



ORDINARY COUNCIL MEETING

MINUTES

M9 – 5 September 2017

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 September 2017** and commenced at **7:04pm**.

PRESENT

COUNCILLORS

Cr Ron Janas – Mayor
Cr Tony Keeble – Deputy Mayor
Cr Peter Roper
Cr Kitty Knappstein
Cr Sarah Nicholas
Cr Daryl Pearce

OFFICERS

Mr Charlie Bird – Chief Executive Officer
Ms Nathalie Cooke – Director Corporate
Mr Will Jeremy – Acting Director Assets

APOLOGIES

Cr John Forsyth



AGENDA

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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 is focused on a specific area however audio from the entire room is captured.

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

In common with all narrative during council meetings verbal responses to congratulations, obituaries and question time will not be recorded in the written minutes.

The reasoning behind recording council meetings is of course to hold us more accountable and improve transparency of council's decision making to our community.

The full meeting is being streamed live on Council's YouTube channel which is "Alpine Shire Council" and will also be available on the YouTube channel shortly after this meeting.

2 ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS, AND RECOGNITION OF ALL PEOPLE

The CEO 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 – M8

Cr Knappstein

Cr Keeble

That the minutes of Ordinary Council Meeting M8 held on 1 August 2017 as circulated be confirmed.

Carried

4 APOLOGIES

5 OBITUARIES / CONGRATULATIONS

6 DECLARATIONS BY COUNCILLORS OF CONFLICT OF INTEREST



7 PUBLIC QUESTIONS ON AGENDA ITEMS

Questions on Notice will be limited to two questions per person.

Questions on Notice can be written or from the floor.

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



8 PRESENTATION OF REPORTS BY OFFICERS

8.1 CHIEF EXECUTIVE OFFICER – CHARLIE BIRD

8.1.1 Nil



8.2 ACTING DIRECTOR ASSETS – WILLIAM JEREMY

8.2.1 Contract 1705101 Alpine Events Park – Multipurpose Facility Construction

File Number: 1780.87

INTRODUCTION

This report relates to the award of Contract 1705101 - Multipurpose Facility Construction as part of the Alpine Events Park project.

Cr Roper

Cr Nicholas

That Council awards Contract No. 1705101 Alpine Events Park – Multipurpose Facility Construction to Barton St. Developments for the lump sum price of \$1,819,787 + GST.

Carried

BACKGROUND

In May 2016, Council was awarded grant funding of \$1.87 million from the Commonwealth Department of Infrastructure and Regional Development's National Stronger Regions Fund for the redevelopment of Pioneer Park into the Alpine Events Park. A further \$1.87 million has been committed by Council, the plantation operator HVP, Alpine Community Plantations, and the Bright United Football and Netball Club, bringing the total project budget to \$3.74 million.

The project will deliver a scalable outdoor precinct capable of hosting events large and small with the aim of increasing economic development in the region. The project is being delivered across four financial years, between 2015/16 and 2018/19. The Multipurpose Facility is the largest component of the project.

Detailed design was completed in June 2017, and the work was subsequently tendered. The invitation to tender was advertised in the Alpine Times/Observer and Herald Sun on 5 and 8 July 2017, and on the Tenders.net and Alpine Shire Council websites.

The Tender documents were downloaded by 14 prospective Tenderers, and five submissions were received.

The MPF contract includes the following works:

1. Demolition of the existing pavilion;
2. Partial demolition of the lower change room building;
3. Refurbishment and expansion of the lower change room building;
4. Construction of a new upper level facility;
5. Civil works around the facility; and
6. Restoration of the grandstand, which is located within a heritage overlay.



EVALUATION

The key selection criteria listed in the Invitation to Tender are:

1. Price
2. Qualifications and previous performance
3. Delivery
4. Social.

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

Following the initial assessment, three of the tenders were shortlisted for further evaluation. The tenderers were invited to clarify aspects of their tender, present their qualifications and evidence of previous performance, and confirm their proposed methodology including their ability to meet the required timeframes. The shortlisted tenders were then reassessed in accordance with the selection criteria.

Following the assessment of the shortlisted offers by the evaluation panel it was determined that the tender from Barton St. Developments best met the selection criteria.

