

Ordinary Meeting of Council

to be held at the Civic Centre, Civic Drive, Greensborough
on Tuesday 29 January 2019 commencing at 7:30pm.

Agenda

Carl Cowie
Chief Executive Officer

Friday 25 January 2019

Distribution: Public

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Domin je ka

Ordinary Meeting of Council seating plan

Cr Peter Perkins
Ellis Ward

Cr John Dumaresq
Edendale Ward

Cr Bruce Ranken
Swipers Gully Ward

Cr Peter Clarke
Wingrove Ward

Emma Christensen
Governance Officer

Blaga Naumoski
Executive Manager
Governance

**Cr Karen Egan
(Mayor)**
Bunjil Ward

Carl Cowie
Chief Executive
Officer

Visitors in the gallery at Council meetings are:

- Welcome to copies of the reports which will be considered by the Council at the meeting. These are on the table in the foyer.
- Welcome to the tea, coffee and water provided in the foyer.
- Requested to observe Council deliberations quietly in order for Council meetings to run smoothly.
- Advised that the meeting will be recorded and an audio recording of the meeting will be made publicly available on Council's website.

Nillumbik Shire Council

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Nillumbik Shire Council

Agenda of the Ordinary Meeting of Nillumbik Shire Council to be held Tuesday 29 January 2019 commencing at 7:30pm.

1. Welcome by the Mayor

Members of the public are advised the meeting will be recorded and an audio recording of the meeting will be made publicly available on Council's website.

2. Reconciliation statement

The reconciliation statement to be read by the Mayor

Nillumbik Shire Council acknowledges the Wurundjeri people who are the Traditional Custodians of this Land. We would also like to pay respect to the Elders both past and present and extend that respect to other Indigenous Australians present.

3. Prayer

A prayer will be read.

4. Apologies

Cr Grant Brooker and Cr Jane Ashton are on an approved leave of absence for this Ordinary Council Meeting.

Recommendation

That Cr Grant Brooker and Cr Jane Ashton's approved leave of absence and any apologies be accepted.

5. Presentations

6. Confirmation of minutes

Confirmation of minutes of the Ordinary Council Meeting held on Tuesday 18 December 2018 and the Special Council Meeting held on Thursday 17 January 2019.

Recommendation

That the minutes of the Ordinary Council Meeting held on Tuesday 18 December 2018 and the Special Council Meeting held on Thursday 17 January 2019 be confirmed.

7. Disclosure of conflicts of interest

Councillors should note that any conflicts of interest should also be disclosed immediately before the relevant item.

8. Petitions

9. Questions from the gallery

10. Reports of Advisory Committees

AC.001/19 Advisory Committee Report

Distribution: Public

Manager: Blaga Naumoski, Executive Manager Governance

Author: Emma Christensen, Governance Officer

Council has a range of Advisory Committees which provide a formal mechanism for Council to consult with key stakeholders, seek specialist advice and enable community participation. Although they do not make any formal decisions, they provide valuable advice to Council.

In accordance with Advisory Committee Terms of Reference, the minutes of meetings are presented to Council. This month, the following minutes are attached for information:

- Recreation Trails Advisory Committee – 22 November 2018.

Attachments

1. Recreation Trails Advisory Committee minutes 22 November 2018

Recommendation

That Council notes the Recreation Trails Advisory Committee meeting minutes held on 22 November 2018.

12. Officers' reports

OCM.003/19 Provision of Telecommunications Services and Hardware

Distribution: Public

Manager: Suzy Ellingsen, Executive Manager People, Culture and Innovation

Author: Eddie Cheng, Systems Analyst

Summary

This report recommends entering into a new business services agreement for the provision of telecommunications services and hardware to enable continual provision of telephony, mobile voice and data, internet and site connectivity services.

Currently, Council utilises Telstra to provide:

- Telephony services which includes incoming and outgoing landlines
- Mobile voice and data services which includes incoming and outgoing mobile voice calls and mobile data (3G/4G for phones and tablets).
- Internet services which include all web and data traffic to and from the world wide web.
- Connectivity services between Council sites which include dedicated connectivity from 9 Council sites into our primary data centre located at our Civic Drive shire offices.

