



Alpine Shire

ORDINARY COUNCIL MEETING

MINUTES

M8 - 5 JULY 2016

Bright Council Chambers

7:00pm



The next **Ordinary Meeting** of the **Alpine Shire Council** was held in the Council Chambers, Great Alpine Road, Bright on **5 July 2016** commenced at **7:00pm**.

PRESENT

COUNCILLORS

Cr Ron Janas – Mayor
Cr Tony Keeble – Deputy Mayor
Cr John Forsyth
Cr Kate Farrell
Cr Daryl Pearce
Cr Peter Roper
Cr Jan Vonarx

OFFICERS

Mr Dave Barry – Chief Executive Officer
Mr Trevor Britten – Director Corporate Performance
Ms Heather Green – Director Sustainable Development
Mr Charlie Bird – Director Assets

APOLOGIES

Cr John Forsyth



AGENDA

1	RECORDING AND LIVESTREAMING OF COUNCIL MEETINGS.....	4
2	ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS, RECOGNITION OF ALL PEOPLE AND OPENING PRAYER	4
3	CONFIRMATION OF MINUTES.....	4
3.1	ORDINARY COUNCIL MEETING – M5 – 1 June 2016.....	4
3.2	SPECIAL COUNCIL MEETING – SPM6.....	5
3.3	special council meeting spm7	5
4	APOLOGIES.....	5
5	OBITUARIES / CONGRATULATIONS.....	5
6	DECLARATIONS BY COUNCILLORS OF CONFLICT OF INTEREST.....	5
7	QUESTION TIME	5
8	PRESENTATION OF REPORTS BY OFFICERS.....	6
8.1	CHIEF EXECUTIVE OFFICER – DAVE BARRY	6
8.1.1	Local Law No.1: Council Administration (2016).....	6
8.2	DIRECTOR CORPORATE PERFORMANCE – TREVOR BRITTEN.....	9
8.2.1	Finance Committee Minutes.....	9
8.2.2	High Country Library Shared Service Agreement.....	12
8.2.3	Subdivision recreation reserve.....	17
8.2.4	Plant Replacement Reserve.....	21
8.3	DIRECTOR ASSETS – CHARLIE BIRD	24
8.3.1	Dissolution of Murray to Mountains Rail Trail Committee of Management.....	24
8.3.2	Mount Beauty Library Redevelopment.....	28
8.4	DIRECTOR SUSTAINABLE DEVELOPMENT – HEATHER GREEN.....	31
8.4.1	Tourism North East Memorandum of Understanding.....	31
9	ASSEMBLY OF COUNCILLORS.....	34
10	PRESENTATION OF REPORTS BY DELEGATES	35
11	GENERAL BUSINESS	36
12	MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN.....	36
13	RECEPTION AND READING OF PETITIONS	36
14	DOCUMENTS FOR SEALING.....	37



1 RECORDING AND LIVESTREAMING OF COUNCIL MEETINGS

The CEO read the following statement:

All Council meetings are filmed, with both video and audio being recorded.

Video recording is focused on Councillors and staff, while audio from the entire room is captured.

By speaking during question time, or at any time, you consent to your voice and any comments you make being recorded.

In common with all narrative in a Council meeting, verbal responses to congratulations, obituaries and question time will not be recorded in the written minutes of Council meetings. This is to improve access and transparency of Council decision making to our community.

The full meeting and entire recording will be live-streamed to Alpine Shire Council's YouTube Channel and will be made available after the meeting.

2 ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS, RECOGNITION OF ALL PEOPLE AND OPENING PRAYER

The CEO will read the following statement:

The Alpine Shire Council acknowledges the traditional owners of the land we are now on.

We also acknowledge those people who have contributed to the rich fabric of our community and strive to make wise decisions that will improve the quality of life for all.

3 CONFIRMATION OF MINUTES

3.1 ORDINARY COUNCIL MEETING – M5 – 1 JUNE 2016

Officer recommendation moved by Cr Farrell

No seconded. Motion lost.

Cr Vonarx moved an amendment to motion.

Cr Vonarx

Cr Peter Roper

That the minutes of Ordinary Council Meeting M5 (as amended to remove reference to a report by Councillor Farrell about the Bright Art Gallery)held on 1 June 2016 as circulated be confirmed

Carried



3.2 SPECIAL COUNCIL MEETING – SPM6

Cr Vonarx

Cr Roper

That the minutes of Special Council Meeting SPM6 held on 28 June 2016 as circulated be confirmed.

Carried

3.3 SPECIAL COUNCIL MEETING SPM7

Cr Vonarx

Cr Roper

That the minutes of Special Council Meeting SPM 7 held on 28 June 2016 as circulated be confirmed.

Carried

4 APOLOGIES

Cr John Forsyth

5 OBITUARIES / CONGRATULATIONS

Refer to Alpine Shire Council's website www.alpineshire.vic.gov.au; for its YouTube live-stream recording.

6 DECLARATIONS BY COUNCILLORS OF CONFLICT OF INTEREST

Nil

7 QUESTION TIME

Refer to Alpine Shire Council's website www.alpineshire.vic.gov.au; its YouTube live-stream recording.



8 PRESENTATION OF REPORTS BY OFFICERS

8.1 CHIEF EXECUTIVE OFFICER – DAVE BARRY

8.1.1 Local Law No.1: Council Administration (2016)

File Number: 1120.01

INTRODUCTION

This report provides for the release of the proposed Local Law No.1 Council Administration (2016) for public comment.

Cr Vonarx moved an amendment to recommendation 1 to amend clause 3.1.12 to not require a Councillor to stand to address the council during a meeting.

