

# MINUTES

Meeting of Council

Held at the  
Civic Centre  
511 Burwood Highway  
Wantirna South  
On  
Monday 6 June 2022



The Agenda for the Ordinary Meeting of Council, Monday 6 June 2022, forms part of these Minutes and is attached in full at the end of the Minutes.

These Minutes are considered draft until adopted and confirmed at the next Meeting of Council.

The meeting commenced at 7:08pm.

**PRESENT:**

*Cr S Laukens (Mayor) Friberg Ward*

*Cr Y Allred Baird Ward*

*Cr J Dwight Chandler Ward*

*Cr M Timmers-Leitch Collier Ward*

*Cr S Grasso Dinsdale Ward*

*Cr M Baker Dobson Ward*

*Cr L Cooper Scott Ward*

*Cr D Pearce Taylor Ward*

*Cr N Seymour Tirhatuan Ward*

*Mr B Dobson Chief Executive Officer*

*Mr G Thorne Director – Infrastructure*

*Ms T Scicluna Director – Connected Communities*

*Ms I Kelly Acting Director - City Centre*

*Ms S Stanton Executive Manager - Strategy, People and Culture, Interim Information  
Technology & Transformation*

*Ms N Lorkin (Via Chief Financial Officer  
Zoom)*

*Mr A Dowling Acting Manager, Governance*

**THE MEETING OPENED WITH A, STATEMENT OF ACKNOWLEDGEMENT**

***“Knox City Council acknowledges we are on the traditional land of the Wurundjeri and Bunurong people and pay our respects to elders both past and present.”***

**Order of Business**

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2 Declarations Of Conflict Of Interest.....4

3 Reports For Consideration .....4

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    3.2 Loan Borrowings .....5

## 1 Apologies

Nil.

## 2 Declarations of Conflict of Interest

Nil.

## 3 Reports for consideration

### 3.1 Appointments to Audit & Risk, and ICT Governance Committees

SUMMARY: Acting Manager Governance, Andrew Dowling

Following the resignation of Councillor Pearce from the Audit and Risk Committee, and the ICT Governance Committee, there is an opportunity for Council to appoint a new member to each of these committees.

#### RECOMMENDATION

That Council resolve to:

1. Appoint Councillor \_\_\_\_\_ to the Audit and Risk Committee effective from 6 June 2022 and concluding (unless Council resolves otherwise) on Monday 14 November 2022.
2. Appoint Councillor \_\_\_\_\_ to the ICT Governance Committee effective from 6 June 2022 and concluding (unless Council resolves otherwise) on Monday 14 November 2022.

#### **RESOLUTION**

**MOVED:** Councillor Pearce

**SECONDED:** Councillor Grasso

That Council resolve to:

1. **Appoint Councillor Seymour to the Audit and Risk Committee effective from 6 June 2022 and concluding (unless Council resolves otherwise) on Monday 14 November 2022.**
2. **Appoint Councillor Seymour to the ICT Governance Committee effective from 6 June 2022 and concluding (unless Council resolves otherwise) on Monday 14 November 2022.**

#### **CARRIED**

## 3.2 Loan Borrowings

SUMMARY: Chief Financial Officer, Navec Lorkin

The purpose of this report is to recommend the preferred finance provider for loan borrowings and associated terms for \$25.000 million, and to authorise the Chief Executive Officer to sign documents with the preferred lending institution to execute the borrowings.

### RECOMMENDATION

That Council:

1. Note the Chief Executive Officer has determined the necessary borrowings required as per the latest cash flow forecasts amounts to \$25.000 million.
2. Note the responses to Council's request for quotes for loan finance as set out in Confidential Attachment 1.
3. Authorise the Chief Executive Officer to liaise with the preferred lending institution and to finalise negotiations and procure borrowings based on the terms and conditions and proposed next steps as set out in Confidential Attachment 2.
4. Authorise the Chief Executive Officer to execute all relevant documents to give effect to the above resolutions.
5. Pursuant to Section 125 of the Local Government Act 2020, to authorise the confidential information in Confidential Attachment 1 to be publicly available for the limited purpose of communicating the effect of this Resolution to the extent necessary to give effect to it.
6. Authorise the Chief Executive Officer to determine, at their discretion, that the information in the Confidential Attachments is no longer confidential information for the purposes of Sections 66 and 125 of the Local Government Act 2020, including for the purpose of informing the community of the nature of Council's decision.