ISSUES

The commencement date for construction is immediately after the last football game of the 2017 season; however construction of the pavilion will not be completed before Easter 2018, when the first game of the 2018 season will be held.

A staged completion to the construction program has been agreed with Barton St. Developments, whereby the lower-level works will be completed before Easter, and ahead of the upper-level works which will be completed after Easter. The refurbished lower-level facilities will therefore be available for use over the Easter weekend. This approach has been agreed in consultation with representatives of the Bright United Football and Netball Club.

POLICY IMPLICATION

The tender was advertised and evaluated according to Council's Procurement Policy.

This recommendation is in accordance with the following Strategic Objective of the Council Plan 2017-2021:

- Strategic Objective 3: Incredible places for our community and visitors.

FINANCIAL AND RESOURCE IMPLICATIONS

There is sufficient budget within the Alpine Events Park project budget to deliver the scope of the Multipurpose Facility and award this contract for the recommended amount.



CONSULTATION

A Community Working Group was established at the commencement of the Alpine Events Park project, with a nominated representative from each of the key user groups in Pioneer Park. This group has been consulted regularly throughout the development of the functional layout and detailed design for the Multipurpose Facility and the architectural documentation package which was issued for tender incorporates the input from this group.

During construction, use of the park facilities will be interrupted. Feedback has been sought from all Pioneer Park user groups on their calendar of events planned in the Park, and a construction window has been identified which aims where possible to minimise impact on events, sporting activities and general users of the park. Staged completion of the construction works has been agreed with representative of United Bright Football and Netball Club to make lower level facilities available for use over the Easter weekend.

Consultation with user groups will continue throughout the delivery of the Multipurpose Facility construction works.

CONCLUSION

Following a comprehensive Tender evaluation assessment, interviews and reference checks, the Tender from Barton St. Developments 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:

- Project Coordinator
- Project Manager
- Acting Manager Asset Development
- Acting Director Assets
- Chief Executive Officer

ATTACHMENT(S)

- Nil



8.2.2 Architectural Services

File Number: 01780.82

INTRODUCTION

This report relates to the award of Contract 1705601 Architectural Services - Myrtleford Indoor Sports Stadium Expansion and McNamara Reserve Multi-Sports Facility.

Cr Roper

Cr Keeble

That Council awards contract 1705601 Architectural Services - Myrtleford Indoor Sports Stadium Expansion and McNamara Reserve Multi-Sports Facility to K20 Architecture for the lump sum price of \$161,997 + GST.

Carried

BACKGROUND

Myrtleford Indoor Sports Stadium Expansion

In February 2017, Council was awarded grant funding of \$1.3 million from the State Government's Better Indoor Stadiums fund for the expansion of the Myrtleford Indoor Sports Stadium. A further \$1.25 million has been committed by Council, with a \$50,000 contribution from the Myrtleford and District Basketball Association bringing the total project budget to \$2.6 million. The project is being delivered across two financial years, and scheduled to be completed by 30 June 2019.

The scope of the project is to expand the existing stadium with the addition of:

- One additional 900m² multi-use court space with sprung timber floor;
- Accessible change rooms;
- Two ambulant toilets;
- Covered entry to facility;
- Store room;
- Forty unsealed car parks;
- Evaporative cooling.

McNamara Reserve Multi-Sports Facilities

In January 2017, Council was awarded grant funding of \$100,000 from the State Government's Community Sports and Infrastructure Fund for development of the McNamara Reserve Multi-Sports Facility. A further \$400,000 has been committed by Council, bringing the total project budget to \$500,000.

The scope of the project is to deliver a new multi-sports facility to replace the existing amenities building at the multi-use courts in the McNamara Reserve in Myrtleford.

The new multi sports facility will provide:



- Two family-friendly unisex change rooms with showers and toilets;
- One umpire change room with shower;
- One fully accessible toilet with shower;
- A kiosk;
- An office with first-aid station.

EVALUATION

The Invitation to Tender was advertised in the Alpine Times/Observer and Herald Sun, and on the Tenders.net and Alpine Shire Council websites. The tender documents were downloaded by 21 prospective tenderers, and five submissions were received.

The key selection criteria listed in the Invitation to Tender are:

1. Price
2. Qualifications and previous performance
3. Delivery
4. Social.

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

Following the initial assessment, two of the tenders were shortlisted for further evaluation. A detailed review of the two preferred tender was completed including tender interviews, reference checks, and an assessment of the designs completed for previous projects.