Cr Vonarx

Cr Roper

That Council:

- 1. Endorse the proposed Local Law No.1 Council Administration (2016) (as attached and amended by altering Clause 3.1.12 to not require Councillors to stand whilst speaking) for the purpose of seeking public submissions in accordance with section 119 of the Local Government Act 1989.*
- 2. Endorse the Community Impact Statement (as attached) to accompany the proposed Local Law No.1 Council Administration (2016), for the purposes of community consultation.*
- 3. Publish public notices of its intention to make Local Law No.1 Council Administration (2016) in the Victoria Government Gazette, the Alpine Observer / Myrtleford Times newspapers, and on Council's website, inviting public comment.*
- 4. Present a report to the September 2016 ordinary council meeting to adopt the local law.*

Carried

BACKGROUND

Council is required by section 91(1) of the *Local Government Act 1989* (the Act) to make laws governing the conduct of meetings of the Council and special committees. Except as is provided in the Act, the conduct of meetings of a council or its special committees is in the council's discretion.

Part 4, Division 2 of the Act provides for procedures that Councils must abide by, and includes specifications around the types of meetings, keeping of minutes, closure of meetings to the public, and voting. Many other sections of the Act specify processes to be undertaken such as election of Mayor.

A local law is a subordinate instrument, and must not be inconsistent with any Act or Regulation.



ISSUES

In order to comply with section 91(1) of the Act, Council needs to ensure that it has a valid local law in operation, governing its meeting procedures and the use of its common seal (section 5(3)(c) of the Act).

Amendments

The amendments made in the proposed local law are to: include provision for Council to make audio-visual recordings; amend the voting section to align with the Act; and to move offences from set dollar values to penalty units.

Community Impact Statement

As part of good practice for the making of local laws, a community impact statement has been developed to explain the changes to, and effect of, the local law.

POLICY IMPLICATIONS

The making of the local law is in accordance with the *Local Government Act 1989*. It is also in alignment with the Alpine Shire Council Plan 2013-2017 in the following way:

Performance Focused Organisation - *Strategic Objective 5.4: Ensure a high standard of governance; Strategy 5.4.1 Provide good governance.*

FINANCIAL AND RESOURCE IMPLICATIONS

There have been no budgeted costs against this local law. The law itself sets out offences and fines payable.

CONSULTATION

Section 119 of the Act sets out the procedure required when making a local law. This includes giving public notice in the locally circulating newspaper and in the Government Gazette. As part of this process, a section 223 public consultation process must be followed, giving the public 28 days to provide comment on the proposed local law.

Following the period of public consultation, and adoption by Council, a further public notice must be made to advise of the formal adoption of the local law, and its application.

A copy must also be sent to the Minister for Local Government.

CONCLUSION

While there have been only minor changes to the local law, it is a requirement that councils follow process to develop, publicly exhibit, and adopt local laws. It is also a requirement that council has current local laws in place that provide guidance for the use of the council's common seal, and for council and special committee meetings. In approving this local law for exhibition, Council is complying with the processes required.



DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Chief Executive Officer
- Governance Officer

ATTACHMENT(S)

- 8.1.1 a Proposed Local Law No.1 Council Administration (2016)
- 8.1.1 b Community Impact Statement



8.2 DIRECTOR CORPORATE PERFORMANCE – TREVOR BRITTEN

8.2.1 Finance Committee Minutes

Documents Register:

INTRODUCTION

The purpose of this report is to present the minutes of the Finance Committee (the Committee) meeting which was held on Tuesday 7 June 2016 to Council. Key items presented to the Committee were:

- Finance Report - Quarter 3 Budget Review;
- Investment policy review and endorsement;
- Revenue and debtor management policy endorsement;
- Finance committee charter; and
- Councillor expenses report.

Cr Roper moved an amendment to the original motion to delete recommendation 3.

Cr Roper

Cr Pearce

That the minutes of the 7 June 2016 Finance Committee Meeting be received and noted and the following committee recommendations be adopted:

- 1. Council adopt the revised Investment Policy No 073.*
- 2. Council adopt the Finance Committee Charter.*

Carried

BACKGROUND

Investment policy

A review of Council's Investment Policy (the Policy) was undertaken due to the level of cash Council has available and existing investments exceeding the investment policy threshold. This was being highlighted in Council's Quarterly Finance Report.

Upon review of the Policy the following changes have been made:

- Combining two documents (Investment Strategy and Investment Policy) into one.
- Percentage based investment limit (instead of dollar based).
- Allow for investments to be made for greater than 12 months but not more than 36 months and not more than 20% of total funds.
- Increased detail provided on liquidity, authorised investments and risk management.



Finance Committee charter

It was identified that the Finance Committee did not have a Charter to provide guidance on its roles and responsibilities. A Charter is an essential document to ensure it operates within a framework and does not duplicate work being performed by Councils Audit Committee. The Charter has been prepared based on guidance from the CPA Australia Ltd Finance Committee Charter.

The Charter was endorsed by the Finance Committee prior to being presented Council for adoption.

Councillor expenses report

The Audit Committee at its February 2016 meeting raised questions around the reporting of Councillor Expenses and how this is presented in the quarterly finance report. The Audit Committee recommended that this be reviewed and presented to the Finance Committee for resolution.

A review was conducted by the Manager Corporate which recommended the Councillor Expenses Report be split by Councillor and summarise the expenditure within the following categories:

- Allowance;
- Travel expenses (excluding usage of a Council vehicle);
- IT expenses (i.e. reimbursement of data usage);
- Conferences and training expenses;
- Catering;
- Other expenditure will be split out separately showing specific transactions incurred; and
- IT equipment provided to Councillors on a per item basis, outlining any changeover and the reasons why.

The Finance Committee requested that use of Council vehicles be included in the travel expenditure category. Given the cost and use of Council pool cars is centralised the Committee requested this be reported on a cents per kilometre basis and each Councillor be responsible for recording and notifying Officers of the kilometres travelled.

It was also noted that Councillor's expenditure is significantly under budget YTD.

POLICY IMPLICATIONS

Legislative requirements

- Section 143 of the *Local Government Act 1989* sets out how Council is permitted to invest its funds. This has been reflected in the Policy.
- The *Local Government (Planning and Reporting) Regulations 2014* requires Council to report the 'Cost of governance' which is the direct cost of delivering Council's governance service per Councillor on an annual basis.



