



SPECIAL COUNCIL

PUBLIC MINUTES

WEDNESDAY 10 JUNE 2015 AT 9.00 AM

Council Members >>

The Mayor, Councillor Jenny Hill
Councillor Suzanne Blom
Councillor Colleen Doyle
Councillor Gary Eddiehausen APM
Councillor Pat Ernst
Councillor Ray Gartrell
Councillor Jenny Lane
Councillor Anthony Parsons
Councillor Trevor Roberts
Councillor Vern Veitch
Councillor Les Walker

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Goals and Strategies of Townsville City Council >>

Corporate Plan >>

Goal 1: Economic Sustainability - A strong diverse economy which provides opportunities for business and investment with an integrated approach to long term planning where the city's assets meet the community needs.

- 1.1 Create economic opportunities for Townsville to drive community prosperity.
- 1.2 Maximise opportunities through engagement and partnership with stakeholder achieve a strong resilient economy.
- 1.3 Utilise the City Plan to inform the development of current and future infrastructure needs of Townsville.
- 1.4 Promote and market Townsville as a vibrant destination for commerce, entertainment and lifestyle.

Goal 2: Environmental Sustainability - A sustainable future where our environment is valued through the protection and enhancement of our unique, natural and built environment with a commitment to reducing our environmental impact.

- 2.1 Effective management, protection and conservation of our environment to ensure a balance between built infrastructure and areas of environmental significance.
- 2.2 Implement an effective integrated demand management approach to infrastructure planning and delivery.
- 2.3 Preserve our natural environment through active management, education and compliance activities.
- 2.4 Adopt urban design principles that create a distinct sense of place, enables and informs place creation, maximises efficiency, and enhances the built and natural environment.
- 2.5 Research and implement environmental solutions utilising innovative smart technology and encourage behaviour change.

Goal 3: Social Sustainability - A vibrant community that is accessible, safe, healthy, creative and knowledgeable, where we embrace diversity and our sense of community.

- 3.1 Encourage active and healthy lifestyles through accessible public facilities and community initiatives.
- 3.2 Support the community's access to and participation in a range of artistic, cultural and entertainment activities.
- 3.3 Enhance wellbeing and safety in the community.
- 3.4 Enhance a knowledgeable, inclusive and connected community that embraces growth and lifelong learning.
- 3.5 Provide community infrastructure and services that support growth and meets community needs.

Goal 4: Responsible Governance - A well-managed, transparent and effective organisation that gives the community confidence, demonstrates financial sustainability, where our customers are satisfied with our services and our employees are proud to work here.

- 4.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.
- 4.2 Deliver best value customer service to our community.
- 4.3 Enable innovation and technology capacity within council to drive organisational efficiencies.
- 4.4 Engage with the community to inform council decision making processes.
- 4.5 Provide inspirational leadership and contemporary management systems that drives a coordinated, motivated, highly effective and efficient organisation.
- 4.6 Commit to open transparent and accountable governance to ensure community confidence and trust in council.
- 4.7 Promote an organisational culture that values and empowers its workforce.

MINUTES

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REPORT	COUNCIL MEETING
DATE	Wednesday 10 June 2015 at 9.00am
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PRESENT	The Mayor, Councillor J Hill Councillor V Veitch Councillor S Blom Councillor C Doyle Councillor G Eddiehausen APM Councillor P Ernst Councillor R Gartrell Councillor J Lane Councillor A Parsons Councillor T Roberts Councillor L Walker

Opening of Meeting

The Chair, Mayor Councillor J Hill opened the meeting at 9.00am.

The Mayor's speech:

"Councillors today I rise in this Chamber to table the City Budget for the 2015/16 financial year.

The budget I present today continues to ease the increasing cost of living pressures in our community, and lays a strong platform for growth, jobs and lifestyle opportunities into the future.

This year's budget delivers one of the lowest overall rates rises in Queensland for the second year running, including a commitment to return to ratepayers a \$35 refund for the now defunct Carbon Tax. In these tough economic times this is a budget for the Mums and Dads.

Setting a sustainable course

Councillors this budget marks a significant milestone for this council as we come to the end of the current four year term.

The work that we have done over those four years has placed the council on a strong, sustainable financial path.