Following the assessment of the shortlisted tenders by the evaluation panel it was determined that the tender from K20 Architecture best met the selection criteria.

ISSUES

To attain best value and considering the overlap between scopes, the required architectural services for two discrete projects have been tendered as separable portions within the same Request for Tender:

- Separable Portion A: Myrtleford Indoor Sports Stadium Expansion
- Separable Portion B: McNamara Reserve Multi-Sports Facility.

Using the tender evaluation criteria, the tenders were evaluated on the basis of awarding individual separable portions to different tenderers, and as a combined award to a single tenderer. Four out of the five tenderers offered a price discount if awarded both separable portions.



POLICY IMPLICATIONS

The tender was advertised and evaluated according to Council's Procurement Policy.

This recommendation is in accordance with the following Strategic Objective of the Council Plan 2017-2021:

- Strategic Objective 3: Incredible places for our community and visitors.

FINANCIAL AND RESOURCE IMPLICATIONS

There is sufficient allocation within the project budgets of both the Myrtleford Indoor Sports Stadium Expansion and the McNamara Reserve Multi-Sports Facility projects to deliver the planned scope of architectural services through award of this Contract.

CONSULTATION

Myrtleford Indoor Sports Stadium

A detailed feasibility study was carried out in support of the grant funding application, through which the needs and aspirations of the current and proposed user groups were identified, the existing facilities were assessed, and the local demographic and current sporting trends were considered.

The concept design and cost estimate were developed in close consultation with the existing user groups, the State sporting organisations, and Sport and Recreation Victoria.

Further consultation with user groups and other stakeholders will be conducted throughout the design refinement and detail design development.

McNamara Reserve Multi-Sports Facilities

The highest priority action recommended in the 2012 McNamara Recreation Reserve Masterplan is "upgrade the multi-use courts amenities building with a particular focus on improving the toilets and installing fully accessible facilities".

The project team worked closely with the Reserve Committee, user groups, and the architect through the concept design phase to identify the requirements of each group. Input was sought from Sport and Recreation Victoria. Several conceptual design workshops were conducted and a final floorplan and layout agreed by all stakeholders.

Further consultation with user groups and other stakeholders will be conducted during the design refinement and detail design development.



CONCLUSION

Following a comprehensive tender evaluation assessment, interviews and reference checks, the tender from K20 Architecture 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.

- Project Manager
- Acting Director Assets
- Acting Manager Asset Development
- Chief Executive Officer

ATTACHMENT(S)

- Nil



8.2.3 Dinner Plain Event Funding Program 2017/18

File Number: 1608.12

INTRODUCTION

This report outlines the recommended distribution of Dinner Plain's \$80,000 event funding budget for the 2017/18 financial year.

RECOMMENDATION

Cr Pearce

Cr Nicholas

That Council:

1. *Allocates financial sponsorship to events at Dinner Plain as follows:*

<i>EVENT NAME</i>	<i>APPLICANT</i>	<i>FUNDING</i>
<i>Mile High Trail Run</i>	<i>Running Wild</i>	<i>\$1,000</i>
<i>Bright Mountain Film Tour</i>	<i>Handcut Productions</i>	<i>\$1,200</i>
<i>Dinner Plain Mountain Bike Enduro and Funduro</i>	<i>BASE</i>	<i>\$4,000</i>
<i>Sled Dog Challenge</i>	<i>Altitude 5000</i>	<i>\$6,000</i>
<i>Easter Festival</i>	<i>Alpine Shire</i>	<i>\$5,500</i>
<i>Flickerfest / Australia Day</i>	<i>Alpine Shire</i>	<i>\$5,000</i>
<i>New Year's Eve Fireworks and Entertainment</i>	<i>Alpine Shire</i>	<i>\$5,000</i>
<i>Snow Season Opening Weekend Fireworks</i>	<i>Alpine Shire</i>	<i>\$4,000</i>
<i>Total</i>		<i>\$31,700</i>

2. *Provides delegation to the Chief Executive Officer on any distribution of the residual funds, \$5,835.*

Carried

BACKGROUND

\$80,000 was adopted by Council in the 2017/18 budget to assist with the delivery of events in Dinner Plain, in line with the previous year. Events are vitally important for the economy of Dinner Plain and a key driver of tourism, particularly in the green season.