- The *Local Government Act 1989* requires Council to implement principles of sound financial management (section 136).

Council Plan and other key strategic plan links

2013-2017 Council Plan

Strategic Objective 5.2 *To manage resources well to ensure sustainability*

Strategy 5.2.1 *Deliver responsible and prudent financial management*

FINANCIAL AND RESOURCE IMPLICATIONS

Adoption of the Investment Policy, Finance Committee Charter and the Councillor Expenses Report strengthen the controls and framework of Council's governance and finance functions. Adoption of these documents does not commit Council to additional resources.

CONSULTATION

The Investment Policy, Finance Committee Charter and Councillor Expenses Report have been endorsed by the Finance Committee. Further, the Audit Committee have also engaged in discussions regarding the Councillor Expenses Report and recommended that it be reviewed and endorsed by the Finance Committee.

CONCLUSION

The Investment Policy, Finance Committee Charter and Councillor Expenses Report are key documents to ensuring strong controls and governance over Council's governance and finance functions. They have been reviewed and endorsed by the Finance Committee and it is recommended that they be adopted by Council.

DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate Performance
- Manager Corporate

ATTACHMENT(S)

- 8.2.1a Finance Committee Minutes - 7 June 2016
- 8.2.1b Investment Policy
- 8.2.1c Finance Committee Charter
- 8.2.1d Councillor Expenses Report



8.2.2 High Country Library Shared Service Agreement

File Number:

INTRODUCTION

The purpose of this report is to recommend that Council sign a Shared Service Agreement between Alpine Shire, Benalla Rural City, Mansfield Shire and the Rural City of Wangaratta that will allow for commencement of new library service arrangements from 1 August 2016.

Cr Vonarx

Cr Pearce

That Council:

- 1. Sign and seal the High Country Library Network Shared Service Agreement.*
- 2. That the Chief Executive Officer be authorised to sign the Supply Agreement between Municipal Association of Victoria and Alpine Shire Council which facilitates participation in the SWIFT Consortium.*

Carried

BACKGROUND

The High Country Library Corporation was established in 1996 to provide library services over an area of 14,760 square kilometres and serving a population of over 61,000 in the Alpine Shire, Benalla Rural City, Mansfield Shire and the Rural City of Wangaratta.

Established under the provisions of the Local Government Act, the Corporation was overseen by a Board with 2 representatives from each Council and managed by a Chief Executive Officer.

In January 2015, the Board resolved to conduct a full and comprehensive review of the service in order to:

- Improve the operational efficiency of the Corporation and its library sites,
- Minimise annual financial contributions from member Councils; whilst
- Maintain or improve library services.

The Consultant's report found that:

- The Service was highly valued by users;
- There were pressures to contain costs;
- There was a challenge in balancing strategic and operational issues;
- Concerns that the service was expensive were unfounded;
- Concerns that there was a cross subsidy from larger Councils was also unfounded;



- There was evidence of multiple handling and overwork of processes and room for improvement;
- Organisation tensions around delegation of responsibility and role clarity existed;
- There was some strain in working relationship between HCLC and Councils;
- Opportunities exist for strong partnering between Council services and library service;

The final report recommended a shared service model which involved dis-establishing the Corporation and replacing it with a new collaborative service where 'spoke' libraries share services from a 'hub'. Branch staff would be employed by, and report to, their respective Councils. Central services such SWIFT membership, book stock procurement, and collection management, would be shared from the 'hub' library.

The Board appointed a Chief Executive Officer to continue to run the service whilst at the same time overseeing a smooth transition to the new model. Over the past six months a number of things have occurred:

Process Review

Staff have been involved in a review of processes and as a result a number of changes have been agreed which are designed to improve the operation in areas such as collection management , logistics , devolution of some tasks to branch level , purchase of equipment to provide more better service to patrons.

Staffing

Councils will have responsibility for the operation of their branches and have reviewed how this may occur, and have taken slightly different approaches in regard to where the service sits in their organisation, which is a legitimate thing to do. There have also been some changes to the nature of some roles within this.

Staffing levels in the branch network will be the same as those existing before the change.

The Headquarters operation has been reviewed and there has been some reduction in this area, primarily due to the fact that there will no longer be a CEO role because overall responsibility for library services will be undertaken by the relevant Council Manager. In addition support for information technology previously provided by Headquarters will now be provided by each Councils staff.

Hub operation

To provide shared services across the region it has been agreed that a "hub" will be established in the former Myrtleford Council Chambers and will be operated by Alpine Shire under a Shared Service Agreement with the Member Councils. Services provided will include:

- Collection management;
- Licencing and support of the Library Management System;



- Managing collaboration between libraries in the Network;
- Financial Management; and
- Reporting on aspects of library performance.

Summary of outcomes of the change process

As a result of the change process the following has been achieved across the region:

- Staffing levels in branches will be the same to those previously existing;
- Opening hours of branches will be the same;
- Expenditure on library materials will be maintained in line with current levels; and
- Savings in the cost to the Councils of the central operation are in the order of 15% (no Corporation structure and CEO role, Councils will absorb information technology support, rental of premises and overhead costs reduced, no separate audit fee).

There will be improved opportunities for closer collaboration between libraries and other Council services.

Shared Service Agreement

With shared services to be provided by Alpine Shire, discussions have been held between the four Councils over recent months in order to develop a legal agreement which will govern how the new arrangements will operate.

Agreement has now been reached on the content of that document and it has been reviewed by legal advisers on behalf of the Councils.

