**SPECIAL Council MEETING AGENDA**

Wednesday 16 April 2025

Commencing 6:00 pm

Bunjil (Council Chamber), Merri-bek Civic Centre, 90 Bell Street, Coburg



**1. WELCOME**

**2. APOLOGIES/LEAVE OF ABSENCE**

**3. DECLARATIONS OF CONFLICTS OF INTERESTS**

**4. Council Reports**

4.1 Proposed Merri-bek City Council Budget 2025-2029 3

**4. Council Reports**

**4.1 Proposed Merri-bek City Council Budget 2025-2029**

**Director Business Transformation, Sue Vujcevic**

**Finance Management**

**Officer Recommendation**

That Council:

1. Endorses the Proposed 4-year Budget 2025-2029 (provided as Attachment 1 to this report), for the purpose of community exhibition commencing 24April 2025 until 5pm on 22 May 2025.

2. Endorses the Proposed 4-year Revenue and Rating Plan 2025-2029, at Attachment 2 to this report (developed to inform the Proposed Budget), for the purpose of community exhibition.

3. Endorses the voting outcomes of the Community Budget Ideas Process (provided as Attachment 3 to this report), noting that the proposed budget includes the following selection of community budget ideas totaling $313,5730 (higher than the $250,000 set aside):

i) Improving Gilpin dog park $160,000

ii) Lizard with bikes – revitalising the Coburg velodrome underpass $100,000

iii) Challenging gender-based violence through youth led initiatives $53,573.

4. Notes that $8.0 million will be transferred to Significant Projects Reserve to accumulate funding for Council’s long-term significant priorities including Coburg library and piazza.

5. Notes that a minor surplus of $309,630 is proposed to be kept aside for potential allocation following feedback received through the public exhibition process.

6. Invites feedback on the Proposed 4-year Budget 2025-2029 and makes available for public inspection the Proposed 4-year Budget 2025-2029 on the Council website and at the three civic centres and all libraries.

7. Establish a hybrid Hearing Committee, consisting of all Councillors, and appointing the Mayor as Chair, to be held on Tuesday, 27 May 2025 commencing at 6.00pm at the Coburg Civic Centre and invites any submitters who indicate they wish to be heard in support of their submission on the Proposed 4-year Budget 2025-2029.

8. Receives a further report at its meeting on 23 June 2025 outlining any feedback received on the Proposed 4-year Budget 2025-2029 and Proposed 4-Year Revenue and Rating Plan 2025-2029; presenting a final Proposed 4-year Budget 2025-2029 and a final Proposed 4-year Revenue and Rating Plan 2025-2029 for consideration for adoption.

**REPORT**

**Executive Summary**

Council must prepare and adopt a rolling 4-year Budget that contains financial statements and other matters. This must be finally approved by Council no later than 30 June each year. The purpose of this report is to present Merri-bek City Council’s proposed 4-year Budget 2025-2029 (the Proposed Budget) and proposed 4-year revenue and rating plan 2025-2029 (the proposed revenue and rating plan) for endorsement for public exhibition.

The Proposed Budget continues to deliver services to Merri-bek’s 191,000-plus residents within the 3.00 per cent rate cap set by the State Government, funds Councillor and community initiatives and delivers critical major projects while maintaining Council’s financial sustainability.

Key features of the budget include:

 An operating projects program of $2.8 million. Key projects in the program include:

 Continued funding of $470,000 million for the Urban Forest Strategy - Tree Planting Regime;

 Expanding our supporting seniors to live independently (outdoor help for seniors) ($540,000);

 Continuing the solar and/or thermal grants for low-income earners ($205,000);

 Continuing the funding of $120,000 to fund the Youth Holistic Outreach Program;

 Increased grant opportunities to support local artists ($110,000); and

 Doubling the funding for the Renuwall mural program ($60,000)

 A capital works program of $89.9 million. Key projects in the program include:

 Commencing planning and design for the $60 million Coburg library and piazza project;

 Continuing to spend well above the resolved $12 per head per capita rate on transport infrastructure spend, with $17.62 per capita allocated in 2025-26;

 Roads and carparks renewal and maintenance ($27.3 million);

 Improvements to parks, open space and streetscapes ($12.8 million); and

 Footpaths, bicycle paths and transport infrastructure ($6.7 million).

 As part of Council’s participatory budgeting process earlier this year, funding three community budget ideas totaling $313,573:

 Improving Gilpin dog park $160,000;

 Lizard with bikes – revitalising the Coburg velodrome underpass $100,000; and

 Challenging gender-based violence through youth led initiatives $53,573.

As well as funding the top voted project (Native understorey planting) for ($0.3 million) over the next 4-years as a strategic priority.