As a result the city is in better shape to manage debt, deliver services, and afford future infrastructure for the city's growth.

Just as importantly, the budget follows through on the commitment I made to the community to reduce the impact of rates.

From year one my clear priority was giving ratepayers a break from the big increases in rates and the city debt incurred after amalgamation.

The compounding effect of rates rises in the first four years after amalgamation saw the rates bill for an average household increase by 42%.

By 2011 debt had more than doubled from \$175 million to \$390.4 million.

In stark contrast, in the four years of this council, the average overall rates bill will have increased by only 14%.

Responsible management

Through responsible economic management the council cut debt to \$329.56 million, saving \$2.47 million in interest since 2013. We will remain on track this year to record a surplus in each and every year of our term.

I wasn't able to gain the backing of council to fulfil an election commitment for a rates freeze and a \$103 water rebate in the first year.

Council made its decision, and I moved on totally focused on working with councillors and staff on minimising the impacts of rates on our residents, and providing strong fiscal control.

It has been the right thing to do and the results speak for themselves.

Families are struggling with the rising cost of essentials, as well as the added worry of an uncertain economy.

Insurances and electricity charges as we all know have gone through the roof in the last 4 years. On their own, they now each exceed the cost of council rates and charges for an average suburban home in Townsville.

These costs are biting hard on households, and our business community.

Everyone has had to tighten their belts and the community demands that council follows suit.

Steady as she goes

This year's budget stays true to a plan of disciplined financial management and focuses on getting the balance right.

I will continue to ensure the council is targeting expenditure on essential services, facilities and projects that will build jobs and economic growth without increasing the cost burden on our community.

This has been a tough job. Framing the budget has again been made difficult by a range of financial pressures including:

- significant increases in cost of basics to council such as concrete and asphalt, while fuel prices continue to fluctuate;
- pay negotiations as council management must deliver new EB agreement with staff;
- \$400,000 for street lighting costs passed over to council by Ergon;
- a decrease in capital grants from State Government; and
- a reduction in Federal Government Assistance Grants.

Savings

I have worked with staff to identify savings across council without reducing front line services or delaying important projects.

Savings have included a reduction of \$2.8 million in council's vehicle and plant operating costs, cuts in our T150/VP70 program, and a saving of over \$1 million in our interest bill for this year compared to last year.

As a result, the budget I present today will ensure the council operates in the black for the fourth successive year.

The budget will also deliver:

- a surplus of \$867,000;
- borrowings will be limited to \$19.6 million for essential projects only; and
- no net increase in the debt, which stays at around \$329 million.

In the three years leading into this budget cutting the debt has reduced council's interest and loan repayments, freeing up vital funds for services and facilities. \$2.47 million over the last three years.

It has also placed the city in a stronger position for when we do need to borrow for income producing assets, as we should in this low interest rate environment –and as a buffer against unexpected costs.

Easing the squeeze

This year's budget delivers another low overall increase in rates and charges, cut even further by a \$35 refund for the Carbon Tax.

With the Carbon Tax refund the average residential rates bill will rise by just 1.45% or 92 cents a week.

Even without the refund, the rise would only be 2.52% in line with the predicted CPI of 2.5% for Queensland.

This follows last year's rise of 1.87% which was one of the lowest in the State.

This includes a general rates rise of 3.96% offset by very low increases across the utilities.

For the second successive year, there will be no rise in the sewerage for residential or business customers.

The standard water plan of 772kl rises 1.51% from \$728 to \$739. The excess water charge is up 1.51% to \$2.83 kl.

The fixed service charge for the Water Watcher Scheme goes up 1.51% from \$332 to \$337, with the price per kilolitre up 1.5% to \$1.35.

Waste and recycling charges will rise from \$214 to \$223 (4.21%).

Giving residents a hand up

To assist further with rates relief, the council will also continue its 15% discount on early payment of general rates and concessions for pensioners.

Pensioners will receive concessions of 85% on general rates or up to \$800 a year to assist them to stay in their own homes.

In addition the Pensioner Transport Subsidy Scheme of \$320,000 will continue.

Backing investment and jobs

Our strong long term support for jobs, investment and economic activity continues in this budget. We need to be doing all we can to attract new projects and economic opportunities.