The Agreement includes:

- Introduction;
- Membership;
- Structure of the Library Management Group which will be the key collaboration mechanism for the Councils;
- Information relating to how the Hub will operate and what services it will provide, how it will be staffed , what assets it will have;
- Term of the agreement which will initially be for 12 months, with provision of an option to enter into a further 3 year term;
- Provisions that would normally be expected in such an agreement relating to Entry and Exit of Members , Dispute Resolution , Review of agreement and Variation;
- Finances – Principles , Cost Attribution, Budget, Financial Reporting;
- Insurance;
- Service Delivery Principles and respective responsibilities of all members; and



- Principles of Collection Management which will be supported by more detailed operational documents.

The Hub and SWIFT

High Country Library Corporation is currently a member of SWIFT Consortium which is a cooperative network of public library services who share one Integrated Library Management System (LMS) and bibliographic databases, enabling the cost effective implementation of innovative technologies and the efficient sharing of resources.

The Municipal Association of Victoria acts as the licensing agent for and on behalf of the Consortium members, and holds the contract with the Integrated Library Management System (ILMS) vendor (SirsiDynix) for the provision of services, including the hosting of the ILMS. Each participating library enters into a Supply Agreement with the MAV for their individual requirements to be met.

Each participating library contributes a Management Fee that covers the cost of employing the Swift Business Manager on a part time basis, the Swift Systems Administrator on a full time basis, meetings and travel.

The current agreement is between MAV and High Country Library Corporation and the SWIFT Consortium have resolved to enter into a revised agreement with Alpine Shire as the new provider of central services to the High Country Library Network Councils. This is not expected to make any practical difference to operations.

ISSUES

- The Shared Service Agreement now waits signing by each Council prior to commencement of operations on 1 August.
- The former Myrtleford Chambers is currently being refurbished to accommodate the Hub. Works commenced on 22 June.
- Physical relocation of the Hub will take place the week commencing 25 August.
- Recruitment of Hub staff is currently underway and the Hub Coordinator has been appointed subject to each Council signing the Shared Service Agreement and will commence 1 August. The new Hub Coordinator is an existing HCLC employee and is assisting with the transition.
- A transition plan is in place to ensure a seamless transition for the Hub from Wangaratta to Myrtleford.

FINANCIAL AND RESOURCE IMPLICATIONS

Council adopted the Hub budget in its Annual Budget 2016/17 at its Special Meeting on 28 June. The Hub budget is also included in the Shared Service Agreement.

CONCLUSION

The transition of library services from the High Country Library Corporation to Alpine Shire Council has been underway for over 12 months. The Shared Service Agreement has been developed in partnership with each Member Council and reflects the



changes in operations and has been communicated to staff and library members over the last 3 months. On this basis it is recommended that Council adopt the Shared Service Agreement.

DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate Performance
- Manager Corporate

ATTACHMENT(S)

- 8.2.2 High Country Library Shared Service Agreement



8.2.3 Subdivision recreation reserve

File Number: 900.01

INTRODUCTION

The purpose of the report is to present Council with the capital projects completed in 2015/16 to which the subdivision recreation reserve can be applied. It is recommended that these projects be used to reduce the balance of the subdivision recreation reserve (disclosed in note 28 of Council's 2014/15 annual financial statements) as at 30 June 2015.

Cr Keeble

Cr Roper

That Council use the subdivision recreation reserve for its contribution to the following 2015/16 projects:

- 1. Mount Beauty Progressing Places Foreshore Upgrade \$13,450 from the Mount Beauty locality;*
- 2. Myrtleford McNamara Reserve Netball Court Upgrade \$15,500 from the Myrtleford locality;*
- 3. Harrietville Shared Trail Enhancements \$4,700 from the Harrietville locality;*
- 4. Playground equipment replacement:*
 - a. \$11,000 Porepunkah locality;*
 - b. \$2,000 Bright locality.*

Carried

BACKGROUND

Council maintains a subdivision recreation reserve in its general ledger. This is to provide a transparent overview of how contributions received under the *Subdivision Act 1988* (the Act) are allocated to recreational projects. Whilst not evident in the annual financial statements the reserve is further split between localities within the shire. The balance of the reserve at 30 June 2015 was as follows:

Locality	Balance
Bright	\$199,523
Myrtleford	\$15,500
Mount Beauty/Tawonga	\$13,450
Harrietville	\$16,510
Porepunkah	\$11,000
Total	\$255,983



The funds spent on playground equipment during 2015/16 exceed those detailed in this report; however the reserve is limited by the balances of each locality. The funding of the additional playground equipment has come from Council's unrestricted cash.

The reserve must only be used for public recreation, public resort, as parklands or for similar purposes as stated in the Act. Review of Council's projects in 2015/16 highlighted that Council's contribution to the recommended projects can be from the subdivision recreation reserve (restricted) rather than from Council's unrestricted cash reserves. These projects meet the criteria/purpose of public recreation.

Delivery of significant recreation projects is planned in Bright, including Pioneer Park oval drainage improvements (2016/17), and the Alpine Events Park (2016/17 through to 2018/19). These projects satisfy the requirements for funding from the subdivision recreation reserve rather than from Council's unrestricted cash reserves, and will result in the balance of the reserve for the Bright locality being substantially reduced.

POLICY IMPLICATIONS

Section 18 (1AA) of the Act applies if a requirement for public open space is not specified in the planning scheme.

1. A Council acting as a responsible authority or a referral authority under the Planning and Environment Act 1987 may require the applicant who proposes to create any additional separately disposable parcel of land by a plan of subdivision to -
 - a. set aside on the plan, for public open space, in a location satisfactory to the Council, a percentage of all of the land in the subdivision intended to be used for residential, industrial or commercial purposes, being a percentage set by the Council not exceeding 5 per cent; or
 - b. pay or agree to pay to the Council a percentage of the site value of all of the land in the subdivision intended to be used for residential, industrial or commercial purposes, being a percentage set by the Council not exceeding 5 per cent; or
 - c. do a combination of (a) and (b) so that the total of the percentages required under (a) and (b) does not exceed 5 per cent of the site value of all the land in the subdivision.