The recommendation for funding is to support a mixture of event types spread over the year. These include existing successful events and emerging events designed to attract visitation by targeting key school holiday and public holiday periods.

An events funding panel comprising of Dinner Plain residents and business owners met to discuss the allocation of funding, and they support the recommendations as outlined.

Attracting event organisers to Dinner Plain is challenging, but ongoing event activity is critical for Dinner Plain's economy. Some events identified for funding have been proposed by Alpine Shire Council as a means of supporting the Dinner Plain economy. All events proposed by Alpine Shire Council are free events for the general public to attend and are targeted at holiday periods.

ISSUES

Two events not listed in the table above will impact this year's events budget:

Geebung Polo

The event organiser for the Geebung Polo, Focal Promotions, was contracted to deliver the event for four years (2015-18). Funding for the 2018 event has been approved for \$15,000 as part of the current contract.

Ice Skating

A pop-up Ice Skating rink operated in Dinner Plain in July 2017. The rink was partially funded from the 2016/17 events budget, with further operational expenses falling within this financial year. The rink was well received; however income was well below that which would be needed to make it a financially viable event to run again.

Therefore ice skating will not return in 2018. The carryover costs of this event have been included in the 2017/18 events budget.

EVENT INFORMATION

(a) Overview

The following table outlines the events that applied for funding, the amount requested, and the amount recommended.



EVENT NAME	2016 FUNDING	2017 REQUESTED FUNDING	2017 RECOMMENDED FUNDING
Mile High Trail Run	\$1,500	\$1,000	\$1,000
Bright Mountain Film Tour	New Event	\$1,200	\$1,200
Mountain Bike Enduro and Funduro	\$4,000	\$4,000	\$4,000
Sled Dog Challenge	\$6,000	\$6,000	\$6,000
Easter Festival	\$5,000	\$5,500	\$5,500
Flickerfest / Australia Day	\$5,000	\$5,000	\$5,000
New Year's Eve Fireworks and Entertainment	\$7,000	\$5,000	\$5,000
Snow Season Opening Weekend Fireworks	\$3,500	\$4,000	\$4,000
Geebung Polo	\$16,000	\$15,000	\$15,000
Ice Skating (Carryover Costs)	\$20,000	\$27,465	\$27,465
Total	--	\$74,165	\$74,165
Events budget			\$80,000
Balance			\$5,835

(b) Event Descriptions

Mile High Trail Run

Date: Saturday 18 November 2017

Now in its fifth year, this alpine trail running event promotes the scenic trails around Dinner Plain village and the Alpine National Park. Suited to varying abilities, it has four runs – 1km, 5km, 10km and 21km – with staggered start times. About 170 runners are anticipated in 2017. This event aligns well with Dinner Plain's environment and existing trail network. In addition, it aligns with Tourism North East's 7 Peaks Trail Running initiatives. It occurs at a time of year of seasonally low visitation. Funding is being sought for marketing and management expenses.

Bright Mountain Film Tour

Date: Thursday 4 January 2018

This event ran successfully for the first time in the towns of Bright, Mount Beauty and Harrietville in 2016 and is seeking to add Dinner Plain to its list this year. The timing of this event should help encourage return visitation during the January holiday period and complement the Dinner Plain Mountain Bike (MTB) Enduro. It also promotes outdoor adventure activities complementary to the alpine region. The organiser envisages a film festival similar to the Banff Film Festival, but with an Australian mountain flavour and with the exclusion of activities that can't be done in our region (i.e. surfing / desert treks etc.).



MTB Enduro and Funduro

Date: Saturday 6 - Sunday 7 January 2018

The Enduro features a number of different mountain bike race categories that utilise the scenic trails around Dinner Plain. The event also includes a one-hour Funduro that loops around the village for kids and families. This event was run in April last year and is being moved to the January school holidays to capitalise on the rise in mountain bike visitation to Bright over the summer holidays. This event aligns with the promotion of Dinner Plain's tracks and trails and the future development of additional mountain bike trails around the village.

Dinner Plain Sled Dog Challenge

Date: Saturday 11 – Sunday 12 August 2018

This is Australia's first and longest running sled dog race and attracts about 70 teams from around the country. It's a free event for spectators over two days. This will be the 25th year this event has run. It is a mainstay of the Dinner Plain events calendar and a tourist attraction for the post school holiday period in August. Dinner Plain reaches capacity for a number of days as a result of this event. Further to being an economic driver, this event is valuable as a marketing tool and captures widespread media attention. Full funding is recommended in 2017/18 as this event plans a special celebration for its 25-year milestone.

Snow Season Opening Weekend Fireworks

Date: Sunday 10 June 2018

A free event, the annual opening weekend fireworks are a popular attraction and create a celebratory atmosphere in the village to mark the start of the season. The fireworks attract return visitation and complement the opening weekend activities of Dinner Plain's business operators.

Easter Festival

Date: Saturday 31 March – Sunday 1 April 2018

A free event, the Easter Festival is a mainstay of the Dinner Plain events calendar and a major driver of visitation during March/April. This festival, combined with the annual Geebung Polo, sees Dinner Plain reach capacity over the Easter Long Weekend. The funding covers activities such as the popular Easter Egg Hunt, jumping castle, children's entertainment and face painting.

Flickerfest / Australia Day

Date: Friday 26 January 2018

Flickerfest – an open air cinema night screening the best Australian short films on the ski slope - was run for the first time in 2017 to attract visitation to Dinner Plain on the Australia Day public holiday. The event received excellent feedback for its first year and funding is recommended to book an outdoor cinema screen, audio and technician, pay film royalties and book other entertainment.



New Year's Eve Fireworks

Date: Saturday 31 December 2018

New Year's Eve fireworks were trialed for the first time in Dinner Plain in 2016 with a family 9pm show and midnight show. Dinner Plain businesses reported that visitation almost doubled (off a very small base) as a result and it is anticipated that the continuation of New Year's Eve celebrations will result in further growth at this time of year. For 2017, funding is being requested for a 9pm show only, with further children's entertainment to be booked. The entertainment and fireworks complement New Year's Eve celebrations held at Dinner Plain's venues.

POLICY IMPLICATIONS

The Dinner Plain Event Funding program is consistent with the following strategic objective in the Council Plan 2017-2021:

- Strategic Objective 7: A thriving and connected community.

FINANCIAL AND RESOURCE IMPLICATIONS

The recommended funding for events in Dinner Plain is within the adopted budget of \$80,000 for the 2017/18 financial year. It is recommended the balance of \$5,835 be left unallocated, considered for event opportunities that may arise this financial year, and allocated accordingly at the discretion of the Chief Executive Officer.

CONSULTATION

The events and recommended funding amounts were submitted in a report to a panel comprising of Dinner Plain residents and business owners and discussed at a meeting on 15 August 2017. This panel has endorsed the requests put forward in this report.

CONCLUSION

Events are a key driver of visitation to Dinner Plain and investment in event activities is essential to support the Dinner Plain economy.

The amounts approved for events in Dinner Plain in 2017/18 have been endorsed by a panel of Dinner Plain community and business representatives and the allocated funding is deemed sufficient in ensuring these events take place.

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.

- Marketing and Events Officer, Dinner Plain
- Manager Economic and Community Development
- Acting Director Assets

ATTACHMENT(S)

- Nil



8.3 DIRECTOR CORPORATE – NATHALIE COOKE

8.3.1 High Country Library Network Shared Service Agreement

File Number: 660.07

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 continue the High Country Library Network shared service for the period 1 October 2017 to 30 June 2020.

Cr Keeble

Cr Nicholas

That Council:

Sign and seal the High Country Library Network Shared Service Agreement for the period 1 October 2017 to 30 June 2020 at a total estimated cost of \$465,000 (inclusive). This total estimated cost includes both operational costs of approximately \$219,000 and collections contributions costs of approximately \$246,000 (inclusive).

Carried

BACKGROUND

Alpine Shire Council commenced library hub coordination on 1 August 2016 as a shared services model with Mansfield Shire, Benalla Rural City and Rural City of Wangaratta. The formative service was undertaken under the High Country Library Network Shared Service Agreement August 2016 ("Hub" services) for an initial 12 month period. The 12 month Agreement expired 1 August 2017 and a new Agreement has been drafted with a proposed commencement date of the 1 October 2017. Participating councils have agreed to continue under the terms of the existing Agreement until such time as a new Agreement has been entered into.

An extensive desktop procurement review of Hub operations has been undertaken by Benalla Rural City Council. The review determined the Hub arrangement was the most effective model for the delivery of library services to the member Councils, achieving value for money and procurement objectives.

A new service agreement, concluding 30 June 2020 has been developed. It is believed that a longer term Agreement will:

- Reduce Agreement administration
- Provide surety for ASC staff
- Improve supplier relationships
- Generate productivity gains through longer term planning.



Specifically, the Hub provides collection, cataloguing and support services relating to the High Country Library Network, with the costs being shared by each Member based on a cost attribution formula which is based on a percentage of population.

In operating the Hub, Alpine Shire Council has committed to provide high quality services to the other Members.

The service will support the Members to:

- Encourage and promote optimal use by the community of library services;
- Develop and maintain customer service standards; and
- Develop and maintain a diverse collection which meets the needs of our community.

ISSUES

- The Shared Service Agreement is being signed by each member Council at different times in their Ordinary Council Meeting cycle.
- The current Shared Service Agreement nominally expired on the 1 August 2017; participating Councils of this shared service have agreed to continue under the terms of the existing Agreement until such time as a new Agreement is entered into.
- Under sub-section 186(1) of the *Local Government Act 1989* the value of this Agreement exceeds the limits under which a Council must invite tender for services. Therefore for the member councils of Benalla Rural City, Mansfield Shire and the Rural City of Wangaratta a Ministerial Policy Exemption under sub-section 186(5) (c) has been sought. Alpine Shire council has been advised by representatives of the Department of Environment, Land, Water and Planning that as the provider of the shared service arrangement a Ministerial Policy Exemption is not required.
- The Agreement references a "to be" operating model to be transitioned to during the life of the Agreement. This operating model transitions the Hub staffing to report to the Manager Facilities.

POLICY IMPLICATIONS

This recommendation is in accordance with the following Strategic Objective of the Council Plan 2017-2021:

- Strategic Objective 5: Highly utilised and well managed community facilities



FINANCIAL AND RESOURCE IMPLICATIONS

The proposed Shared Service agreement is for a period of 34 months (with the option to extend for a further 3 years.) Alpine Shire Council's contribution each financial year will be approximately \$155,000 per annum, or \$465,000 over the term of the Agreement; of which the operations contribution forms \$73,000 per annum and the collections contribution forms \$82,000 per annum. This value exceeds the CEO's delegation for awarding a contract and as such requires a Council Resolution.

Council adopted the Hub budget in its Annual Budget 2017/18 at its Special Meeting held on 27 June 2017. The year one Hub budget is also included at Appendix G in the Shared Service Agreement.

CONSULTATION

The High Country Library Network management group and associated officers have been consulted throughout the development of the Agreement, and the current service Agreement continues to exist until the finalising of a new Agreement.

CONCLUSION

The transition of library services from the High Country Library Corporation to Alpine Shire Council is complete. The High Country Library Network Shared Service Agreement 1 August 2016 has been in successful operation for over twelve months.

It is recommended to continue with the Hub servicing model and enter into the new Shared Service Agreement for the provision of Hub services until 30 June 2020 (with a further option to extend for 3 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.

- Accountant
- Director Corporate

ATTACHMENT(S)

- 8.3.1 The High Country Library Network Shared Service Agreement, October 2017 – June 2020.



8.3.2 Annual Financial Report and Performance Statement - adoption in principle

File Number: 900.02

INTRODUCTION

The purpose of this report is to present the draft Annual Financial Report and Performance Statement for the year ended 30 June 2017 for review and endorsement.

Cr Roper

Cr Keeble

That Council:

- 1. Adopt in principle the Annual Financial Report and Performance Statement for the year ended 30 June 2017.*
- 2. Authorises Cr Knappstein and Cr Nicholas to certify the Annual Financial Report and Performance Statement for the year ended 30 June 2017 on behalf of Council, once any amendments or changes are made as requested by the Victorian Auditor General.*

Carried

BACKGROUND

Each year Council is required to prepare an Annual Financial Report containing financial statements that are audited according to Australian Accounting Standards.

The financial statements show Council's financial performance, financial position, and cash flows against the previous year and comprise of a:

- Comprehensive Income Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Statement of Capital Works.

In summary, Council ended the 2016/17 year with a surplus of \$8.6 million, which is in excess of that predicted in the 2016/17 Annual Budget.

1. Income

The favourable surplus is largely attributed to Council receiving additional income in 2016/17 of \$7.4 million which wasn't included in the 2016/17 budget.

This income can be broken down into the following categories:

1.1 Additional grant income

Council has received additional grant income (both operating and capital) of \$3.7million favourable to the 2016/17 budget.



This amount includes receiving half of the allocation of the Financial Assistance Grants from the Victorian Grants Commission for the 2017/18 financial year within the 2016/17 year, being an unbudgeted payment of \$1.8 million.

In addition Council had successful grant applications awarded during the 2016/17 financial year and received unbudgeted grant income for projects of which \$871,000 of works are to be completed in 2017/18. These projects include:

- Myrtleford Indoor Sports Stadium Expansion - \$520,000 with no associated expenses in 2016/17.
- McNamara Reserve Netball and Tennis Facilities - \$90,000 with no associated expenses in 2016/17.
- Mount Beauty Pool Upgrade - \$180,000 with no associated expenses in 2016/17.
- Porepunkah Alpine Better Places - \$200,000, expensed in 2016/17.

1.2 Statutory fees fines, and user fees

Council received higher than expected statutory and user fees. This was mainly due to an increase in property development activity, resulting in an increase in statutory planning income and building inspection fees. Fine revenues also increased, including fines collected in conjunction with the 2016 Council election. Revenue for most other services was also higher than expected.

1.3 Contributions non-monetary

\$890,000 was received by Council in the form of road and drainage assets associated with new subdivisions, this amount was larger than expected in the 2016/17 budget.

1.4 Assets previously not recognised

As a result of mapping Council's drainage assets, an additional 21km of assets were identified and recognised as income which is calculated to a value of \$2.5 million.

2. Expenditure

2.1 Employee Costs

Employee costs were lower than budgeted by \$918,000. A wage freeze included in Council's Enterprise Agreement, approved in December 2016, as well as a number of budgeted positions remaining vacant during the year contributed to this result.

2.2 Materials and services

Materials and services expenditure is higher than budgeted. Influencing this result was \$2.4 million of project expenditure identified as operating expenditure and expensed to materials and services instead of capitalised, including:

- Flood damage - \$821,000 of works to restore damaged assets.
- Alpine Better Places Porepunkah - \$611,000 of works that related to outdoor furniture and landscaping, which have not been capitalised under Council's capitalisation policy.



- Alpine Better Places Mafeking Square - \$404,000 of works that related to outdoor furniture and landscaping, which have not been capitalised under Council's capitalisation policy.

There were a number of other projects with components that were not capitalised as they fell outside Council's capitalisation policy. Excluding the \$2.4 million of project works that were not capitalised, the materials and services budget would have had a \$1.0million favourable result.

2.3 Capital Works

Capital works expenditure is lower than budgeted. Influencing this result was \$2.4 million of project expenditure identified as operating expenditure and expensed to materials and services instead of capitalised (as identified in section 2.2), as well as \$996,000 of capital works carried forward for planned project delivery in 2017/18.

In addition, \$1.7 million of capital works carried forward from 2015/16 was delivered in 2016/17 and \$344,000 of unbudgeted works were delivered in 2016/17. These unbudgeted works included:

- A new box culvert crossing of German Creek on Dunstan Track near Bright - \$136,000.
- A new shelter in Cundy Park, Myrtleford - \$58,000.
- A study into flood remediation along Nil Gully Creek, Myrtleford - \$52,000.

3. Performance Statement

The 2017 year is the third year of the Local Government Performance Reporting Framework (LGPRF) and the associated uniform Performance Statement across all Victorian councils. 2017 service performance indicators are generally consistent with the previous year, with a few showing a slight decrease on the previous year. In general those measures that decreased were explainable by closures or relocation of facilities to allow for upgrades and repairs. This impacted on visitation, which in turn resulted in a reduction in the performance measure.

Some movement in financial indicators has occurred, primarily due to Council Financial Assistance Grant payments for 2017/18 being paid in the previous financial year. The indicators show that Council is financially sustainable and that services are being delivered within expected parameters.

ISSUES

The Annual Financial Report and Performance Statement were still being audited at the time of writing this report. While the Victorian Auditor General can still make changes, any changes would be expected to be minor in nature. The Financial Statements must be adopted by Council prior to 30 September each year as required by section 133 of the *Local Government Act 1989* (the 'Act').

The authorised Councillors will be required to certify the report and statement after any amendments or changes requested by the Victorian Auditor General have been made.



POLICY IMPLICATIONS

Section 131 of the Act requires Council to prepare an annual report which contains:

- Audited financial statements;
- Audited performance statements; and
- Audited financial statements against the budget (127) known as Standard Statements.

Section 132 of the Act requires Council to submit an annual financial report which is audited.

Division 2 of the *Local Government (Planning and Reporting) Regulations 2014* prescribe the performance statement contents and form.

Part 3 of the *Audit Act 1994* requires Council's auditors to prepare a report on the financial statements.

The development of the Annual Financial Report and Performance Statement is in line with the strategic objectives of the 2017-2021 Council Plan, namely Strategic Objective 2 being a responsible and sustainable organisation.

FINANCIAL AND RESOURCE IMPLICATIONS

The draft Annual Financial Report and Performance Statement for the year ended 30 June 2017 show that Council is financially sustainable and that Council services are being delivered within expected parameters.

CONSULTATION

The Audit Committee charter details that the committee is required to review the annual financial report, and consider whether it is complete, consistent with information known to audit committee members, and reflects appropriate accounting principles. The draft Annual Financial Report and Performance Statement for the year ended 30 June 2017 is scheduled for Audit Committee review and endorsement in principle on 5 September 2017.

CONCLUSION

Council ended the 2016/17 year with a surplus of \$8.6 million, which is in excess of that predicted in the 2016/17 Annual Budget. The favourable surplus is largely attributed to Council receiving additional income in 2016/17 of \$7.4 million; this includes additional grant income (operating and capital) of \$3.7 million favourable to budget and the mapping of an additional 21km of drainage assets previously not recognised to a value of \$2.5 million. A decrease in expenditure which includes a reduction to budget of employee costs by \$918,000 has also had an impact.

Materials and services expenditure is higher than budgeted. Influencing this result was \$2.4 million of project expenditure identified as operating expenditure and expensed to materials and services instead of capitalised. Excluding the \$2.4 million of project works that were not capitalised and carried over works to 2017/18, the capital works spend is on budget.



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
- Acting Director Assets
- Accountant
- Governance Officer

ATTACHMENT(S)

- 8.3.2 (a) 2016/17 Financial Statements (Draft)
- 8.3.2 (b) 2016/17 Performance Statement (Draft)



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 Keeble

Cr Roper

That the summary of the Assemblies of Councillor for July / August 2017 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
25 July	Briefing Session
1 August	Briefing Session
15 August	Briefing Session
22 August	Briefing Session

ATTACHMENT(S)

- 9.0 Assemblies of Councillors – July / August 2017



10 GENERAL BUSINESS

11 MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN

12 RECEPTION AND READING OF PETITIONS



13 DOCUMENTS FOR SEALING

Cr Knappstein

Cr Nicholas

That the following documents be signed and sealed.

1. *Section 173 Agreement – San Trevi Pty Ltd Lot 1 on Title Plan 822378 Volume 8177 Folio 130 Condition 46 of Planning Permit 2016.82.1 for a five (5) lot subdivision at 38-62 Mummery Road, Myrtleford.*

The Agreement addresses conditions for earthworks, fencing, floor levels and rainwater tanks.

2. *Employment contract between Council and the Chief Executive Officer.*
3. *Transfer of Land from Border Plant Hire Pty Ltd to Alpine Shire Council being the land contained on Lot 4 PS810065E being part of Volume 11402 Folio 499 and Volume 11642 Folio 667.*
4. *Deed of Variation to Lease between Minister for Education for and on behalf of the State of Victoria and Alpine Shire Council.*

Carried

There being no further business the Chairperson declared the meeting closed at 7:49 p.m.

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Chairperson