This year's total council budget is \$596.24 million, which will provide a significant economic stimulus. The council will spend \$225 million locally over the next year in delivering projects and services in the suburbs.

This includes \$149.59 million in wages that go into pay packets for 1400 local residents who work full time for council and 340 part time and casual workers.

The council will also continue to provide career opportunities for young people, employing 38 apprentices and 31 trainees.

Providing good planning and leadership for economic development in the city remains a priority in this year's budget.

The Budget allocates \$1.1 million for planning and design of the Waterfront Priority Development Area (PDA) along Ross Creek in the CBD.

The draft PDA is expected to receive the State Government's green light in a matter of weeks, clearing the way for input from residents and stakeholders groups.

I must stress that the Waterfront PDA is a long term vision that will provide a Masterplan for the area that can be developed over many, many years and most importantly in an affordable way.

Council will also continue to work with other key stakeholders on economic development opportunities for the city through Invest Townsville.

In just a few days the council will be joining other local governments from our region and Townsville Enterprise to promote the Townsville region to potential new investors at the State Government RegionsQ Showcase in Brisbane.

This is part of our on-going promotion of Townsville as a place to invest and live, the Budget includes \$1.1 million to support regional economic and tourism development. Of the \$734,000 in funding for Townsville Enterprise, over \$350,000 is part of our dollar for dollar commitment for regional tourism with the Queensland Government, the rest for operational and economic development.

Building the basics

Investing in the city's basic infrastructure is again a priority in this year's budget with a \$210 million Capital Works Program.

Rehabilitating and improving the major facilities that support the city's progress and lifestyle is a fundamental role of council.

This year's Capital Works Program includes major projects, road upgrades, drainage, water and sewerage, waste facilities and parks that will benefit residents right across the city.

Major Projects

The comprehensive Capital Works Program includes a big year of major projects.

Top of the list is the completion of the \$40 million Dalrymple Road - Bohle River crossing which has been a contentious flood prone area for thousands of motorists for many years.

The Budget provides a \$15.8 million council contribution to the project which is being co-funded by the Australian Government (\$20M) and State Government (\$5M).

I'm pleased to see that the council's project management team and the contractors BMD

Constructions are already making good progress on site and the crossing should be completed in the middle of next year, pending weather.

Other major projects include:

- \$10.3 million for the Utilities Upgrade for replacement of aging water and waste water infrastructure;
- \$1.1 million for the Townsville Recreational Boating Park to commence Stage 2 on-shore works; and
- \$3.13 million for completion of the Magnetic Island Transfer Station.

Funding of \$1.4 million has been allocated for design of the proposed duplication of the Haughton Pipeline to increase the city's capacity to pump from the Burdekin.

Planning for the long term water security for Townsville is extremely important, particularly this year with the city facing the prospect of pumping from the Burdekin because of the failed wet season.

Local roads and drainage

Roads and transport will again be a major focus with \$41 million up by \$6million from last year's budget, in capital work for reconstruction and resurfacing of 182 local roads and streets across the city.

Important local projects include:

- \$4.3 million for Stage 2 William Angliss Drive/McArthur Drive intersection works at Annandale (includes \$3.1m Roads 2 Recovery funding) and this will include extra lanes . My intention is to fund the work to Merv Crossman Drive in 2016/17 budget and complete this project; and
- \$4.6 million for Liberty Drive two lane extension from Roosevelt Loop to Graham Avenue at Greenview Estate.

A further \$12 million will be spent this year to improve drainage protection for the city.

This includes \$3 million to upgrade Echlin Street/Mary Street underground stormwater drains and \$1.3 million for the Church Street stormwater drainage in West End, and \$5 million to replace broken kerb and channel in 29 streets to improve run-off.

Water and waste water

Investing in renewing and rehabilitating water and waste water mains, pumps stations, reservoirs and treatment plants will continue this year.

\$40.6 million will be spent on projects to secure the city's water supply and \$17.24 million on the city's sewerage network.

This includes:

- \$6 million to complete the upgrade of the Charters Towers Road trunk water main;
- \$5 million to rehabilitate water mains; and
- \$3.5 million upgrade res. water connections between mains and water meters.

The city's waste water network will also receive a high level of investment.

Funding includes \$5 million for renewal and rehabilitation of aging mains in the city's older suburbs and \$1.4 million for upgrades and renewals on pump stations around the city.