 The Proposed Budget continues Council’s strong commitment to delivering on its major projects pipeline with a further $7.6 million set aside for the Significant Projects Reserve to fund future projects. This reserve is being used to save for the next significant project earmarked being Coburg library and piazza project.

 A minor surplus of $309,630 which is proposed to be kept aside for potential allocation following feedback received through the public exhibition process.

This report presents the Proposed Budget (**Attachment 1**) for Council endorsement to make it available for public exhibition and comment.

**Previous Council Decisions**

*Not applicable.*

**1. Policy Context**

The Proposed Revenue and Rating Plan has been prepared in accordance with the requirements of Section 93 of the LGA 2020 which requires Councils to prepare and adopt a Revenue and Rating Plan by the next 30 June after a general election for a period of at least the next 4 financial years.

The Proposed 4-year Budget 2025-2029 has been prepared in accordance with the requirement of Section 94 of the LGA 2020 and part 3 of the Local Government (Planning and Reporting) Regulations 2020 which requires councils to prepare a budget for each financial year and the three subsequent financial years.

**2. Background**

Council is required to produce a rolling 4-year budget for each financial year by 30 June. Council held a community budget ideas process throughout November until March 2025 to inform the draft budget.

The Proposed Budget is included as **Attachment 1** to this report. It is recommended that it is displayed for public exhibition for 28-days from 24 April 2025 until 5pm 22 May 2025 for further community engagement and feedback.

**3. Issues**

**Proposed 4-Year Budget 2025-2029**

It is challenging to fund the delivery of services to Merri-bek’s 191,000-plus residents and deliver on the ambitious Council goals all within the rate cap of 3.00 per cent set by the Minister for Local Government. The Proposed Budget delivers a balanced approach to delivery of key outcomes for the Merri-bek community while maintaining Council’s financial sustainability.

This Proposed Budget provides for an underlying surplus of $21.8 million that excludes capital contributions and developer contributions. In this analysis, these items are excluded as they relate to capital commitments and as such are not used to fund the operations of Council – thus providing a clear view of Council’s financial sustainability.

Council remains in a healthy financial position through prudent financial management and ensuring that sufficient cash is available to fund our operations, projects and balance sheet items. Total Council expenditure will amount to $237.9 million and requires a Comprehensive Income Statement surplus of $42.7 million to meet the following requirements:

 $14.2 million in loan principal repayments. Noting that the Local Funding Vehicle Reserve loan is due this financial year and funds have been set aside in the reserve to pay this off. Repayment of loan interest is included in the income statement whilst the principal repayment is a balance sheet item and requires cash funding.

 A further $8.0 million set aside for the Significant Projects Reserve to fund future projects. This reserve is being used to save for the next significant project earmarked being Coburg library and piazza.

 $9.5 million in additional rates funded capital expenditure beyond depreciation (depreciation being non-cash expenditure, reflects the level of asset consumption and is often a way of funding capital renewal expenditure).

It is noted that construction costs have continued to remain high due to external factors outside of Councils control. While estimated cost increases that been applied to the capital works program, accurate costs are not known until the time of tendering and adjustments may be made through the forecasting process as required.

The adoption of the Moving Around Merri-bek Transport Strategy has also included additional spending on active transport infrastructure, with minimum allocation of rates funding per person in Merri-bek re-set from $10 per head to $12 per head, to be indexed by the rates cap for future years. The value of $3.38 million in 2025-26 on active transport infrastructure represents $17.62 per person. Full details are provided in **Attachment 4**.

The proposed budget was developed alongside the Gender Impact Assessment **Attachment 5,** which aims to create better and fairer outcomes and ensure people have equal access to opportunities and resources.

**Property Revaluations and the Rate Rise**

As part of the budgeting process, officers have prepared the Proposed Revenue and Rating Plan, which provides the legislative and practical background for the rating framework and outlines the logic behind Council’s rating structure.

Average rates in 2025-26 are proposed to increase by 3.00 per cent, in line with the rate cap set by the Victorian Government under the Fair Go Rates System. The valuation function is centralised with the Valuer-General of Victoria and the valuation figures used in this 2025-26 proposed budget report are the preliminary valuations provided and yet to be certified. Certification is expected to be received in May and any changes to the preliminary valuations will be adjusted and reflected in the final budget report scheduled for the Special Council Meeting on 23 June 2025. Total rates revenue collected by Council will not increase as a result of any valuation movements/changes.

**Waste Charges**

The 2025-26 proposed budget proposes the charge for the standard kerbside waste services to increase by 20 cents per week or $10.36 per year (to a total cost of $333.73 per annum). The proposed waste charges have been set in accordance with the Kerbside Waste Service and Charge Policy which was authorised by Council 21 December 2022. The waste charge has been developed in accordance with the good practice guidelines which were issued under the Local Government Act 2020 (s.87) by the Minister in December 2023.