Based on the current utilisation of Telstra services, this business services agreement is estimated to cost Council \$381,400 per annum which is consistent with the current spend and will be covered in the existing budgets.

Recommendation

That Council:

1. Accepts the business services agreement by Telstra to enable continual provision of telephony, mobile voice and data, internet and connectivity between Council sites facilities. This business services agreement will also allow us access to telecommunications professional services and hardware.
2. Authorises the Chief Executive Officer to finalise and execute the agreement documentation.
3. Delegates the powers and authorisation to the Chief Executive Officer to review and approve any service changes during the term of the agreement.

Attachments

Nil

Background

1. In line with the Technology Strategy objective of having 'technology platforms that are integrated and responsive', this business services agreement with Telstra will enable the continual delivery of telecommunications services to the organisation with more flexible business arrangements than what is available to us currently.

12. Officers' reports

OCM.003/19 Provision of Telecommunications Services and Hardware

2. Nillumbik Shire Council is currently utilising Telstra as our main telecommunications provider in: telephone or fixed voice line, mobile voice and data, internet, fibre connectivity between 9 Council facilities.
3. This new business services agreement allows Nillumbik Shire Council to continue with its existing network architecture and will provide flexibility in utilising new telecommunications plans and services.

Policy context

4. This report directly supports the achievement of Council Plan 2017-2021 strategy:
 - Ensure seamless service delivery and an open and responsive approach to our customers.

Tender process

5. Public tender process was undertaken by the Municipal Association of Victoria (MAV) back in 2013.
6. There was a variation to contract entered into between MAV, the Victorian State Purchasing Board and Telstra.
7. The variation was to enable joined Councils to MAV contract to access more flexibility in relation to Telstra services and rates via the State Purchasing Board Contract with Telstra.

Budget implications

8. The financials for this business services agreement will be accommodated in the existing operating budget.

Consultation/communication

9. Council's Senior Procurement Specialist has been consulted as part of this process.
10. The Executive Manager of People, Culture and Innovation together with the Systems Analyst assessed the validity of this agreement based on the needs of current and future technology environment.

Issues/options

11. Nillumbik Shire Council's current network architecture leverages heavily on Telstra telecommunications services. The organisation utilises Telstra fixed lines for incoming and outgoing calls from our offices. We utilise Telstra fibre infrastructure for dedicated connectivity between 9 Council sites. Our access to the internet (www) from all Council sites and all our mobile data and phone services are with Telstra also.
12. This agreement will also allow Council to transition from old Telstra infrastructure to the NBN when it becomes available in areas within the shire.
13. The new business services agreement is structured with 5 service pillars. Council currently utilises 4 of the 5 service pillars which would qualify for a 7.5% discount on the total spending with Telstra.
14. The signing of this business services agreement does not preclude Council from accessing and utilising other vendors for telecommunications services and hardware.

12. Officers' reports

OCM.003/19 Provision of Telecommunications Services and Hardware

Conclusion

15. After considering this business service agreement put forward by Telstra who were prequalified by MAV Procurement and offers Council telecommunications services and hardware with its more flexible arrangements than currently available. Additionally, the signing of the business services agreement does not preclude Council from seeking and utilising telecommunications services and hardware from other vendors. It is recommended that Council accept and enter into this business services agreement with Telstra for continual usage for their infrastructure and services for Council's telecommunications functions.

Tender certification/disclosure with conflict of interest

16. The tender process described in the this report is in accordance with Council's Procurement Policy and Guidelines (2015), the relevant provision of the *Local Government Act 1989* – section 186 (Restriction on power to enter into contracts), section 3C (Council Objectives) and section 20B (Best Value Principles).
17. In accordance with Council's Employee Code of Conduct Policy this report has been prepared by the officers of the Tender Evaluation Panel and all officers have declared no conflict of interest in the evaluation process and in determining the recommendations contained in this report.