A further \$2 million will be spent on upgrades at treatment plants and \$950,000 for the duplication of the rising main along North Shore Boulevard to support new residential areas.

This year's Budget also includes \$2.5 million for the design of a government required upgrade of the Cleveland Bay Purification Plant.

This upgrade will be necessary to bring the plant up to a standard that meets environmental licensing conditions set by the Department of Environment and Heritage Protection.

Council is continuing negotiations with the Department and these dealings will determine the detail and scope of the works.

Councillors as you know the cost of this project will be significant, possibly \$60 million or higher.

We will continue to negotiate for a project that has the least cost impact on our community.

Sustainability and environment

Council's commitment to environmental sustainability is as strong as ever.

The Budget provides \$5.7 million in funding for a range programs and partnerships with community and government groups that will help to better manage our natural assets. These programs include:

\$318,000 for council energy efficiency programs; \$165,000 for natural resource management; \$155,000 for coastal management; \$128,000 for Creek to Coral partnerships with community groups; and \$155,000 for land protection.

Keeping the city clean, green and ship, shape

The Budget will be big on detail in keeping the city's parks, gardens, roads and verges in healthy shape.

These areas are fundamental to keep the city active, and maintaining our lifestyle.

This year \$106.8 will be spent on maintaining our public areas - including The Strand, Jezzine and Riverway. We all appreciate how important they are to our lifestyle.

This will fund the daily work our council outdoors staff do to mow and clean parks, prune trees, look after medians and road verges, repair pot holes, bridges, and maintain stormwater drains, footpaths and even boat ramps.

Waste

As Townsville grows, managing the city's waste is a major challenge.

In addition to the completion of the Magnetic Island Transfer Station this year's budget includes \$13.2 million in capital works at the city's mainland landfills to ensure our landfills are meeting environmental standards.

This includes capping and upgrade works at Hervey Range and Stuart Landfills, leachate and stormwater controls at Jensen Landfill.

Operating the landfills and kerbside collections are also a priority.

A total of \$9.3 million has been allocated for domestic waste and kerbside recycling collections and \$11.6 million on the operations at the city's six waste facilities.

Safer roads and streets

The council also understands the need to provide safe transport infrastructure.

Road safety will be high on the council's agenda with \$794,000 being spent on bus stops at locations across the city including South Townsville, Heatley, Gulliver, The Strand, Black River and Mutarnee.

The budget also includes \$775,000 Black Spot funding to improve safety at the Beck Drive / Gollogoly Lane T intersection with the construction of a roundabout. A further \$540,000 has been allocated for traffic signal renewal and traffic safety improvements.

Pedestrian safety will also be improved with \$951,000 for renewals of footpaths at Currajong, Heatley, Thuringowa Central, Condon and West End.

\$150,000 will be invested in improved schools zones signage and \$170,000 has been allocated to general traffic management improvements.

Safe and secure community

Protecting public safety has been a particular focus during this council's term.

\$2.78 million will be spent to ensure that safety for our residents is a priority.

The budget includes:

- \$1.6 million for the council's Safe Community Security Strategy and a formal working partnership with police to improve public safety;
- \$600,000 extra for targeted security patrols in hotspots; and
- \$400,000 over two years for more CCTV cameras at key locations including the Townsville Recreational Boating Park.

The council's security strategy has been running almost 12 months, providing 24 hour monitoring of CCTV footage from across the city and a Community Response Vehicle for rapid response to anti-social behaviour.

Our security strategy ensures that someone is always watching over our high profile public areas.

However there is no substitute for the police. Our security measures are to assist police by providing rapid information on people breaking the law or threatening the safety of others.

In other safety measures, the council will provide protection for our community at our pools and beaches.

This year:

- \$395,000 for stinger nets,
- \$1.2 million for lifeguards at all major swimming areas on mainland and Magnetic Island; and
- \$894,000 on mosquito control.

Supporting our community

The Budget maintains strong support for the many community groups who play a key role in life in Townsville.

This year \$2.48 million has been set aside for the Community Grants Scheme to provide funding to the city's sporting and cultural groups for events, activities and services throughout the city.

Council's mowing service will also continue to assist the elderly and people with disabilities who have no other help, with \$120,000 in total funding.