The increase of $1.4 million or 6% in total kerbside waste collection costs is directly linked to the cost of providing the kerbside waste services (household rubbish, mixed recycling, food organics and garden organics (FOGO) and glass), on a cost recovery basis. The increase is primarily driven by the 31% increase in the waste levy (State government levy) from 2024-25 to 2025-26.

The 2025-26 proposed fees and charges includes the reduced cost for the residents who are participating in the fortnightly household rubbish trial. For those households participating in the trial, if they have a standard household rubbish bin, they will be paying $30.67 less for the household rubbish bin than those receiving weekly pickups.

The below table shows the current waste charge by stream for those with the standard bin size for each stream in 2024-25. The table show as well as the proposed full cost recovery for each stream for those the proposed costs, the table shows the proposed costs for those receiving the weekly household rubbish collection, as well as for those that are in the trial of fortnightly household rubbish in 2025-26.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Weekly household rubbish** | | | **Fortnightly household rubbish** | | |
|  | **2024-25** | **2025-26** | **$ increase** | **% increase** | **2025-26** | **$ increase** | **% increase** |
| Household rubbish | 148.07 | 166.31 | 18.24 | 12% | 135.64 | - 12.43 | - 8% |
| Mixed recycling | 57.50 | 55.61 | - 1.89 | - 3% | 55.61 | - 1.89 | - 3% |
| Food and Organics | 100.49 | 94.00 | - 6.49 | - 6% | 94.00 | - 6.49 | - 6% |
| Glass Recycling | 17.31 | 17.81 | 0.50 | 3% | 17.81 | 0.50 | 3% |
| **Total** | **323.37** | **333.73** | **10.36** | **3%** | **303.06** | **- 20.31** | **-6%** |

**The 2025-26 Operating Projects Program**

The operating projects program amounts to $2.8 million. These projects are detailed in **Attachment 1** – Appendix A. Key projects in the program include:

 Continued funding of $470,000 million for the Urban Forest Strategy - Tree Planting Regime;

 Expanding our supporting seniors to live independently (outdoor help for seniors) ($540,000);

 Continuing the solar and/or thermal grants for low-income earners ($205,000);

 Continuing the funding of $120,000 to fund the Youth Holistic Outreach Program;

 Increased grant opportunities to support local artists ($110,000); and

 Doubling the funding for the Renuwall mural program ($60,000)

**The 2025-26 Capital Works Program**

The total capital works program for 2025-26 is $89.9 million, this includes both new capital works projects as well $24.0 million of carried forward projects from the current year. The proposed new Capital Works Program amounts to $65.9 million ($52.1 million funded by rates, $5.7 million from grants, $5.0 million from contributions and $3.1 million from reserves). Key deliverables in the program include:

 Commencing planning and design for the $60.0 million Coburg library and piazza project;

 Continuing to spend well above the resolved $12 per head per capita rate on transport infrastructure spend, with $17.62 per capita allocated in 2025-26;

 Roads and carparks renewal and maintenance ($27.3 million);

 Improvements to parks, open space and streetscapes ($12.8 million); and

 Footpaths, bicycle paths and transport infrastructure ($6.7 million).

Council is delivering on our commitment to increase our per capital spend of rates funding on active transport infrastructure (walking and cycling infrastructure). The commitment of $12 per head (to be indexed by the rate cap each year) has been exceeded in this 4-year budget. **Attachment 4** provided further information on the level of spending on active transport infrastructure per capita and the locations of projects that are being designed and consulted upon in the 2025-26 financial year.

The below table shows the per capita spend on active transport that is included in the budget.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Per capita rate achieved | $17.62 | $20.54 | $15.05 | $16.74 |

The capital works program is presented two ways in **Attachment 1** to ensure we are meeting our legislative reporting requirements as well as a more user-friendly view of the capital works program.

**Attachment 1** - section 4.5 of the budget document shows the capital works program as per the financial asset classes. This is prepared in accordance with the *Local Government (Planning and Reporting) Regulations 2020* to ensure our capital works program is classified in accordance with the accounting treatment of the asset created. This is in alignment with the model budget released by Local Government Victoria and the annual financial statements.

Additionally, **Attachment 6** shows the full view of the capital works program categorised by the functional groups (e.g. early years assets and open space assets). This function view is also included in the budget document at **Attachment 1** - (Appendix B). This view makes it easier for the community to look at the overall project funding for multi-year projects, as well as total spend by groupings.

**Borrowings**

Council have proposed no increase to borrowings in the 2025-26 financial year.

**Human Rights Consideration**

The implications of this report have been assessed in accordance with the requirements of the Charter of Human Rights and Responsibilities.