Section 18 (1A) of the Act outlines that Council may only make a public open space requirement if it considers that, as a result of the subdivision, there will be a need for more open space, having regard to -

- a. the existing and proposed use or development of the land;
- b. any likelihood that existing open space will be more intensively used after than before the subdivision;
- c. any existing or likely population density in the area of the subdivision and the effect of the subdivision on this;



- d. whether there are existing places of public resort or recreation in the neighbourhood of the subdivision, and the adequacy of these;
- e. how much of the land in the subdivision is likely to be used for places of resort and recreation for lot owners;
- f. any policies of the Council concerning the provision of places of public resort and recreation.

Section 20 of the Act outlines what the Council must do with the public open space:

1. A Council must set aside for public open space any land which is vested in the Council for that purpose.
2. The Council must use any payment towards public open space it receives under this Act or has received under section 569B(8A) of the Local Government Act 1958 but has not applied under subsection (8C) of that section or the proceeds of any sale of public open space to:
 - a. buy land for use for public recreation or public resort, as parklands or for similar purposes; or
 - b. improve land already set aside, zoned or reserved (by the Council, the Crown, a planning scheme or otherwise) for use for public recreation or public resort, as parklands or for similar purposes; or
 - c. with the approval of the Minister administering the *Local Government Act 1989*, improve land (whether set aside on a plan or not) used for public recreation or public resort, as parklands or for similar purposes.

FINANCIAL AND RESOURCE IMPLICATIONS

This report has no effect on Council's total cash balance but rather aims to reduce Council's restricted cash (reserves), thus increasing unrestricted cash. Council's reserves need to be monitored on an ongoing basis to ensure that the restricted cash is being used for appropriate projects in a timely manner.

CONCLUSION

It is recommended that Council allocate its contributions to the Mount Beauty Foreshore Upgrade, McNamara Netball Court Upgrade, Harrierville Share Trail Enhancements, and the replacement of playground equipment in Porepunkah and Bright from the Subdivision Recreation Reserve for the year ended 30 June 2015. These projects meet the criteria of public recreation as stated under the Act and will also assist in avoiding restricted cash building up.



DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Asset Development
- Manager Asset Maintenance
- Manager Corporate

ATTACHMENT(S)

- Nil



8.2.4 Plant Replacement Reserve

File Number:

INTRODUCTION

The purpose of this report is to recommend to Council that changes to the Plant Replacement Reserve and Landfill Rehabilitation Reserve be made as follows:

- Closure of the Plant Replacement Reserve and transfer the remaining balance of \$674,366.56 accumulated surplus as this reserve is no longer required; and
- Rename the Landfill Rehabilitation Reserve to Waste Reserve to be consistent with the adopted 2016/17 Annual Budget and Waste Services Charges Policy.

Cr Farrell

Cr Pearce

That Council:

- 1. Close the Plant Replacement Reserve and transfer the remaining balance to accumulated surplus; and*
- 2. Rename the Landfill Rehabilitation Reserve to Waste Reserve.*

Carried

BACKGROUND

Plant Replacement Reserve

Council has been operating a plant cost recovery process as a way of allocating and smoothing out the required investment in its plant fleet over a rolling 10 year period. This meant that plant was internally hired by and costed to projects based on direct costs such as fuel and maintenance, and indirect costs such as depreciation. If an 'internal profit' was derived in a year then this would be allocated to Council's Plant Replacement Reserve, essentially reserving funds to renew plant at a future point in time. The aim of this method was to ensure that Council had available cash to purchase new equipment as the plant fleet aged and to smooth out the budget allocation year on year.

At the time when this process was occurring, Council did not have a Long Term Financial Plan (LTFP). In July 2014 Council adopted its first LTFP and Council no longer uses the internal costing method for its plant fleet. Rather it recognises costs relating to the plant fleet centrally. On an annual basis, Council reviews what plant replacement is required and budgets for this accordingly. This is also factored into the LTFP to ensure that plant purchases are appropriate and affordable as they relate to future years in the LTFP.

The plant replacement reserve is no longer required as Council has a robust LTFP process to determine its renewal requirements. There is no requirement to 'reserve' funds to be spent on plant items and thus the current balance in the Plant



Replacement Reserve more appropriately should reside in the accumulated surplus (Council's non-reserved equity).

The amount in the reserve at 1 July 2015 was \$674,366.56 and no other transactions have been allocated to the reserve since that time.

Landfill Rehabilitation Reserve

Council maintains a Landfill Rehabilitation Reserve which has been to reserve unspent funds relating to landfill rehabilitation works that are expected to occur in future.

In the 2016/17 Budget, Council adopted a Waste Services Charges Policy which outlines how Council will spend waste services charges raised under section 162 of the *Local Government Act 1989*. This policy outlines that any unspent waste collection, recycling collection, waste management and Dinner Plain waste services charges will be transferred to a Waste reserve to be considered each year in determining future waste services charges with the aim of minimising increments being applied to ratepayers.

This report is requesting that Council amend the wording of the reserve to be consistent with that outlined in the 2016/17 Annual Budget and the adopted Waste Services Charges Policy.

POLICY IMPLICATIONS

The requested changes outlined in this report are to ensure consistency between Council's adopted 2016/17 Annual Budget, LTFP, adopted Waste Services Charges Policy and the Annual Financial Statements.

FINANCIAL AND RESOURCE IMPLICATIONS

Plant Replacement Reserve

The Plant Replacement Reserve currently has a balance of \$674,366.56 which is considered reserved funds that can only be spent on plant replacement items. This is no longer an appropriate method for the financial management of plant fleet purchases as outlined in this report. Rather all purchases are now considered on an as needs basis as part of the Annual Budget and LTFP development.

Landfill Rehabilitation Reserve

The Landfill Rehabilitation Reserve change does not have a financial impact. It is merely a change to the name to more accurately reflect its function.