12. Officers' reports

OCM.004/19 Mid-Year Financial Review 2018-2019

Distribution: Public

Manager: Vince Lombardi, Executive Manager Finance

Author: Robert Malignaggi, Management Accountant

Summary

This report presents the outcomes of the Mid-Year Financial Review.

The revised forecast is for Council to achieve an operating surplus of \$7.099 million for the financial year 2018-2019.

Recommendation

That Council:

1. Approves the changes detailed in the Mid-Year Financial Review (**Attachment 1**).
2. Notes the revised forecast of \$7.099 million operating surplus for financial year 2018-2019.

Attachments

1. Mid Year Financial Review - 2018-2019

Background

1. The purpose of this report is to present the Mid-Year Financial Review.
2. Officers have completed a Mid-Year Financial Review for 2018-2019 as at November 2018 to identify major changes that have occurred since the budget adoption.
3. The review includes both operational and capital items.
4. The outcome of the review is a revised forecast operating surplus of \$7.099 million.

Operating Budget

5. The Mid-Year Financial Review identified a number of favourable and unfavourable movements in operational income or expenditure as detailed in **Attachment 1**.

Capital works

6. Capital works has a net unfavourable change of \$1,127,892 due to a number of adjustments across the program as detailed in **Attachment 1**.

Conclusion

7. The MYFR projects a decrease in the surplus to \$7.099 million for the 2018-19 financial year. This is based on the proposed changes to operating and capital budget as detailed in **Attachment 1**.
8. Management will explore operational efficiencies in the second half of the financial year to accommodate the unfavourable movement and seek to achieve the adopted budget surplus of \$10.962 million.

12. Officers' reports

OCM.004/19 Mid-Year Financial Review 2018-2019

9. These operational efficiencies will focus on operational expenditure across the business without impact to service levels offered.

12. Officers' reports

OCM.005/19 December Quarter Financial Report

Distribution: Public

Manager: Vince Lombardi, Executive Manager Finance

Author: Robert Malignaggi, Management Accountant

Summary

This report outlines Council's financial performance and financial position for the period ending 31 December 2018.

The Income Statement shows an overall favourable year to date (YTD) variance of \$6.269 million representing 23.02 per cent of YTD Budget. This reflects the combined result of higher than budgeted operating income of \$6.967 million and higher than budgeted operating expenses of (\$698,090).

Council's overall financial position at the end of this quarter is sound, and continues to be actively monitored.

Recommendation

That Council receives and notes the Financial Report for the period ended 31 December 2018 (**Attachment 1**).

Attachments

1. Financial Report - December 2018 Quarter

Background

1. In June 2018, Council adopted the 2018-19 Budget.
2. Budgeted surplus reflects the amount by which operating revenue exceeds operating expenses, in accordance with relevant accounting standards.
3. Operating expenditure excludes non-operating transactions such as capital works and investments, which are separately detailed in the report.
4. The report compares actual performance to budgeted targets at this stage of the financial year.

Policy context

5. This report directly supports the achievement of Council Plan 2017-2021 strategy:
 - Ensure responsible and efficient management of Council's financial resources.

Budget implications

6. This is a standard reporting item to Council, the associated costs for which are included in the current budget.

Consultation/communication

7. The budget was subject to public exhibition prior to its final adoption by Council.

12. Officers' reports**OCM.005/19 December Quarter Financial Report**

Issues/options

8. The detailed Financial Report for the period ended 31 December 2018 is provided in **Attachment 1**. This report is an analysis of Council's financial performance and financial position as at 31 December 2018. The report also includes an analysis of budget variances.

Income statement

9. Council closed the period ending 31 December 2018 with a favourable YTD variance of \$6.269 million based on actual operating revenue, costs and commitments. This represents 23.02 per cent of the YTD Budget.
10. The overall variance is made up of the following:
- Income – \$6.967 million (9.34 per cent) favourable variance. This includes additional rates generated from new rateable properties \$390,147 and new/additional grant funding \$5.861 million, (refer to page 6 in **Attachment 1**).
 - Expenditure – (\$698,090) (1.67 per cent) unfavourable, mainly attributed to higher than anticipated costs relating to external contracts (\$1.368 million) and materials and related costs (\$195,015) and offset by a favourable variance in employee benefits of \$910,916. Additional details on variances are located on page 8 in **Attachment 1**.