### RESOLUTION

**MOVED: Councillor Pearce**

**SECONDED: Councillor Dwight**

That Council:

1. **Note the Chief Executive Officer has determined the necessary borrowings required as per the latest cash flow forecasts amounts to \$25.000 million.**
2. **Note the responses to Council's request for quotes for loan finance as set out in Confidential Attachment 1.**
3. **Authorise the Chief Executive Officer to liaise with the preferred lending institution and to finalise negotiations and procure borrowings based on the terms and conditions and proposed next steps as set out in Confidential Attachment 2.**
4. **Authorise the Chief Executive Officer to execute all relevant documents to give effect to the above resolutions.**
5. **Pursuant to Section 125 of the Local Government Act 2020, to authorise the confidential information in Confidential Attachment 1 to be publicly available for the limited purpose of communicating the effect of this Resolution to the extent necessary to give effect to it.**

- 6. Authorise the Chief Executive Officer to determine, at their discretion, that the information in the Confidential Attachments is no longer confidential information for the purposes of Sections 66 and 125 of the Local Government Act 2020, including for the purpose of informing the community of the nature of Council's decision.**

**CARRIED**

**MEETING CLOSED AT 7:14pm**

Minutes of Meeting confirmed at the  
Meeting of Council  
held on Monday, 27 June 2022

.....  
Chairperson

The Agenda for this meeting is attached in full at the end of the Minutes.

# AGENDA



Meeting of Council

To be held at the

Civic Centre

511 Burwood Highway

Wantirna South

On

Monday 6 June 2022 at 7:00 PM

**Order of Business**

1 Apologies .....3

2 Declarations Of Conflict Of Interest.....3

3 Reports For Consideration .....3

    3.1 Appointments to Audit & Risk, and ICT Governance Committees.....3

    3.2 Loan Borrowings .....5

Bruce Dobson  
Chief Executive Officer

This meeting was called by the Mayor, Councillor Susan Laukens, in accordance with Chapter 2, Part C, Rule 11 of Council’s Governance Rules.

The order of business for this meeting is as specified by the Mayor, and no other business can be transacted unless all Councillors are present and unanimously agree to deal with additional matters.

1 Apologies

2 Declarations of Conflict of Interest

### 3 Reports for consideration

#### 3.1 Appointments to Audit & Risk, and ICT Governance Committees

**SUMMARY: Acting Manager Governance, Andrew Dowling**

**Following the resignation of Councillor Pearce from the Audit and Risk Committee, and the ICT Governance Committee, there is an opportunity for Council to appoint a new member to each of these committees.**

**RECOMMENDATION**

**That Council resolve to:**

- 1. Appoint Councillor \_\_\_\_\_ to the Audit and Risk Committee effective from 6 June 2022 and concluding (unless Council resolves otherwise) on Monday 14 November 2022.**
- 2. Appoint Councillor \_\_\_\_\_ to the ICT Governance Committee effective from 6 June 2022 and concluding (unless Council resolves otherwise) on Monday 14 November 2022.**

#### **1. INTRODUCTION**

Membership of the Audit and Risk Committee (ARC) comprises three external members and two councillor members. The next meeting of the Audit and Risk Committee is on Thursday 9 June 2022.

Membership of the ICT Governance Committee comprises three external members, the Mayor and two councillor members. The next meeting of the ICT Governance Committee is on Wednesday 8 June 2022.