Seniors' Picnic In The Park will again be a highlight for our seniors.

The budget also provides support for programs for families with the National Youth Week, School Holiday Program, Get Active Townsville, Sun Safety, Healthy and Active School Program and the School Breakfast Program.

The city's libraries, which rate as the council's most popular service, will again provide year-round activities and programs for people of all ages this year with funding of \$1.2 million.

Funding will also continue for mobile library services in the city's remote areas.

Year of events and festivals

Townsville will gear up to celebrate its 150th anniversary on February 15 next year.

The Budget has allocated \$500,000 for a series of community events to celebrate the 150th anniversary of Townsville being declared a municipality.

The tremendous work of the Townsville Bulletin this year with its historical focus in features and stories has laid a strong foundation for our commemorations and their civic contribution should be applauded.

Celebrations will include a civic street party in Flinders Street on the day of the anniversary on February 15 next year, a gala T150 concert, a series of *Townsville Yarns* events and culminate with a blockbuster RAAF Airshow and Skyshow on October 15-16 next year.

The T150 celebrations are part of a \$2.26 million budget for an action packed events program across the city over the next year.

Other highlights of the program include Heritage Day, Seniors Week activities, VP70, Carols by Candlelight, New Year's Eve and Australia Day.

Council is also encouraging the community to stage events and activities through the T150 Grants Programs which this year will distribute \$200,000 through the broader Community Grants Program.

Budget takes on broad input

Councillors, this budget is the result of much hard work and diligent effort from staff across council, and especially our finance department. My thanks for your efforts.

Formulating the budget has involved a comprehensive process over the past 12 months. It has included:

- regular budget review processes;
- long range workshops on capital works involving professional staff feeding information to councillors as individuals and as chairs of committees;
- time was set aside to allow three workshops with councillors on the Capital Program presented - councillors used two of those opportunities;
- the review of fees and charges by councillors through the committee process; and
- councillors were also encouraged by me to send me specific priorities for their divisions – many of which are represented in this budget.

I thank you for your positive input. Today I deliver a budget with an even spread of vital projects across the city and suburbs.

Conclusion

Councillors, the budget I present today delivers on our community priorities through responsible financial management and a focus on balance during tough economic times.

It will deliver a fourth straight surplus, control debt, and fund the infrastructure, services and economic priorities to make our city an even better place to live.

Importantly, it stays true to my clear commitment to minimise rates rises for our residents at a time when households are struggling to cope with rising costs of living and an uncertain economy.

A budget that helps put money into the back pockets of families is also good for local business.

Councillors, this is a budget for the mums and dads.

I submit the budget for your consideration."

Officers Reports

Corporate Services

1 Finance - Budget 2015/16

REPORT TO COUNCIL

Authorised by Director Corporate Services

Department Financial Services

Date 10 June 2015

Executive Summary

Council received the proposed 2015/16 Budget as prepared and presented by the Mayor, Councillor J Hill in accordance with Section 12(4)(b) of the *Local Government Act 2009*. Section 107A of the *Local Government Act 2009* requires the Mayor to give a copy of the budget, as proposed to be presented to the local government, to each Councillor, at least two weeks before the council is to consider adopting the budget. Council will have opportunity to revise the Mayor's budget at a Special Council meeting on 24 June 2015 before considering the final budget on 7 July 2015.

Pursuant to Section 169 of the *Local Government Regulation 2012*, the proposed 2015/16 Budget is presented in a number of documents tabled at the meeting held on 10 June 2015. Further meetings have been scheduled for Councillors to consider the budget and additional supporting documentation to assist Councillors to understand the proposed budget was also provided at the meeting held on 10 June 2015.

Mayoral Minute

That Councillors receive the proposed 2015/16 Budget as presented in the following documents:

- Financial Statements 2015/16, 2016/17 and 2017/18;
- Council Business Activities 2015/16;
- Long-Term Financial Plan;
- Financial Sustainability Measures;
- Revenue Policy 2015/16; and
- Revenue Statement 2015/16.

Close of Meeting

The Chair, Mayor J Hill declared the meeting closed at 9.27am.

CONFIRMED this TWENTY- THIRD day of JUNE 2015

MAYOR

CHIEF EXECUTIVE OFFICER