Balance sheet

11. The balance sheet reflects Council's financial position at 31 December 2018 and is prepared in compliance with the Australian Accounting Standards.
12. Council's balance sheet (page 4 in **Attachment 1**) continues to show a strong net position. This is represented by \$1.026 billion of assets which is largely made up of Council's Property, Plant and Equipment. Council's total liabilities are \$40.89 million, which results in net assets of \$985.1 million.

Statement of cash flows

13. The statement of cash flows (page 5 in **Attachment 1**) captures Council's actual cash transactions for the period.
14. Council is showing a cash position of \$51.5 million after all cash transactions for the period to date.
15. The \$51.5 million includes \$42.78 million held in investments as detailed on page 11 of **Attachment 1**.

Capital works

16. The Year To Date (YTD) expenditure relating to capital works is reported on page 9 in **Attachment 1**.
17. This shows an unfavourable variance of (\$1.043 million) relative to YTD budget. The capital works report detailing spend by asset class is on page 9 (**Attachment 1**).

Conclusion

18. Council's overall financial position at the end of December 2018 is considered sound and continues to be closely monitored to ensure budgeted outcomes are achieved.

12. Officers' reports

OCM.006/19 Assembly of Councillors

Distribution: Public

Manager: Blaga Naumoski, Executive Manager Governance

Author: Emma Christensen, Governance Officer

Summary

In accordance with section 80A(2) of the *Local Government Act 1989* Council is required to report as soon as practicable to an Ordinary Meeting of Council a record of any assemblies of Councillors held.

This report lists assemblies of Councillors forms that have been submitted since the matter was last reported to Council on 18 December 2018.

An Assembly of Councillors record was kept for:

- CEO Employment Matters Committee – 11 December 2018;
- Councillor Briefing Session – 11 December 2018;
- Joint Municipal Fire and Emergency Planning Committee – 17 December 2018;
- Councillor Briefing Session – 18 December 2018; and
- Councillor Briefing Session – 17 January 2019.

Recommendation

That Council, in accordance with section 80A(2) of the *Local Government Act 1989*, receives the records of the Assemblies of Councillors held on 11 December 2018, 11 December 2018, 17 December 2018, 18 December 2018 and 17 January 2019 (**Attachment 1**).

Attachments

1. Assembly of Councillors reported 29 January 2019

Background

1. The *Local Government Act 1989* (the Act) requires records of assemblies of Councillors be reported to an Ordinary Meeting of Council and recorded in the minutes of that meeting.

Policy context

2. This report directly supports the achievement of Council Plan 2017-2021 strategy:
 - Ensure that Council meets its legal responsibilities and manages its risks.

Budget implications

3. This is a routine reporting item, the resources for which are contained in Council's current operating budget.

Consultation/communication

4. None required.

12. Officers' reports

OCM.006/19 Assembly of Councillors

Issues/options

5. An assembly of Councillors is defined in section 76AA of the Act. It is a meeting at which matters are considered that are intended or likely to be the subject of a Council decision or the exercise of delegated authority and which is either of the following:
 - A planned or scheduled meeting that includes at least half the Councillors and at least one Council Officer. These assemblies do not include meetings of Councillors and Council staff that are not planned or scheduled.
 - A meeting of an advisory committee where at least one Councillor is present. An advisory committee is any committee established by the Council, other than a special committee, that provides advice to the Council or to a special committee or to a member of Council staff who has been delegated a power or duty or function of the Council. And back to numbering.
6. A record must be kept of an assembly of Councillors and include the names of all Councillors and Council staff attending, the matters considered, disclosures of conflict of interest and whether a Councillor left the meeting after making a disclosure.
7. In accordance with section 80A(2) of the Act, Council is required to report as soon as practicable to an Ordinary Meeting of Council a record of any assemblies of Councillors held.
8. The recommendation contains the list of assemblies of Councillor forms that have been submitted since the matter was last reported to Council on 18 December 2018.

