



City of
Mount Gambier

Civic Centre, 10 Watson Terrace
Mount Gambier SA 5290

PO Box 56
Mount Gambier SA 5290

Telephone 08 87212555
Facsimile 08 87249791
city@mountgambier.sa.gov.au

mountgambier.sa.gov.au

I hereby give notice that a Council Meeting will be held on:

Date: Tuesday, 20 June 2023

Time: 6.00 p.m.

**Location: Council Chamber
Civic Centre
10 Watson Terrace
Mount Gambier**

CONFIDENTIAL AGENDA

Council Meeting 20 June 2023

**Sarah Philpott
Chief Executive Officer
16 June 2023**

23.3 NOTICE OF MOTION - STRATEGIC PROPERTY MANAGEMENT – REPORT NO. AR23/32078

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except the Mayor, Councillors and (Council Officers) be excluded from attendance at the meeting for the receipt and consideration in confidence of Agenda Item 23.3 AR23/32078 Notice of Motion - Strategic Property Management.

The Council is satisfied that, pursuant to section 90(3) (b) and (d) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is
 - conducting business; or
 - proposing to conduct business; or
 - to prejudice the commercial position of the Council
- commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected:
 - to prejudice the commercial position of the person who supplied the information, or
 - to confer a commercial advantage on a third party

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the information to be considered includes property valuation information that could benefit a 3rd party with whom Council may seek to conduct business and prejudice the Council's commercial position. the public interest in the matter being considered in a place open to the public is outweighed in the circumstances where disclosure would be likely to affect the Council's ability to get best value for the community.

23.3 NOTICE OF MOTION - STRATEGIC PROPERTY MANAGEMENT

Meeting: Council
CM9 Reference: AF13/64
Member: Max Bruins, Councillor

The Council is satisfied that, pursuant to Section 90(2) & (3) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this agenda item is:

- (b) information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business; or proposing to conduct business; or to prejudice the commercial position of the Council
- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected: to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party.

I, Councillor Max Bruins, give notice that at the next Ordinary Meeting of Council to be held on 20 June 2023, I intend to move the following motion:

MOTION

1. That Council Report No. AR23/32078 titled 'Notice of Motion - Strategic Property Management' as presented on 20 June 2023 be noted.
2. In accordance with Clause 8 of Council's Procurement and Disposal of Land and Assets Policy P420, an independent valuation be obtained to establish a reserve price (auction) or appropriate market value (open market sale) for the following properties:
 - 1 Lawrence Street, Mount Gambier
 - 3 Lawrence Street, Mount Gambier
3. Council note that on 29 July 2021 a public road declaration was gazetted for a portion of Lawrence Street which previously would have been an inhibiting factor in the sale of these properties and there are no community land implications that prevent the properties listed in (2) above from being sold.
4. Should the independent valuation for 1 Lawrence Street be in excess of the most recent valuation and the valuation for 3 Lawrence Street be in excess of the most recent valuation that the Chief Executive Officer be authorised to enter into a sales process to dispose of these 2 properties, ensuring the reserve sum is equal to the valuation at a minimum.
5. Should the sale of the properties proceed, all proceeds received from the sale of 1 Lawrence Street & 3 Lawrence Street be utilised for asset renewal and maintenance work on other council owned built infrastructure.

RATIONALE

In the current economic climate there is a conflict between keeping rate revenue at an affordable level whilst continuing to maintain council assets and facilities at a high standard. Despite the pending strategic property review that is currently being undertaken, there is an urgent need for maintenance to be undertaken on a range of council owned infrastructure which I do not believe is adequately catered for in the 2023-2024 Annual Business Plan & Budget.



I am proposing that these 2 parcels of land be deemed surplus to requirements and the proceeds utilised to undertake necessary maintenance and repair work on council owned infrastructure.

I commend this Notice of Motion to Council.

ADMINISTRATIVE COMMENT

Members are referred to previous Council Report titled 'Strategic Property Management – Land Valuations – Report No. AR21/38766' from 20 July 2021 accessible from the Member Extranet.

Council previously considered the matter of the potential disposal of 1 and 3 Lawrence Street and 9 Penola Road in June 2021, including that Council's capital investment in the site at 1 Lawrence Street totalled approximately \$290,000 (comprising purchase price in February 2017 of \$240,000 in exercise of a first right of refusal, and demolition of a building in mid-2017 at a cost of approximately \$50,000).

Market valuations for the subject properties have been sought and formally considered on two prior occasions during the previous Council term in mid-2019 and mid-2021 at a total combined cost of \$3,080.00. Disposal did not occur at those times as Council progressed to a discussion about CBD activation so that any disposal might be considered in light of any strategic drivers for disposal or retention.

To avoid implications associated with unbudgeted spending, or re-prioritisation of other anticipated and budgeted activities to accommodate this proposed body of work, it is recommended that if the Notice of Motion is approved by Council, that a further budget allocation in the amount of \$20,000 be noted for inclusion in the 1st Budget Review (BR1) for the 2023/2024 year for valuations, sales marketing and commission, legal and conveyancing costs associated with proposed sales. Revenue estimates may also be included in a subsequent Budget Review once available and would ultimately cover the costs of such investigations.

Council may wish to further consider any operational or other strategic purpose for the subject lands and Council may wish to undertake such an exercise as a pre-requisite to the subject lands being declared surplus.

Council may also wish to consider allocation of any funds from disposal either for maintenance of buildings, or alternatively for debt reduction, with the administration advising that proceeds would be applied immediately to pay down debt and with any renewal or maintenance works that may be funded from the return on the sale requiring identification, planning and budget allocation in a subsequent Budget Review, funded from borrowings at the appropriate time.

