5 million. The allocated funding budget available for Round 1 of the program in 2020/2021 is \$20,000.

An assessment process has been undertaken with a recommendation that eight events are funded with a total allocation of \$19,950.

Due to COVID-19 restrictions and the associated uncertainty relating to events taking place, it is proposed to provide successful applicants with 50% of the recommended funding closer to the date of the event taking place and 50% after the event has taken place.

**RESOLUTION:**

**(Moved: Councillor H Bussell/Councillor A Fitzpatrick)**

***That Council:***

- That Council awards the total of \$19,950 to fund the following events as part Round 1 of the 2020/2021 Tourism Events Funding Program, subject the 50% of the funding being made available six weeks from the date of each event and 50% of the funding provided after the event.***

<b>Applicant</b>	<b>Event</b>	<b>Recommended Funding Amount</b>
Vigor Coaching	King Valley Challenge	\$2,000
Goldrush Ballooning	King Valley Balloon Festival	\$2,500
Brown Brothers	Grapes of Mirth	\$2,500

Rotary Club	Inner Wheel Conference	\$1,000
Eldorado Tourism Group	Gold Flag Trail Day	\$1,200
Three Crowns Media Group	Transmotto 8 Hour	\$3,750
Wangaratta Fitness Fund Addicts	Ned Kelly Chase	\$2,000
Wines of King Valley	La Dolce Vita Festival	\$5,000

**Carried**

### **Background**

Each year Council's Tourism Events Funding Program provides financial assistance to event organisers for the promotion and development of their festivals and events.

The objectives of the Tourism Events Funding Program is to:

- maximise economic and community benefits;
- provide significant branding and marketing opportunities for the region;
- substantially build the profile of the events to attract visitors from outside of the Rural City of Wangaratta; and
- promote the tourism product strengths of the Rural City of Wangaratta.

Grants are available up to \$5,000 for major and marquee events (events that attract over 500 visitors) and up to \$2,000 for minor events (events that attract less than 500 visitors).

Round 1 of the 2020/2021 Tourism Events Funding Program received ten applications. The total amount requested for this round was \$34,900 with an estimated economic value of \$3.5 million. The program only accepted applications for events being held from July 2020 to December 2020. The Program has been split in two rounds per financial year to provide opportunities for those holding events early in new financial years that were previously disadvantaged due to the timing of the grants program. This also allows Council staff to work with applicants to ensure branding and marketing and economic output expectations are met.

Applications were assessed against the funding criteria including the investment being made from the applicant organisation, capacity to attract tourism visitation, economic impact and having acquitted previous grants appropriately or providing a complete application. Following this assessment, eight events are recommended to receive funding with two events not meeting the funding criteria. The two events that did not meet the assessment and eligibility criteria for the program are: New Year's Eve at the Da Vinci Club and Sinterklaas 2020. These ineligible applicants will be contacted and notified why their applications did not meet the criteria and will be offered assistance to develop their plans for future opportunities.

## **Implications**

### **Policy Considerations**

The program applications have been assessed by a panel of four Council officers from multiple departments with funding allocation recommendations made in line with the Council Plan objective for tourism, the key directions of the Economic Development and Tourism Strategy and the grant program assessment criteria.

### **Financial/Economic Implications**

Council has an allocation of \$20,000 to fund Round 1 of the program for 2020/2021. The recommendation is to allocate a total of \$19,950 to the successful applicants. The balance of the funds will be kept for consideration of future event opportunities.

	2019/2020 Approved Budget for this proposal \$	This Proposal \$	Variance to Approved Budget \$	Comments
Revenue/ Income	0	0	0	
Expense	\$20,000	\$19,950	\$50 in credit	

Due to COVID-19 restrictions and the associated uncertainty relating to events taking place, it is proposed to provide successful applicants with 50% of the recommended funding six weeks from the date of the event taking place and 50% after the event has taken place. This will mean the first payment will take place in the 2020/21 financial year.

### **Legal/Statutory**

There are no legal/statutory implications identified for the subject of this report.

### **Social**

Events have the capacity to increase the level of local interest and participation within the community and strengthen regional values. Increased local pride and community spirit, as well as an increased awareness of non-local perceptions.

### **Environmental/Sustainability Impacts**

Environmental and sustainability impacts were included as an assessment criterion for the grants. The aim is to increase events participation and awareness of waste, water reduction and reducing the impact on the environment.

### **2017 – 2021 Council Plan (2019 Revision)**

This report supports the 2017-2021 Council Plan:

## Goal

We are Growing

### We will create and deliver:

- Tourism products and experiences that build our attraction to visitors.
- Economic growth and development.

### The non-negotiables:

Our tourism industry is promoted, valued and vibrant.