CONCLUSION

The changes requested in this report are to improve consistency between key Council documents including the Annual Financial Statements and the Annual Budget and to ensure Council's funds are accounted for in the most appropriate manner. It is recommended that Council adopt the proposed changes to the Landfill Rehabilitation Reserve title and close the Plant Replacement Reserve.



DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate Performance
- Manager Corporate

ATTACHMENT(S)

- Nil



8.3 DIRECTOR ASSETS – CHARLIE BIRD

8.3.1 Dissolution of Murray to Mountains Rail Trail Committee of Management

File Number: 1766.01, 1766.07, 1767.00, 1766.51, 1767.08

INTRODUCTION

This report outlines the process to revoke and wind down the existing Murray to Mountains Rail Trail Special Committee of Council appointed under Section 86 of the *Local Government Act 1989* and reverting to the three partner Councils as individual Committees of Management under the *Crown Land (Reserves) Act 1978* for their respective local government areas.

Cr Vonarx

Cr Pearce

That Council:

- 1. Revoke the Instrument of Delegation for the Murray to Mountains Special Committee (2009) and revert to the Alpine Shire Council as the Committee of Management for the section of the Murray to Mountains Rail Trail located within the Alpine Shire municipality; and*
- 2. Advise the Department of Environment, Land, Water and Planning of its decision.*

Carried

BACKGROUND

In 1998 funding of almost \$2M was provided by the Victorian State Government, through the Community Support Fund to construct and develop Stage 1 of the Murray to Mountains Rail Trail which would connect the townships of Bright, Myrtleford, Beechworth and Wangaratta. This stage was completed and opened in September 2002.

Under Section 14 of the *Crown Land (Reserves) Act 1978*, the three Councils were appointed by the relevant Minister as the Committee of Management of the Murray to Mountains Rail Trail to manage and develop the reserve. A Memorandum of Understanding (MOU) was established in 1999 for the construction and maintenance of the trail. The *Crown Land Reserves (Murray to Mountains Rail Trail Reserve) Regulations 2003* were gazetted on 25 September 2003 to provide for the care, protection and management of the Murray to Mountains Rail Trail. The current Special Committee of Council operates under a Section 86 *Local Government Act 1989* appointment and is governed by the principles of agreement in this MOU as well as the above regulations and authorisations.

With the development and construction of the trail completed and the trail operational for a number of years, the three Councils agree it is time to consider a change to the operation and management of the Murray to Mountains Rail Trail. Discussions have been held between the three Councils and agreement reached on a



preferred way forward. This involves the revocation of the existing Special Committee of Council and the Committee of Management status reverting to the respective Councils for the section of trail that is located in their respective municipalities.

Council also has a Local Law that enables Council to manage the use and development of the trail. There is no immediate need to amend this Local Law but in 2019 when it is due for review consideration will be given to it remaining a standalone local law or incorporating it into an existing local law.

ISSUES

Future management of rail trail

A draft MOU has been prepared by the three councils in consultation with tourism North East, see Attachment 1. The MOU proposes the establishment of a technical reference group to provide advice to each council on matters such as maintenance and a strategic directions group to identify long term visions to sustain growth and development of the trail. The MOU further considers aspects of management and primary contacts within each council for correspondence and complaints, required public liability insurance, trail marketing and promotion.

Future management of rail trail

The three Councils and Tourism North East have decided that this is the most appropriate option for the future development and management of the Murray to Mountains Rail Trail.

POLICY IMPLICATIONS

Include relevant links to Council Plan, and other strategic documents.

This report relates to the following Strategic Objectives of the Council Plan:

- 1.1 - To effectively engage with stakeholders
- 2.3 - To improve the condition and management of Council's assets
- 3.1 - To support the health and wellbeing of communities.

This is the first formal step in a series of actions which will result in the changes to the way the Murray to Mountains Rail Trail is managed by the three Councils. Further steps include:

- Advising the Crown of the proposal to revoke the current Special Committee of Council and revert to the Alpine Shire Council as the Committee of Management for the Alpine Shire municipal area.
- Distribution of funds held in the existing Special Committee of Council account as agreed by the three Councils for ongoing promotion and maintenance of the trail.
- The existing Memorandum of Understanding between the three Councils be updated to reflect the new structure.



Under Section 14 of the *Crown Land (Reserves) Act 1978* the Alpine Shire Council will be the committee of management and manage and develop the Rail Trail reserve within its municipal area.

Section 17B(1) of the *Crown Land (Reserves) Act 1978* authorises the Council as Committee of Management to issue licences for the purpose of grazing for periods not exceeding three years.

FINANCIAL AND RESOURCE IMPLICATIONS

In recent years, Alpine Shire Council has allocated a budget \$10,000 p.a. to the Rail Trail Committee of Management and \$12,000 p.a. towards rail trail maintenance. It is proposed that this level of financial commitment be maintained and that a budget of \$22,000 be allocated rail trail maintenance.

Asset Maintenance will continue to have primary responsibility for activities such as: trail land licences, maintenance issues, illegal/improper use of the trail and administration duties. Other Council departments will be called upon for assistance as required

CONSULTATION

The Chief Executive Officers from the Alpine Shire Council, Indigo Shire Council, the Rural City of Wangaratta and Tourism North East have met and discussed the future management and promotion of the Murray to Mountains Rail Trail.

On the 27 May 2016 representatives from the three Councils and Tourism North East met with members of the existing Rail Trail Committee of Management (Special Committee of Council) and advised the three Councils' intention to revoke the instrument of delegation. This was supported by a letter to the Committee chairperson, signed by the three Council Chief Executive Officers.

Once Council has revoked the Instrument of Delegation for the Murray to Mountains Special Committee, Council will contact landowners that hold licences within the Murray to Mountains Rail Trail reserve and advise that Council is now the committee.

CONCLUSION

In consultation with Tourism North East representatives, officers from Alpine Shire Council, Indigo Shire Council and the Rural City of Wangaratta have collectively agreed that it is time to consider a change to the operation and management of the Murray to Mountains Rail Trail, and have communicated this with the existing Committee. Officers believe that appropriate consultation has occurred and the decision to formally revoke the instrument of delegation is now ready for Council consideration.



DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Governance Officer

ATTACHMENT(S)

- 8.3.1 Murray to Mountains Rail Trail Management Memorandum of Understanding between Alpine Shire Council, Indigo Shire Council, Rural City of Wangaratta and Tourism North East.



8.3.2 Mount Beauty Library Redevelopment

File Number: 660.03

INTRODUCTION

This report relates to the award of a Contract for the redevelopment of the Mount Beauty library.

Cr Vonarx moved the motion with an amendment to include – subject to the insurance settlement.

Cr Vonarx

Cr Farrell

That Council:

- 1. Award Contract Number CT16022 - Mount Beauty Library Redevelopment to Premier Building & Construction Pty Ltd for the lump sum price of \$347,795.00 (Excl. GST) subject to the insurance settlement.*

Carried

BACKGROUND

In June 2014, Council was awarded grant funding from the Department of Transport, Planning and Local Infrastructure (DTPLI) for the Mount Beauty Library Redevelopment. The project aim is to deliver an inspiring learning and participatory hub for the local community through better utilisation of the available space within the building to align with the key functions provided by the library.

During the 2014/15 financial year, concept and detailed designs were completed, and a tender was issued for the construction works. Submissions received in late June 2015 exceeded the available budget, which necessitated a review of the proposed design.

The library redevelopment was placed on hold whilst a strategic review of library services was carried out, prompted by the decision announced in July 2015 to disband the High Countries Library Corporation and move to a shared services model, under which Mount Beauty library will be operated by Council.

In late January 2016, the Mount Beauty library suffered significant storm damage to the upper roof and the library internals. The library was relocated and has subsequently operated from temporary premises.

Design work recommenced in February 2016 and was completed in May 2016, including a two week public consultation period.

EVALUATION

The key selection criteria listed in the invitation to tender are:

- Price
- Qualifications and previous performance



- Delivery
- Social

The evaluation panel consisted of the Director Assets, Manager Asset Development and the Project Manager.

ISSUES

The original DTPLI funding agreement activity schedule required project completion by November 2015. A variation to project completion has been successfully negotiated to March 2017. The library redevelopment is scheduled to be complete by end January 2017.

During the original construction tender, the lowest priced submission significantly exceeded the available budget. Whilst elements of the initial design had merit, commencing a new design process with a proven design consultant was considered the best option for obtaining an achievable design in a timely manner. The re-design has resulted in a net saving of over \$160,000. The current tenders also include the cost to strengthen the lower roof, which is detailed below and was not included in the scope of the previous submissions.

The draft 2016/17 capital works budget includes income from the insurance claim for repairing the damage to the library interior incurred during the storm. The claim is expected to be settled by 30 June 2016.

The project scope includes strengthening the library lower roof. Whilst the lower roof was not damaged during the storm, subsequent inspection by Council's building surveyor and a structural engineer has identified this strengthening work as being essential to mitigate potential future damage. The cost of this work is \$23,000 (Excl. GST) and it is included in the lump sum price of this contract. The insurer has confirmed that this pre-emptive work cannot be claimed under the insurance policy.

POLICY IMPLICATIONS

The tender was advertised and evaluated according to the Procurement Policy.

The invitation to tender was advertised in the Herald Sun and the Border Mail on 11 May 2016, and on the Tenders.Net and Alpine Shire Council websites.

The tender documents were downloaded by 18 prospective tenderers and 7 submissions were received.

This recommendation is in accordance with the following Strategic Objectives of the Council Plan:

- 2.3 - To improve the condition and management of Council's assets;
- 3.1 – To improve the health and wellbeing of communities;
- 4.1 - To effectively plan and deliver strategic and major projects.



FINANCIAL AND RESOURCE IMPLICATIONS

Grant funding of \$280,000 was received during the 2014/15 financial year from DTPLI. The funding was based on a total project budget of \$420,000 with the remaining \$140,000 provided from Council funds.

The Mount Beauty Library Redevelopment will be funded from Alpine Shire Council's 2016/17 capital works budget. The carry-forward into 2016/17 is \$347,200. The budget will be supplemented by income received from the insurance claim to repair storm damage to the library interior. There is sufficient budget to award the contract providing Council's insurance claim has been settled.

CONSULTATION

Community consultation was carried out during the initial project scoping period including information boards displayed in the library and Visitor Information Centre, and community forums held in Mount Beauty.

In March 2016, the concept design was put on exhibition for public consultation for a two week period. The public consultation was advertised in local newspapers, on Facebook, and the concept design was displayed at the Mount Beauty library and in the Council offices in Bright.

Mount Beauty library staff have been engaged throughout the project scoping and design phases, and their feedback has been incorporated into the design.

CONCLUSION

Following a comprehensive evaluation assessment, interviews and reference checks, the tender from Premier Building & Construction is considered to present the best value option for Council.

DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report:

- Director Assets
- Manager Asset Development
- Project Manager

ATTACHMENT(S)

- Nil



8.4 DIRECTOR SUSTAINABLE DEVELOPMENT – HEATHER GREEN

8.4.1 Tourism North East Memorandum of Understanding

File Number: 1615.18

INTRODUCTION

The purpose of this report is to provide background information and to seek Council endorsement for the signing of the Memorandum of Understanding with Tourism North East for 2017-2020.

Cr Pearce

Cr Farrell

That the:

- 1. Memorandum of Understanding between Alpine Shire Council, partnering Councils and Resort Management Boards to facilitate the operations of Tourism North East be endorsed by Council;*
- 2. Chief Executive Officer be authorised to sign the Memorandum of Understanding; and*
- 3. Financial commitment detailed in the MoU of \$35,810 per annum with CPI increases in years two and three be allocated in Council's future budgets.*

Carried

BACKGROUND

In 2011 Tourism North East (TNE) was established to replace the former marketing campaign committee called North East Victoria Tourism Inc. to drive the growth and development of the tourism industry across North East Victoria. The partnering Councils and Resort Management Boards formalised the arrangements in a Memorandum of Understanding that was signed by all partner CEO's. The Memorandum of Understanding has been in existence since, providing a commitment of recurrent funding to underwrite the core functions of the organisation.