#### **2. DISCUSSION**

Following the resignation of Councillor Pearce from the Audit and Risk Committee (ARC), and the ICT Governance Committee, it is recommended that Council consider appointments to the vacant membership positions on each Committee.

The duration of the recommended appointments aligns to the 2021/22 Mayoral term which reflects Council's practice to consider Councillor appointments annually.

#### **3. CONSULTATION**

Councillors have had an opportunity to consider and discuss nominating for these Committees.

#### **4. CLIMATE CHANGE CONSIDERATIONS**

Implementation of the recommendation is considered to have no direct implications or has no direct impacts upon Council's Net Zero 2030 target, the Community Net Zero 2040, exposure to climate risks or climate change adaptation.

**5. ENVIRONMENTAL/AMENITY CONSIDERATIONS**

Nil

**6. FINANCIAL & ECONOMIC IMPLICATIONS**

Nil

**7. SOCIAL IMPLICATIONS**

Nil

**8. RELEVANCE TO KNOX COUNCIL PLAN 2021-2025**

**Civic Engagement & Integrity**

Strategy 5.3 - Ensure our processes are transparent and decisions are accountable.

**9. CONFLICT OF INTEREST**

The officers contributing to and responsible for this report have no conflicts of interest requiring disclosure under Chapter 5 of the Governance Rules of Knox City Council.

**10. CONFIDENTIALITY**

There is no content in this report that meets the definition of confidential information from the Local Government Act 2020.

**Report Prepared By:     Acting Manager Governance, Andrew Dowling**

**Report Authorised By:   Director, City Strategy and Integrity, Matt Kelleher**

**Attachments**

Nil

## 3.2 Loan Borrowings

**SUMMARY: Chief Financial Officer, Navec Lorkin**

**The purpose of this report is to recommend the preferred finance provider for loan borrowings and associated terms for \$25.000 million, and to authorise the Chief Executive Officer to sign documents with the preferred lending institution to execute the borrowings.**

### **RECOMMENDATION**

**That Council:**

- 1. Note the Chief Executive Officer has determined the necessary borrowings required as per the latest cash flow forecasts amounts to \$25.000 million.**
- 2. Note the responses to Council's request for quotes for loan finance as set out in Confidential Attachment 1.**
- 3. Authorise the Chief Executive Officer to liaise with the preferred lending institution and to finalise negotiations and procure borrowings based on the terms and conditions and proposed next steps as set out in Confidential Attachment 2.**
- 4. Authorise the Chief Executive Officer to execute all relevant documents to give effect to the above resolutions.**
- 5. Pursuant to Section 125 of the Local Government Act 2020, to authorise the confidential information in Confidential Attachment 1 to be publicly available for the limited purpose of communicating the effect of this Resolution to the extent necessary to give effect to it.**
- 6. Authorise the Chief Executive Officer to determine, at their discretion, that the information in the Confidential Attachments is no longer confidential information for the purposes of Sections 66 and 125 of the Local Government Act 2020, including for the purpose of informing the community of the nature of Council's decision.**

### **1. INTRODUCTION**

Section 104 of the Local Government Act 2020 (the Act) gives Council the power to borrow, on the basis that borrowings are included in the Budget or Revised Budget. Council can borrow up to this amount without needing to further revise the adopted 2021-22 Revised Budget.

Council's adopted 2021-22 Revised Budget, as adopted at a Meeting of Council on 11 April 2022, includes loan borrowings of \$50.000 million and repayments of \$1.638 million in the 2021-22 financial year.

Although Council has made provision for these borrowings in the adopted budget, a resolution is required to authorise the Chief Executive Officer to draw down the borrowings.

A procurement process was undertaken whereby Officers wrote to three lending institutions to request quotes for borrowings of \$25.000 million. Quotes were requested for a term of 10 years, fixed rate, with quarterly repayments of principal and interest. Rates were to be as at 11.30am on Tuesday 31 May 2022. Quotes were requested to be returned by 5pm on 31 May 2022. Details pertaining to the content of the quotes are within Confidential Attachment 1.