**4. Community consultation and engagement**

**Engagement Activity for the Budget**

In accordance with Council’s Community Engagement Policy 2020 the engagement process for the budget included gathering community budget ideas from the community to inform the draft budget between November 2024 and January 2025. As part of Council’s participatory budget process, $250,000 was set aside to fund community ideas and include into the proposed budget.

In the initial stage of engagement, we called for community ideas that met the criteria. In the second stage we ran a community voting program, including five pop-up sessions, each person had three votes to allocate to their top three projects. The details of the second stage popup sessions were:

Thursday 20 February 2025 – Brunswick Library 11am – 1pm

Saturday 22 February 2025 – Glenroy Community Hub 12pm - 2pm

Thursday 27 February 2025 – Coburg Library 11am – 1pm

Sunday 2 March 2025 – Sydney Road Street Party 12pm - 6pm

Wednesday 5 March 2025 - Fawkner Leisure Centre 3:30pm -5:30pm.

A range of engagement methods were used to maximise participation and to ensure that people could contribute ideas to the budget in an accessible and inclusive way. Engagement activities included:

 Post cards were available at customer service, senior citizens centres, Oxygen and libraries to provide a written idea;

 Call for written submissions by Merri-bek social media pages (Facebook and Instagram);

 Call for written submissions by post and via our digital engagement platform Conversations Merri-bek;

 Customer service had an on-hold message; and

 Promotion and assistance with submissions via libraries and library staff.

In this initial stage of engagement Council received 97 submissions, 42 projects met the criteria to progress to the second stage for community voting.

This is the fourth year that Council has run the community budget ideas and has continued to grow in popularity amongst the community. The participation rates in stage one engagement for the community budget ideas were higher than the previous year (which was the highest that Council budget process has ever reached, ahead of a typical formal public exhibition process).

The second stage of the community budget ideas occurred in February and March 2025, where the community had the opportunity to vote on three projects which they supported. 1,060 people participated in the voting process, with 57 percent of the voting occurring in person. The participation rate in the second stage, slightly down from the previous year, with every project receiving some level of support via the voting process.

**Attachment 2** provides the breakdown of each project and the voting outcomes.

The proposed budget includes three community budget ideas totaling $313,573:

 Improving Gilpin dog park $160,000;

 Lizard with bikes – revitalising the Coburg velodrome underpass $100,000; and

 Challenging gender-based violence through youth led initiatives $53,573.

As well as funding the top voted project (Native understorey planting which was titled as inviting small native birds back to the neighbourhood in the community budget idea process) for the next 4-years as a strategic priority.

The second phase of engagement will occur from 24 April until 22 May 2025, for 31 days. The purpose of this stage of engagement is to share the draft Budget with the community and invite comments. Methods for this stage of engagement will be aligned with Council’s Community Engagement Policy 2020 and include:

 A dedicated Project Page: a dedicated project page will be created on Council’s engagement website, Conversations Merri-bek, which helps create a consistent location for the community to access information and participation online;

 Inviting feedback on the draft document via community ‘drop-in’ information session at the Brunswick, Coburg and Glenroy libraries;

 Rates contact: all outgoing email correspondence from the revenue services team shared the proposed budget with the community including a link to Conversations Merri-bek;

 Communications Campaign: This included promotion on Council’s corporate channels and social media as well as hardcopies of the proposed budget 2025-2029 document in customer service centres and libraries; and

 A Feedback Forum event where community members can attend Council in person to share their feedback on the draft Budget.

**5. Officer Declaration of Conflict of Interest**

Council officers involved in the preparation of this report have no conflict of interest in this matter.

**6. Financial and Resources Implications**

Costs associated with the preparation of the Proposed Budget, including the cost of public exhibition, are funded from the 2024-25 operating budget allocations.

**7. Implementation**

Subject to Council’s decision, the Proposed Budget will be advertised followed by a 28-day public exhibition period. Feedback will be heard at a meeting on Tuesday 27 May 2025.

Following consideration of the feedback, a final proposed budget will be presented for Council consideration and with a recommendation to declare the rates for 2025-26 at the Special Council Meeting on Monday 23 June 2025.

**Attachment/s**

|  |  |  |  |
| --- | --- | --- | --- |
| **1** | 2025-2029 Proposed Budget | D25/186341 |  |
| **2** | Proposed Revenue & Rating Plan 2025-2029 | D24/529385 |  |
| **3** | Community Budget Ideas - Voting outcome | D25/186340 |  |
| **4** | Proposed Transport Infrastructure Program | D25/186339 |  |
| **5** | Gender Impact Assessment - Budget 2025-2029 | D24/537655 |  |
| **6** | Proposed Capital Works Program 2025-2030 (Functional view) | D25/178475 |  |