Since its inception TNE has delivered significant results across a broad range of focus areas and successfully attracted additional financial resources from State and Federal government as well as substantial 'buy in' from tourism industry operators.

TNE has a focus on the following activities:

- Industry Development
- Product Development
- Regional Marketing
- Strong Advocacy and United Voice for the Region
- Effective Coordination and Communication



- Skills Training
- Leadership and Mentoring
- Networking

TNE has a highly skilled workforce with specialist skills around marketing, project management, communication and digital marketing which has resulted in ongoing high value outputs and a very engaged tourism industry.

TNE has a board structure which meets quarterly and is composed of nine stakeholder representatives (CEO's) and six skills based directors. Parks Victoria sit on the TNE board in a non-voting capacity. The board has an independent Chairman.

As a result of the quality of work and the broad range of focus areas of TNE, the Alpine Shire Council has been able to realise efficiency and cost savings in the delivery of destination marketing for the Alpine Shire, particularly around staff costs and marketing expenditure. The partnership between TNE and Alpine Shire Council continues to strengthen and the Shire's industry operators view TNE as a genuine partner in developing and growing the tourism industry.

The MoU is a succinct document that defines the roles and responsibilities of both TNE and the partner stakeholders.

ISSUES

Partner Organisations

The strength and success of TNE is as a result of the commitment from each of the partner stakeholders. Resourcing of the core functions of TNE is shared equally with the 9 stakeholders. This is significant in that Council's such as Alpine Shire have much greater number of operators and a much greater call on the resources of TNE.

This MoU is a continuation of the commitment from all partner stakeholders.

Term

The MoU has a three year term effective from 1 July 2017. This term provides an adequate period of time for TNE to focus on the delivery of a range of multi-year initiatives and to build confidence with state and federal governments as TNE regularly takes on the project management function for regionally significant projects that are funded through state and federal programs.

Annual Review

The board will undertake an annual review of the organisation including the performance of the board, the strategic direction of the organisation and the performance of the CEO and staff.

FINANCIAL AND RESOURCE IMPLICATIONS

The MoU will commit Council to three years of core funding of \$35,810 per annum with CPI increases in years two and three. Historically additional activity funding is paid to TNE for regional marketing initiatives, industry and product development programs as well as research projects. This financial commitment allows TNE to focus



on program delivery and not spend valuable time seeking funding to remain operational.

CONSULTATION

Ongoing consultation with Council and tourism industry operators and tourism partner organisations is an ongoing process. TNE has significantly improved the level of integration with industry, Council and other stakeholders since the organisations inception.

CONCLUSION

Council's involvement in TNE since its inception has been of great benefit to the shire and the tourism industry. It is clear that this commitment should continue for another three years.

DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the Local Government Act 1989, the following officers declare that they have no interests to disclose in providing this report.

- Director Sustainable Development
- Manager Economic and Community Development

ATTACHMENT(S)

- 8.4.1Memorandum of Understanding (Tourism North East)



9 ASSEMBLY OF COUNCILLORS

INTRODUCTION

Section 80A of the *Local Government Act 1989* requires a written record of Assemblies of Councillors to be reported at an ordinary meeting of the Council and to be incorporated in the minutes of the Council meeting.

Cr Pearce

Cr Keeble

That the summary of the Assemblies of Councillor for June 2016 be received.

Carried

BACKGROUND

The written records of the assemblies held during the previous month are summarised below. Detailed assembly records can be found in Attachment 9.0 to this report.

Date	Meeting
7 June	Briefing Session
21 June	Briefing Session
28 June	Briefing Session

ATTACHMENT(S)

- 9.0 Assemblies of Councillors – June 2016



10 PRESENTATION OF REPORTS BY DELEGATES

INTRODUCTION

Councillor representation on various committees occurs where Council has an interest. Delegate reports contain information about meetings attended, and the outcomes of those meetings that affect Council.

Cr Keeble

Cr Farrell

That the summary of the presentation of reports by delegates for June 2016 be received.

Carried

BACKGROUND

The written records of the delegates reports held during the previous month are summarised below. Detailed delegates reports can be found in Attachment 10.0 to this report.

Date	Meeting	Councillor
8 June	Municipal Emergency Management Planning Committee	Cr Ron Janas
8 June	Community Resilience Committee	Cr Ron Janas
9 June	Rural Councils Victoria	Cr Jan Vonarx
9 June	Timber Towns	Cr Jan Vonarx

ATTACHMENT(S)

- 10.0 Presentation of Reports by Delegates – June 2016



11 GENERAL BUSINESS

Cr Keeble – Reminded the gallery to attend the opening of the foreshore in Mount Beauty to be held on Wednesday 6 July

12 MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN

Nil

13 RECEPTION AND READING OF PETITIONS

Nil



14 DOCUMENTS FOR SEALING

Cr Roper

Cr Keeble

That the following documents be signed and sealed.

- 1. Revised Investment Policy No 73 be signed and sealed.*
- 2. Finance Committee Charter No 002 be signed by Cr Keeble and Cr Roper as Councillors on its Finance Committee.*
- 3. Section 173 Agreement – Mario Silvano Rossaro*

Lot 1 on Title Plan 518640M. Volume 8591 Folio 698

Condition 3 of Planning Permit 2013.46.1 for a 2 lot subdivision and creation of easements at 147A Kiewa Valley Highway, Tawonga South.

The Agreement states that an overall development plan is required before subdivision and development occurs. The land must not be further subdivided for the purpose of further development.

Carried

There being no further business the Chairperson declared the meeting closed at 8:20 pm.

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Chairperson