The preferred lender and specific terms and conditions are within Confidential Attachment 2. As negotiations are not finalised, details remain as commercial in confidence until a contract is finalised.

At the meeting of Council on 25 October 2021, it was resolved to borrow up to \$50.030 million in the 2021-22 financial year. Council took out borrowings of \$25.000 million in December 2021. Based on Council's adopted 2021-22 Revised Budget and Council's projected cash flow requirements, the CEO has determined that further borrowings of \$25.000 million are required to assist in funding the approved \$73.688 million capital works program.

## **2. DISCUSSION**

The proposed borrowings are required to fund elements of the capital works program. Council requested quotes from three lending institutions and received three quotes. The preferred borrowings option is the one most favourable to Council based on the interest rate and preferred terms and conditions and in line with Councils Loan Borrowing Policy approved in January 2021.

## **3. CONSULTATION**

Loan borrowings were included in the draft 2021-22 Budget which was publicly advertised and provided the opportunity for budget submissions. A hearing for budget submissions was held on 7 June 2021 and the budget was adopted on the 28 June 2021. A Revised 2021-22 Budget was adopted on the 11 April 2022. The changes in the revised budget related to alignment of the timing of sales proceeds and capital expenditure with the latest forecasts, and to provide the opportunity for Council to access borrowings through Treasury Corporation of Victoria in advance of 30 June 2022. Given the consultation previously undertaken and the nature of the adjustments, additional engagement for the 2021-22 Revised Budget was not undertaken.

## **4. CLIMATE CHANGE CONSIDERATIONS**

Implementation of the recommendation is considered to have no direct implications or has no direct impacts upon Council's Net Zero 2030 target, the Community Net Zero 2040, exposure to climate risks or climate change adaptation.

## **5. ENVIRONMENTAL/AMENITY CONSIDERATIONS**

This report does not have any environmental or amenities issues for discussion.

## **6. FINANCIAL & ECONOMIC IMPLICATIONS**

The cost of borrowings has been factored into Council's adopted 2021-22 Revised Budget and Council's adopted Financial Plan 2021-2031. The Proposed 2022-23 Budget and Proposed Financial Plan 2022-2032 have also include these borrowings.

Council's adopted 2021-22 Revised Budget includes loan repayments of \$1.638 million and loan interest payments of \$0.597 million. Principal repayments and borrowing costs have been factored into Council's adopted Financial Plan 2021-2031 and Proposed Financial Plan 2022-2032.

## **7. SOCIAL IMPLICATIONS**

There are no direct social implications arising from this report.

## **8. RELEVANCE TO KNOX COUNCIL PLAN 2021-2025**

### **Civic Engagement & Integrity**

Strategy 5.2 - Manage our resources effectively to ensure financial sustainability and improved customer experience.

Strategy 5.3 - Ensure our processes are transparent and decisions are accountable.

### **9. CONFLICT OF INTEREST**

The officers contributing to and responsible for this report have no conflicts of interest requiring disclosure under Chapter 5 of the Governance Rules of Knox City Council.

### **10. CONFIDENTIALITY**

**Attachments 1 and 2 are included in the confidential agenda, as they contain confidential information pursuant to Council's Governance Rules and Section 66 of the Local Government Act 2020, as it relates to:**

- Council business information, regarding:
  - Offers received and under consideration from lending institutions; and
  - Council's preferred loan borrowing terms and conditions;
- the premature disclosure of which would prejudice Council's position when negotiating a final loan contract with Council's preferred lending institution; and
- private commercial information, that if released, would unreasonably expose financial providers to disadvantages because it would release information regarding their competitive loan offerings which are not generally available to their competitors.

**Report Prepared By: Chief Financial Officer, Navec Lorkin**

**Report Authorised By: Chief Executive Officer, Bruce Dobson**

### **Attachments**

Confidential attachment 1 and 2 are circulated under separate cover