## Strategic Links

### a) Rural City of Wangaratta 2030 Community Vision

Tourism continues to thrive, with visitors attracted to the region's natural beauty, food and wine, cycling tracks, art facilities, cultural heritage and festivals.

### b) Other strategic links

Economic Development and Tourism Strategy 2018-2023

## Risk Management

Risks	Likelihood	Consequence	Rating	Mitigation Action
Event organisers ability to contribute cash and in-kind	(3) possible	(2) minor	Medium	Ask for financial commitment and financials in application
Event organisers capacity to deliver the promised event	(3) possible	(2) minor	Medium	Constant communication with event organisers to ensure event success

## Consultation/Communication

Level of public participation	Promises to the public/stakeholders	Tools/Techniques
Inform	Provide an event funding program	The Chronicle Industry eNewsletter Social Media Channels
Consult		
Involve		



Collaborate		
Empower	Provide support to event organisers	Advice on completing and submitting applications

Officers believe that appropriate consultation has occurred and the matter is now ready for Council consideration.

### **Options for Consideration**

#### **Option One: (Recommended)**

Council approves the allocation of a total of \$19,950 to fund the recommended events as part Round 1 of the 2020/2021 Tourism Events Funding Program.

#### **Option Two: (Not Recommended)**

Council rejects the allocation of a total of \$19,950 to fund events as part Round 1 of the 2020/2021 Tourism Events Funding Program and does not proceed with the program.

### **Conclusion**

Following a detailed assessment, eight of the ten applications are recommended for funding. They are listed in this report and it is requested that Council approves the allocation of a total of \$19,950 to fund these events.

### **Public Question**

Please follow link [26 May 2020 Council Meeting Video](#) and refer to minutes 14.30 to 16.25 for public questions and responses related to Item 16.1 Tourism Events Program

### **Attachments**

- 1 2020-2021 Tourism Event Grant Program - Confidential

**17. SPECIAL COMMITTEE REPORTS**

Nil

**18. ADVISORY COMMITTEE REPORTS**

Nil

## 19. RECORDS OF ASSEMBLIES OF COUNCILLORS & MINUTES OF ADVISORY COMMITTEE MEETINGS

### 19.1 RECORD OF ASSEMBLY OF COUNCILLORS

**Meeting Type:** Ordinary Council Meeting  
**Date of Meeting:** 26 May 2020  
**Author:** Executive Service Coordinator  
**File Name:** Assemblies of Councillors  
**File No:** IC20/48

#### Executive Summary

##### Assembly of Councillors:

An “Assembly of Councillors” is a meeting at which matters are considered that are intended or likely to be the subject of a Council decision and is either of the following:

- a meeting of an advisory committee where at least one Councillor is present; or
- a planned or scheduled meeting that includes at least half the Councillors and at least one Council officer.

At an assembly of Councillors, a written record is kept of:

- a) the names of all Councillors and members of the Council staff attending;
- b) the matters considered;
- c) any conflict of interest disclosures made by a Councillor attending; and
- d) whether a Councillor who has disclosed a conflict of interest leaves the assembly.

The written record of an assembly of Councillors is, as soon as practicable:






- a) reported at an Ordinary Meeting of the Council; and
- b) incorporated in the Minutes of that Council meeting.

<b>Date</b>	<b>Meeting details</b>	<b>Refer</b>
14/4/2020	Councillors Briefing Forum	Attachment
20/4/2020	Councillors Briefing Forum	Attachment
27/4/2020	Councillors Briefing Forum	Attachment
4/5/2020	Councillors Briefing Forum	Attachment
5/5/2020	Pre-Council Meeting Discussion – April Council Meeting (Moved to 5 May 2020)	Attachment

**RESOLUTION:****(Moved: Councillor A Fitzpatrick/Councillor D Fuller)*****That Council:***

- 1. Receives the reports of Assemblies of Councillors***

**Carried****Attachments**

- 1 Assembly of Councillors - Councillors Briefing Forum - 14 April 2020 
- 2 Assembly of Councillors - Councillors Briefing Forum - 20 April 2020 
- 3 Assembly of Councillors - Councillors Briefing Forum - 27 April 2020 
- 4 Assembly of Councillors - Councillors Briefing Forum - 4 May 2020 
- 5 Assembly of Councillors - Pre Council Meeting Discussion - 5 May 2020 

**20. NOTICES OF MOTION**

Nil

**21. URGENT BUSINESS**

**22. PUBLIC QUESTION TIME**

Please follow link [26 May 2020 Council Meeting Video](#) and refer to minutes 19.50 to 31.30 for public questions and responses related to Item 22  
Public Question Time

**23. CONFIDENTIAL BUSINESS**

Nil

**24. CLOSURE OF MEETING**

The Meeting closed at 3.30pm