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**I hereby give notice that a Regional Sport and Recreation Centre  
Committee Meeting will be held on:**

**Date: Tuesday, 10 November 2020**  
**Time: 5.00 p.m.**  
**Location: Council Chamber**  
**Civic Centre**  
**10 Watson Terrace**  
**Mount Gambier**

# **CONFIDENTIAL AGENDA**

## **Regional Sport and Recreation Centre Committee Meeting 10 November 2020**

A handwritten signature in black ink, appearing to read 'Barbara Cernovskis', is positioned above the printed name.

**Barbara Cernovskis**  
**Acting Chief Executive Officer**  
**6 November 2020**

## 5 CONFIDENTIAL ITEMS

### 5.1 FUNDING OF MOUNT GAMBIER COMMUNITY AND RECREATION HUB PROJECT – REPORT NO. AR20/73196

#### CONSIDERATION FOR EXCLUSION OF THE PUBLIC

Pursuant to section 90(2) of the *Local Government Act 1999* the Regional Sport and Recreation Centre Committee orders that all members of the public, except Mayor L Martin, Councillors B Hood, Councillors K Amoroso, M Bruins, C Greco, P Jenner, S Mezinac, F Morello and S Perryman and Council Officers B Cernovskis, N Serle be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 5.1 AR20/73196 Funding of Mount Gambier Community and Recreation Hub project.

The Regional Sport and Recreation Centre Committee is satisfied that, pursuant to section 90(3) (b), (d) and (k) 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
- tenders for the:
  - supply of goods, or
  - the provision of services, or
  - the carrying out of works

The Regional Sport and Recreation Centre Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because specifically, the present matter relates to the execution of a signed contract between Council and Badge for the construction of the Mount Gambier Community and Recreation Hub.



**5.1 FUNDING OF MOUNT GAMBIER COMMUNITY AND RECREATION HUB PROJECT –  
REPORT NO. AR20/73196**

<b>Committee:</b>	<b>Regional Sport and Recreation Centre Committee</b>
<b>Meeting Date:</b>	<b>10 November 2020</b>
<b>Report No.:</b>	<b>AR20/73196</b>
<b>CM9 Reference:</b>	<b>AF19/113</b>
<b>Author:</b>	<b>Jeroen Zwijnenburg, Manager Finance and Customer Service</b>
<b>Authoriser:</b>	<b>Barbara Cernovskis, Acting Chief Executive Officer</b>
<b>Summary:</b>	<b>Funding for the Mount Gambier Community and Recreation Hub – establishing the overall loan arrangements with the LGFA for the necessary tranches of the loans and Cash Advance Debentures (CAD).</b>
<b>Strategic Plan Reference:</b>	<b>Goal 1: Our People</b> <b>Goal 2: Our Location</b> <b>Goal 3: Our Diverse Economy</b> <b>Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage</b> <b>Goal 5: Our Commitment</b>

The Committee 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
- (k) tenders for the: supply of goods, or the provision of services, or the carrying out of works.

**REPORT RECOMMENDATION**

1. That Regional Sport and Recreation Centre Committee Report No. AR20/73196 titled 'Funding of Mount Gambier Community and Recreation Hub project' as presented on 10 November 2020 be noted.
2. That Council approves that Council administration, for the purpose of the Mount Gambier Community and Recreation Hub project funding, can enter into:
  - a maximum combined \$35 million long term credit foncier loans with Local Government Financing Authority
  - an additional \$10 million CAD with LGFA for the length of the Mount Gambier Community and Recreation Hub project, to be closed in the month(s) following the Mount Gambier Community and Recreation Hub opening.
3. That the Mayor and the Chief Executive Officer be authorised to sign and affix the common seal to execute the required loan documentation as referenced in point 2 above.



## **TYPE OF REPORT**

Corporate

## **BACKGROUND**

The 'Elected Member Supplementary Briefing Note' from 1 July 2020 included sections around Council Funding. With the project further advanced since there is a need for Council to implement its funding arrangements to allow Council administration to put the necessary funding arrangement in place with the LGFA.

For this purpose, it is noted that the City of Mount Gambier is dealing for its funding with the Local Government Financing Authority (LGFA) and not with any (commercial) non-SA local government financial institutions.

Council is therefore not exposed to need to negotiate preferable interest rate and/or loan terms and conditions but is a taker of the available loan options through the LGFA.

The LGFA is able to offer the City of Mount Gambier very competitive loan arrangements and is very flexible in attending to Council's needs in this respect.

This situation therefore simplifies the proposition to Council. The focus in this report is therefore on Council's adoption of the overall loan amount that can be secured with the LGFA and the explicit delegation to Council's administration to arrange the loan terms within this approved loan amounts.

If and when required at a later stage, be it related to the Mount Gambier Community and Recreation Hub project or for other purposes, there is a requirement to fund more than the adopted overall loan amount Council will be approached again for the adoption of additional funding.

## **Cash Advance Debenture (CAD)**

The use of Cash Advance Debentures (CAD) facilities is common in Councils to manage daily cash balances because the timing of revenue receipts (mostly rates that are received annually and quarterly) and payments (monthly) are usually not aligned. These facilities can be used to finance some aspects of any project as payments commence without locking Council into a fix term loan, thus avoiding unnecessary interest costs.

At present Council has two \$5 million facilities available. These have not been used since August 2017.

## **Recent changes to Council's funding options**

### **A. RBA rates changes**

Per 3 November LGFA's rates for CAD has been set at 2.05%, with the LGFA passing on the full Reserve Bank of Australia 0.15% rate cut on that day.

### **B. LGFA CAD Support package**

The LGFA Support Packages provides the City of Mount Gambier with a \$3.2 million CAD facility, taken out of one of Council's existing CAD facilities. This will be available per 15 December 2020 and be available for 3 years (15 December 2023) and provide Council with a 0.75% reduction in rates on this facility. I.e. this interest rate will only be 1.3%.

This will result in Council having the following facilities available per 15 December 2020:

- \$5 million CAD 105 @ 2.05%
- \$1.8 million CAD 104 @ 2.05%
- \$3.2 million CAD Support facility @ 1.3%



Council will therefore aim to use the CAD Support facility to the maximum available at any time when Council is in a net cash deficit position.

#### C. Mount Gambier Community and Recreation Hub timing

Due to changes in the timing of the Mount Gambier Community and Recreation Hub construction as well as the Federal and State funding the Cash Flow projection has changed since the June 2020 projection of having a first loan in place by September 2020. Council now anticipates that it can use the CAD Support facility initially and initiate the first loan in the first half of the 2021 calendar year.

#### **Future rates**

Local Government Finance Authority rates for credit foncier loans as at 23 June 2020 are as follows (in brackets the rates quoted per 23 June 2020):

- 2.05% (2.20%) for a 10-year loan
- 2.45% (2.65%) for a 15-year loan
- 2.80% (2.75%) for a 20-year loan

The rates applicable at the time loans will be entered into may differ, however, it is anticipated that rates are unlikely to change significantly in the near future. The conditions associated with these loans needs some careful treasury management. E.g. once established the loan cannot be repaid early without significant financial penalties.

Another option that can be explored (and applied to the current loan Council has with LGFA) is to establish a loan for 10 years but base the repayment schedule on a 20 year loan. This will then lead, at the conclusion of the loan in 10 years' time, to the need to repay the full remaining principal OR establish a new loan for another 10 years. Obviously, that comes with further exposure to interest rate risk, as the interest rate to be agreed upon in 10 years' time will be unknown at the time of settlement of the first loan.

With the current low rate environment we are in, if a 20 year loan is available at the start, that might well be the best option for one (or more) of the loans we expect to enter into rather than open ourselves up to the risk of a much higher interest rate environment in 10 years' time. This will be re-assessed closer to settlement.

#### **Funding plan for adoption**

##### ***Basic intentions***

Council intends to enter into a number of tranches of separate loans. This will balance the risk regarding interest rates, Council's ability to repay the loans based on the LTFP projections and other factors.

LGFA settles new loans on the 15<sup>th</sup> of the month and requires four weeks advance notice to establish such a loan. As currently the CAD facility's interest rates are lower than the fixed interest rate loan facilities, Council only wants to establish the fixed interest rate long term loan once required and not any time earlier. To ensure that Council can continue to pay for the Mount Gambier Community and Recreation Hub related construction -progress claims and other project related expenditure without entering into a loan before this is fully necessary (and through this save on interest expenses) it wants to establish an additional \$10 million CAD Facility (i.e. in addition to the current available \$10 million facilities).

Council will also consider, towards the completion of the project, if it will be advantageous, taking into account the interest rate risk, to continue to call on (part of the) CAD facilities for financing rather than establishing a fixed term loan for that amount. This situation is expected to only arise in early 2022 and is of lesser concern at this particular point in time.