Council may also seek the views of the Audit and Risk Committee, whose attention would be brought to any relevant resolution.

Council may also wish a further report be brought back to Council to enable Members to be fully informed on any associated matters before any final actions are progressed in relation to the subject matter.

ATTACHMENTS

Nil



CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 23.3 AR23/32078 Notice of Motion - Strategic Property Management and its attachments, resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (b) and (d) be kept confidential and not available for public inspection until contracts have been executed and settled for all of the subject matter contained in the report and resolutions, with the resolutions/minutes only to be released immediately following consideration by Council.
2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CONFIDENTIAL

**MINUTES OF CITY OF MOUNT GAMBIER COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT
GAMBIER
ON TUESDAY, 20 JUNE 2023 AT 6.00 P.M.**

PRESENT: Mayor Lynette Martin (OAM), Cr Frank Morello, Cr Josh Lynagh, Cr Kate Amoroso, Cr Mark Lovett, Cr Max Bruins, Cr Paul Jenner, Cr Sonya Meziniec, Cr Jason Virgo

OFFICERS IN ATTENDANCE:

Chief Executive Officer	- Mrs S Philpott
General Manager City Infrastructure	- Ms B Cernovskis
General Manager Corporate and Regulatory Services	- Mrs J Fetherstonhaugh
General Manager City and Community Growth	- Mrs S La Grace
Manager Governance and Property	- Mr M McCarthy
Manager Financial Services	- Mrs J Scoggins
Media and Communications Coordinator	- Ms S McLean
Communications Officer	- Ms M Brookes
Executive Administrator	- Mrs S Dohnt

23.3 NOTICE OF MOTION - STRATEGIC PROPERTY MANAGEMENT – REPORT NO. AR23/32078

RESOLUTION 2023/112

Moved: Cr Max Bruins

Seconded: Cr Sonya Mezinac

CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except the Mayor, Councillors and S Philpott, B Cernovskis, J Fetherstonhaugh, S La Greca, M McCarthy, J Scoggins, S McLean, M Brookes and S Dohnt be excluded from attendance at the meeting for the receipt and consideration in confidence of Agenda Item 23.3 AR23/32078 Notice of Motion - Strategic Property Management.

The Council is satisfied that, pursuant to section 90(3) (b) and (d) of the Act, the information to be received, discussed or considered in relation to the Agenda Item is:

- information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is
 - conducting business; or
 - proposing to conduct business; or
 - to prejudice the commercial position of the Council
- commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected:
 - to prejudice the commercial position of the person who supplied the information, or
 - to confer a commercial advantage on a third party

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the information to be considered includes property valuation information that could benefit a 3rd party with whom Council may seek to conduct business and prejudice the Council's commercial position. the public interest in the matter being considered in a place open to the public is outweighed in the circumstances where disclosure would be likely to affect the Council's ability to get best value for the community.

CARRIED

Cr Mark Lovett left the meeting at 9:13 pm

Cr Mark Lovett returned to the meeting at 9:14 pm

RESOLUTION 2023/113

Moved: Cr Max Bruins

Seconded: Cr Paul Jenner

1. That Council Report No. AR23/32078 titled 'Notice of Motion - Strategic Property Management' as presented on 20 June 2023 be noted.



2. In accordance with Clause 8 of Council's Procurement and Disposal of Land and Assets Policy P420, an independent valuation be obtained to establish a reserve price (auction) or appropriate market value (open market sale) for the following properties:

1 Lawrence Street, Mount Gambier
3 Lawrence Street, Mount Gambier
3. Council note that on 29 July 2021 a public road declaration was gazetted for a portion of Lawrence Street which previously would have been an inhibiting factor in the sale of these properties and there are no community land implications that prevent the properties listed in (2) above from being sold.
4. Should the independent valuation for 1 Lawrence Street be equal to or in excess of the most recent valuation and the valuation for 3 Lawrence Street be equal to or in excess of the most recent valuation that the Chief Executive Officer be authorised to enter into a sales process to dispose of these 2 properties, ensuring the reserve sum is equal to the valuation at a minimum.
5. Should the sale of the properties proceed, all proceeds received from the sale of 1 Lawrence Street & 3 Lawrence Street be utilised for asset renewal and maintenance work on other council owned built infrastructure.

CARRIED

Cr Lovett called a division.

The declaration was set aside.

Voting by division being:

In Favour: Crs Frank Morello, Josh Lynagh, Max Bruins, Paul Jenner and Sonya Meziniec

Against: Crs Kate Amoroso, Mark Lovett and Jason Virgo

The PRESIDING MEMBER declared the motion

CARRIED 5/3

RESOLUTION 2023/114

Moved: Cr Max Bruins
Seconded: Cr Mark Lovett

CONSIDERATION FOR KEEPING ITEMS CONFIDENTIAL

1. In accordance with Sections 91(7) and 91(9) of the *Local Government Act 1999* the Council orders that the report 23.3 AR23/32078 Notice of Motion - Strategic Property Management and its attachments, resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (b) and (d) be kept confidential and not available for public inspection until contracts have been executed and settled for all of the subject matter contained in the report and resolutions, with the resolutions/minutes only to be released immediately following consideration by Council.
2. Further that Council delegates the power to review, revoke, but not extend the confidential order to the Chief Executive Officer in accordance with the provisions of Section 91(9)(c) of the *Local Government Act 1999*.

CARRIED