Conclusion

9. It is recommended that Council receives the records of recent assemblies of Councillors as contained in this report, fulfilling section 80A(2) of the *Local Government Act 1989*.

12. Officers' reports

OCM.007/19 Aerial Photography Supply

Distribution: Public

Manager: Suzy Ellingsen, Executive Manager People, Culture and Innovation

Author: Richard Feagan, Systems Development and Design Coordinator

Summary

This report is an overview of a separate confidential report recommending the awarding of the supply tender for Aerial Photography services.

The Aerial imagery is widely used within Council to provide background imagery for the GIS, data validation for Council assets, desktop and field based mapping of assets and a dataset for compliance issues in both the Planning and Building areas.

The supply of regularly updated imagery is important in supporting business processes within Council. Council has an extensive on site library of historic imagery dating back to 1998.

Recommendation

That Council notes the report.

Attachments

Nil

12. Officers' reports

OCM.008/19 Upgrade and Improvement to Diamond Creek Trail

Distribution: Public

Manager: Hjalmar Philipp, Director Sustainability and Place

Author: Alex Stewart, Project Management Officer

Summary

This report recommends the awarding of the contract for the upgrade and improvement of sections of the Diamond Creek Trail, Diamond Creek.

The works will involve the break out and removal of at least 350m of concrete footpath and the construction of a new 3.0m wide concrete footpath (charcoal coloured) in the existing alignment. The contractor will also provide a temporary path for trail users and rectify the disturbed areas upon completion.

The Tender Evaluation panel has assessed all submissions and this report outlines their evaluation in recommending the awarding of the contract for the upgrade and improvement of sections of the Diamond Creek Trail, Diamond Creek.

Pursuant to the Instrument of Delegation to the Chief Executive Officer the value of this contract exceeds the specified financial limits and a Council resolution is therefore required to award the contract.

Recommendation

That Council notes the report.

Attachments

Nil

12. Officers' reports

OCM.009/19 Recreation Trails Advisory Committee Membership

Distribution: Public

Manager: Neil Hordern, Manager Connected Communities

Author: Joanne Massoud, Acting Coordinator Recreation and Open Space Planning

Summary

The Recreation Trails Advisory Committee (RTAC) provides advice to Council on the planning, development and use of trails across the Shire. The Committee consists of three Councillors and 12 community representatives.

In July 2017, the 12 community representatives were appointed for a two year term, ending July 2019. Multiple resignations have been received during this term however all but one position have been filled. This report will consider filling the vacant position 'general community rural representative', as well as extending the term of the existing committee.

Three expressions of interested were received to fill the vacant position. Officers and the RTAC Chair Cr John Dumaresq have assessed the applications.

The confidential report associated with this report recommends to make public the decision to appoint the nominee to the Committee but the evaluation remain confidential.

Recommendation

That Council notes the report.

Attachments

Nil

- 13. Notices of Motion
- 14. Delegates' Reports
- 15. Supplementary and urgent business
- 16. Confidential reports

The Chief Executive Officer, pursuant to section 77(2)(c) of the *Local Government Act 1989* (the Act), has designated the following items to be confidential:

OCM.010/19 Aerial Photography Supply

This item is designated confidential because it is a contractual matter pursuant to section 89(2)(d) of the Act.

OCM.011/19 Upgrade and Improvement to Diamond Creek Trail

This item is designated confidential because it is a contractual matter pursuant to section 89(2)(d) of the Act.

OCM.012/19 Recreation Trails Advisory Committee Membership

This item is designated confidential because it is any other matter which the Council or special committee considers would prejudice the Council or any person pursuant to section 89(2)(h) of the Act.

OCM.013/19 Chief Executive Officer's Performance Plan

This item is designated confidential because it is a personnel matter pursuant to section 89(2)(a) of the Act.

The Meeting may be closed to members of the public to consider confidential matters.

Recommendation

That in accordance with section 89(2) of the *Local Government Act 1989*, Council resolves to close the meeting to members of the public to consider the items designated confidential by the Chief Executive Officer.