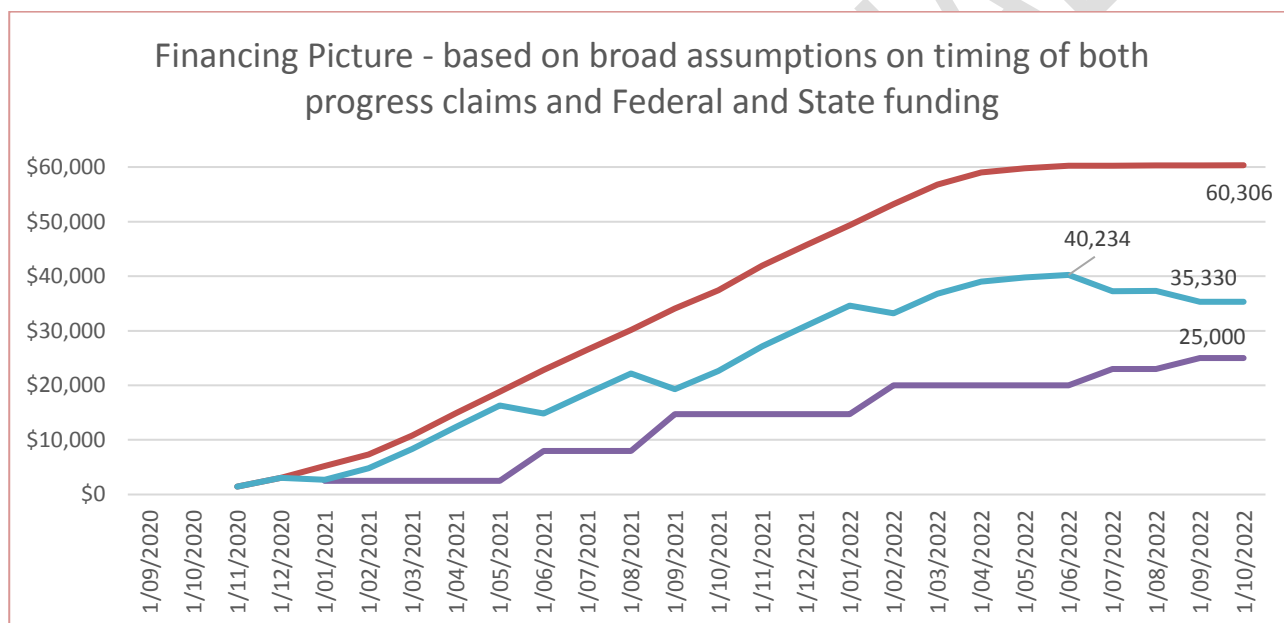


### Funding need

The total borrowing requirement for Council in relation to the Mount Gambier Community and Recreation Hub project is expected to be \$35 million at the end of the construction period. However, depending on the timing of the last payments from the Federal and State Council could require up to \$40 million in funding before these payments are received.

Therefore Council administration is seeking Councils adoption of \$35 million of additional funding for the purpose of financing the Mount Gambier Community and Recreation Hub project related expenditure, with acceptance of a higher funding amount for bridging the period of higher funding needs and establishing the last LFGA loan tranche, i.e. an additional CAD facility of \$10 million until shortly after the conclusion of the settlement of the last tranche within the overall \$35 loan facilities.

I.e. at the time just after the settlement of the last loan Council could have entered into \$35 million of loans for the Mount Gambier Community and Recreation Hub project, while also still having the additional \$10 million CAD facility in place. Council will then action the reduction of the total CAD facilities back to a maximum of \$10 million in the month(s) thereafter.



Any differential between the maximum approved \$35 million loan amounts and the required borrowing amount will be financed firstly from the \$3.2 million CAD Support facility, followed by the 105 (\$5 million) and 104 (\$1.8 million) CAD facilities.

### Additional notes for information

#### A. Existing \$10 million CAD

For completeness it is noted that the currently existing \$10 million CAD facilities will be remaining to allow Council to finance operating cash flow fluctuations and / or other project related cash flow.

#### B. Council debt limit

The Treasury Management policy indicates that Council will consider its debt limit. Council will therefore need to consider an overall debt level of \$42.2 million, which is the combination of an project maximum \$40.234 million of borrowings in relation to the Mount Gambier Community and Recreation Hub and a total of \$1.952 million for the currently existing loan in June 2022.



C. Accounting standards regarding capitalisation of borrowing costs

AASB 116 Property, Plant and Equipment indicates in para 22 that 'AASB 123 Borrowing Costs establishes criteria for the recognition of interest as a component of the carrying amount of a self-constructed item of property, plant and equipment. This applies to the Mount Gambier Community and Recreation Hub within Council.

AASB 123 indicates under its 'Core Principle' that 'