



FINANCE & RESOURCES COMMITTEE MEETING AGENDA

**to be held on Tuesday 3 February 2004 at 6.30 pm
at the Richmond Town Hall**

COUNCILLOR MEMBERSHIP

Councillor Jackie Fristacky (Chairperson)

Councillor Greg Barber

Councillor Sue Corby

Councillor Jenny Farrar

Councillor Li Lai

I. ATTENDANCE

II. DECLARATIONS OF PECUNIARY INTEREST

III. COMMITTEE BUSINESS REPORTS

***Welcome to the City of Yarra.
Council acknowledges the
Wurundjeri community as the first
owners of this country.
Today, they are still the custodians
of the cultural heritage of this land.***

FINANCE & RESOURCES COMMITTEE MEETING

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CONFIDENTIAL ITEMS

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1.1 Electoral Representation Review

File: 25/30/02/01
Responsible Officer: Manager Governance

Purpose

1. To inform Council of a notification received from the Minister for Local Government (“Minister”) concerning a electoral representation review (“Review”) for Yarra City Council and of the requirement for Council to appoint a Reviewer pursuant to the provisions of the *Local Government Act 1989* (“the Act”).

Background

2. At its meeting on 18 November 2003, Council considered a report on the *Local Government (Democratic Reform) Bill 2003* and in particular, its implications for Council concerning the Council elections in November 2004. Council resolved to write to the Minister requesting a Review of its electoral structure given that Yarra has currently four multi member wards and one single member ward. The present structure could be problematic given the introduction of Proportional Representation (PR) voting system for multi member wards.
3. Council received notification from the Minister on 10 December 2003 that Yarra has been selected as one of nine councils to conduct a Review prior to holding elections on 27 November 2004. (The Minister’s letter did not refer to Council’s request for a review). The other councils are:
 - (a) Warrnambool;
 - (b) Moorabool;
 - (c) Corangamite;
 - (d) Greater Bendigo;
 - (e) Pyrenees;
 - (f) Hobson’s Bay;
 - (g) Moreland; and
 - (h) Stonnington.
4. A notice pursuant to section 219C of the Act was published in the Victoria Government Gazette on Monday 15 December 2003.

Issues

5. The Review will commence in mid February 2004 and the last date by which the final report of the Review is to be submitted to the Minister is 17 May 2004.

6. Section 219C(1)(a) of the Act requires that councils appoint their Reviewers by 13 February 2003.
7. The Act requires that the Reviewer be an electoral commission. The Victorian Electoral Commission (VEC) is an appropriate body for the conduct of such a Review.
8. Section 219D of the Act prescribes the purpose of the Review as follows:

“The purpose of the Review is to recommend:

- (a) *the number of Councillors and the electoral structure that provides fair and equitable representation for the persons who are entitled to vote at a general election of the Council;*
- (b) *if the municipal district is to be divided into wards, boundaries for the wards which –*
 - (i) *provide a fair and equitable division of the municipal district;*
 - (ii) *satisfy paragraph (c);*
- (c) *if paragraph (b) applies, whether the number of voters represented by each Councillor is within 10% of the number derived from the following calculation:*

$$\frac{V}{C}$$

where –

V is the number of persons who are entitled to vote at a general election of the Council;

C is the number of Councillors elected to represent individual wards.

9. The scope of this Review does not include a review of external municipal boundaries.
10. The Review timetable is shown in Table 1.

	Date	Particulars
1.	16 February	VEC to deliver (ie: by mail) to voters, an information brochure to coincide with the publication of the public notice. The public notice will provide information in relation to the Review and opportunity to submit preliminary written submissions.
2.	24 February	Public information session – Richmond Town Hall 7.30pm to 8.30pm.
3.	15 March	Closing date for preliminary submissions.

4.	5 April	Publication of notice announcing the release of the preliminary report and inviting submissions.
5	26 April	Closing date for submissions.
6.	Week commencing 3 May	Public hearing for people to be heard in support of their submission.
7.	17 May	Reviewer to submit final report to the Council and the Minister.
8.	Early June	Minister to recommend to Governor in Council the making of such orders under section 220Q as are necessary to implement the final report.

Table 1

Resource and Financial Implications

11. The cost of the Review is \$59,000 including GST. Council is required to meet the cost. The cost includes:
- (a) advertising – both specific to Yarra and a share of the state wide generic advertising;
 - (b) printing and distribution by mail (*) of a leaflet to all voters.
- (*) – This is consistent with the approach taken when distributing electoral material at the 2002 Yarra elections. While more expensive than a letterbox/"junk mail" approach, it ensures a far more acceptable level of information to the community. The mail out will be supplemented by state wide advertising and use of the VEC and Yarra website;
- (c) VEC resources including preparation of community consultation material, ward boundary modelling, merging of voter's rolls, report production, preparation of new boundary maps, project management, web production and processing submissions; and
 - (d) consultancy expenses (the Review Panel will include an independent member).
12. The cost of the Review was not budgeted because at the time the budget was prepared, there was no indication of the next elections being brought forward, the introduction of PR for multi member wards or of the requirement for a review. The cost of the review has been factored into the EOY forecasts.

Legal Implications

13. Given the timeframe and after consultation with Councillors, the VEC has been appointed as the Reviewer by the Chief Executive Officer. If that had not occurred, the Minister would have appointed the Reviewer.

Proposal

14. It is proposed that through the February and March meeting cycles, the key principles to be included in Council's submission will be developed and agreed

and that at its meeting on 9 March 2004, that Council approve a submission to be forwarded to the Reviewer.

RECOMMENDATION

15. That the report on the Electoral Representation Review be noted.

CONTACT OFFICER: Tim Brown
TITLE: Manager Governance
TEL: 9205 5110

1.2 2003/04 Monthly Financial Report – Period Ending 31 December 2003

File: 40/40/02
Responsible Officer: Manager Management Accounting

Purpose

1. To provide a financial report for the six months ending 31 December 2003 and information on the current status of Council's financial performance and position.

Background

2. The 2003/04 Annual Budget was adopted by Council on 8 July 2003.
3. This report is being presented in accordance with Regulation 18 of the *Local Government Regulations 2001*.
4. The report has been prepared on an accrual basis, to ensure accurate matching of income and expenditure, both operating and capital, for the period ending 31 December 2003.

Issues

5. The end of year forecast operating result at 31 December 2003, before transfers, is projected to be a surplus of \$3.084m being an unfavourable variance of \$0.172m compared to the Annual Budget surplus of \$3.256m. This is a minor improvement of \$0.039m on the surplus forecast for the previous period. This result is reflected by a unfavourable forecast income variance of \$0.827m and a favourable forecast expenditure variance of \$0.655m. The overall forecast variance comprises of the following significant variances:
 - (a) parking revenue unfavourable to budget by \$0.997m;
 - (b) leisure centre fees unfavourable to budget by \$0.111m;
 - (c) reimbursements and contributions favourable to budget by \$0.150m;
 - (d) employee costs favourable to budget by \$0.337m;
 - (e) contract payments unfavourable to budget by \$0.391m;
 - (f) other materials and services favourable to budget by \$1.135m; and
 - (g) provision for doubtful parking debtors unfavourable to budget by \$0.365m.
6. As outlined in the Statement of Financial Performance, the year to date operating result before reserve transfers reflects a favourable variance of \$2.293m.

7. The overall year to date variance in income is an unfavourable result of \$0.038m comprising the following significant variances:
 - (a) parking revenue is unfavourable to budget by \$0.639m (7.64%) due to a significant decline in the number of PIN's issued to date partially offset by additional parking meter income. The implications of these changes in relation to Council's future financial planning will be considered in the preparation of the coming year's budget and the revised long term financial plan;
 - (b) user charges, fees & fines income favourable to budget by \$0.416m (11.95%) mainly as a result of income generated from the Burnley Golf Course and Local Law and permit income to date;
 - (c) reimbursements and contributions \$0.280m (32.92%) favourable to budget primarily due to receipt of unbudgeted Roads to Recovery funding plus additional road reinstatement income to date.
8. The overall year to date variance in expenses is a favourable result of \$2.330m comprising the following variances:
 - (a) employee costs are favourable compared to budget by \$0.180m (1.29%) due to a higher than planned level of vacant positions across the staff establishment for some Council activities;
 - (b) contract payments are favourable compared to budget by \$0.317m (4.30%) reflecting a lower than anticipated cost of various contract services to date; and
 - (c) other materials & services is favourable compared to budget by \$1.526m (14.41%) primarily reflecting lower than planned expenditure for consultants and professional services, contributions, materials, training and other expenses.
9. Council's 2003/2004 adopted budget from a rate determination perspective would result in a rates surplus carried forward of \$2.026m. The current forecast result is for a rates surplus carried forward of \$3.229m. The favourable budget variance of \$1.202m is mainly as a result of a forecasted under spending of the capital works program (\$0.678), a favourable carry forward rate surplus (\$0.696) and an unfavourable operating result of \$0.172m.
10. Council's cash position at the end of November stood at \$11.89m, reflecting a net cash inflow of \$2.359m for the year to date.
11. Rates outstanding as at the end of December totalled \$23.75m, of which \$1.5m pertains to rates outstanding from previous rate years.
12. Parking debtors amounted to \$6.3m (net of provision for doubtful debts). Infringements outstanding for more than 90 days are referred to the PERIN Court for collection.
13. Other debtors (excluding GST-ATO) outstanding at the end of December were \$2.134m of which \$0.5m has been outstanding for more than 90 days.

14. The attached capital works report reflects expenditure to the end of December of \$4.9m compared to a year to date budget of \$8.4m and represents 30% of the annual capital works program. However, the value of works completed at the end of December is estimated to total \$6.8m, and this represents a shortfall against the year to date budget of an amount of \$1.6m, mainly due to timing differences. These include the significant year to date budget allocations for works at the Fitzroy Town hall, Fitzroy Pool and also for the plant replacement program.

The current year end Capital Works program forecast is currently \$15.6m, which represents an under spending to budget of \$0.678m.

15. The purchase order compliance rate for the month of December was 95% against a target of 100% (excluding exempt payments).

Community Implications

16. The 2003/04 Annual Budget resources the second year of the City Plan 2002-05 adopted by Council on 25 June 2002 and thus ensures achievement of the major strategies and actions of the key commitment areas of the City Plan.

RECOMMENDATION

17. That the financial report for the six months ending 31 December 2003, be noted by Council.

CONTACT OFFICER: Marc Giglio
TITLE: Manager, Management Accounting
TEL: 9205 5022

See Attachment



Adobe Acrobat
Document

1.3 Crown Land Transfers

File: 15/15/16
Responsible Officer: Scott Hodges

Purpose

1. To assess the suitability and viability of assuming control for nine parcels of land offered to Council by the Department of Sustainability and Environment (DSE).

Background

2. Nine parcels of land were offered to Council by the DSE on 17 March 2003. The sites were previously under the control of Melbourne Parks and Waterways, which was abolished on 1 December 2001.
3. The parcels of land are not offered separately.
4. The land area is approximately 7,500m² in total:

Dights Falls	3,820m ²
Flockhart Reserve	2,975m ²
Maugie St	663m ²
TOTAL	<u>7,458m²</u>
5. The proposed mechanism to transfer the land to the Council is to sell the land under Section 99 of the *Land Act* 1958 for \$1.00 per parcel if demanded.
6. The land is offered subject to restricted Crown grants, with the prime restriction being that the land must be maintained and used solely as public open space.
7. The DSE has confirmed that it does not expect the Council to maintain the sites above their current level of maintenance .
8. The nine parcels of land are as follows:

Address	Zoning	Volume	Folio
Trenerry Cres., Abbotsford	PPRZ	8916	303
Flockhart St., Abbotsford	PUZ1	8983	934
Maugie St., Abbotsford	PPRZ	8399	836
Maugie St., Abbotsford	PPRZ	8399	835
Maugie St., Abbotsford	PPRZ	8543	714
Maugie St., Abbotsford	PPRZ	8399	834
Maugie St., Abbotsford	PPRZ	8230	522
Maugie St., Abbotsford	PPRZ	8434	890
Maugie St., Abbotsford	PPRZ	8183	305

Table 1

Site Reviews

Maugie Street, Abbotsford (7 parcels of land)

9. The land is a flat rectangular section of land, which is a buffer between the Maugie St residential and industrial zones and the Eastern Freeway. (Refer Attachment 1)
10. No site access issues exist.
11. The site was previously used as residential accommodation prior to the construction of the Eastern Freeway.
12. The Open Space Unit has confirmed that the Council currently maintains the site.

Trenerry Crescent, Abbotsford (1 parcel of land)

13. The land is contained within the Dights Fall Park and comprises two flat, irregularly shaped portions. The first portion of land to the east directly adjoins land owned by Council; the second portion of land (to the south) also adjoins land owned by the Yarra City Council. (Refer Attachment 2)
14. The water race is located centrally within Dight's Falls. The land on offer abuts the water race at the eastern end.
15. The land also adjoins the Heritage Mill structure water race of which Council is the registered proprietor.
16. The Heritage Mill and adjoining water races received a substantial capital upgrade to the main structure, bluestone retaining walls, surrounding fencing and landscaping five years ago.
17. These works were designed and project managed by Council with funding contributions from Melbourne Parks and Waterways and Heritage Victoria
18. No site access issues exist.
19. The Open Space Unit confirms that Council currently maintains the site on behalf of the owner. An agreement for maintenance of this area was adopted some time ago, however specific documentation has not been located.

Flockhart Street, Abbotsford (1 parcel of land)

20. The land adjoins the Flockhart Reserve and abuts the Yarra River at a sharp incline. (Refer Attachment 3)
21. Council is currently Committee of Management for the Flockhart St Reserve, which adjoins the parcel of land on offer.
22. As the land is offered as a grant to Council, accessing the land is reliant upon the adjoining land remaining Crown land and Council remaining as Committee of Management. Were this status to change, Yarra may need to arrange future access rights with the owner or manager of the adjoining land.

23. The Open Space Unit has confirmed that Council currently maintains the site.

Consultations

Open Space Planning

24. The draft Open Space Strategy Plan identifies the parcels of land as being strategic environmental, pedestrian and cycle links within the city. Specifically these sites increase the provision of open space along the Yarra River corridor and public access to it. These are both key objectives of the proposed Open Space strategy. In addition these sites contribute to the net increase in open space within the City.
25. Dights Falls and Flockhart Reserve are particularly important as they provide public access to the Yarra River corridor as well as much needed open space in parts of the municipality where the availability of open space is minimal.
26. The Maugie Street land is important as it softens the interface of the street to the freeway, with the recent plantings reinforcing its function as an extension of the Dight's Falls parkland.
27. Furthermore, the recent involvement from the community in the planting activities further strengthens the importance of the land to the local community.

Risk Management and Insurance Unit

28. A Strategic Risk Review was undertaken for the Dight's Falls. The findings indicate that the Council owned land and the land on offer from the DSE contain a number of identified risks.
29. The majority of the risks are located on land currently owned and maintained by the Council and will need to be minimised through ongoing maintenance programs and capital works.

Maugie Street

30. The Maugie Street land parcel comprises primarily flat land with some trees and vegetation in situ. No notable natural or man-made hazards are present on this site.

Flockhart Reserve

31. The Flockhart Reserve land parcel comprises a flat area with a natural drop off to the riverbank. This in itself is not a latent hazard and is considered typical in terms of the obvious topography of the area. Caution would be needed when designing and constructing pathways and fences in this area.

Dights Falls

32. The Dights Falls Park land parcel in conjunction with the existing land under the control of Council has a number of both natural and man-made hazards and risks within its boundaries. These risks include but are not limited to:
- (a) trip & fall hazards;
 - (b) unprotected edges leading to potential fall from heights or to depths;
 - (c) uneven surfaces and undefined access paths;
 - (d) overgrown vegetation;
 - (e) uneven steps;
 - (f) restricted access issues; and
 - (g) lack of appropriate signage.
33. In conjunction with the proposed works to be undertaken by Open Space Planning, a priority risk mitigation plan should be developed to address the existing risk issues. A majority of the risks can be simply controlled with an improved maintenance regime, however several may require future capital works funding.
34. A majority of risks associated with this site emanate from land already under the control of Council therefore irrespective of the decision to acquire the land on offer, the risk mitigation plan will still be required.

Heritage Victoria

35. Dights Falls is subject to Heritage Overlay 48 and is on the Victorian Heritage Register (H1522).
36. The DSE advises that Council would not be expected to maintain the site above its current level of maintenance. However, the Council would be expected to consult with Heritage Victoria if any major works were proposed for the site that may affect heritage significance.

Urban Planning

37. The Urban Planning Branch have reviewed the sites and confirmed that none of the nine parcels of land are subject to any environmental overlay.

Financial and Resource Implications

38. The cost to transfer the land from the DSE to Council is \$1 per parcel of land if demanded.

39. All costs associated with the proposed land transfers would be met by the DSE.

Insurance Costs

40. The Risk Management and Insurance Unit confirms that the Council will be covered under its existing CMP liability policy for any claim which may eventuate from the properties.

Site Maintenance Costs

41. The Open Space Unit advises that Council is currently maintaining all of the sites.

Site Capital Costs

42. The Open Space Unit advises that the following costs are indicative budget estimates only and that the capital works submissions for these sites were to be undertaken regardless of the acceptance of this offer.

- (a) Maugie Street Abbotsford (7 parcels of land)

- (i) revegetation works; and
- (ii) provision of seating.

To undertake the above capital works, an indicative budget estimate is \$7,200. All works would be undertaken on transferred land and provision for these works will be considered as part of the 2004/05 Capital bids.

- (b) Trenerry Crescent., Abbotsford (Dights Falls) (one parcel of land)

- (i) refurbishment of bike path;
- (ii) revegetation works;
- (iii) stabilisation of escarpment (rockwork);
- (iv) upgrade of interpretive signage;
- (v) removing silt from the water mill race; and
- (vi) further restoration of the mill house.

To undertake the above capital works, an indicative budget estimate is \$48,500. Provision for these works will be considered as part of the 2004/05 Capital bids.

Not all works would be undertaken on transferred land .

- (c) Flockhart Street, Abbotsford (1 parcel of land)

- (i) replacement of picnic tables;
- (ii) revegetation works;

- (iii) installation of pathway along Yarra River (as a central link between Walmer St Bridge and Collins Bridge; and
- (iv) upgrade of boundary fencing.

To undertake the above capital works, an indicative budget estimate is \$83,500. Provision for these works will be considered as part of the 2004/05 Capital bids.

Not all works would be undertaken on transferred land.

Land Transfer Timing

- 43. It is recommended that the land be transferred effective from 1 July 2004, to synchronize with the 2004/2005-budget process.

RECOMMENDATION

- 44. That Council accept the offer from the Department of Sustainability and Environment to transfer the nine parcels of land (as attached) effective from 1 July 2004.

CONTACT OFFICER: Chris Court
TITLE: Asset Manager
TEL: 9205-5582

See Attachment



Adobe Acrobat
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CONFIDENTIAL BUSINESS REPORTS

The following item is deemed by the Chief Executive Officer to be suitable for consideration in closed session in accordance with section 89 (2) of the *Local Government Act* 1989. In accordance with that Act, Council may resolve to consider these issues in open or closed session.

RECOMMENDATION

1. That the meeting be closed to members of the public, in accordance with section 89 (2) of the *Local Government Act* 1989, to allow consideration of:
 - (a) contractual matters.
2. That all information contained within the Confidential Business Reports section of this agenda and reproduced as Council Minutes be treated as being and remaining strictly confidential in accordance with the provisions of sections 77 and 89 of the *Local Government Act* 1989 until Council resolves otherwise.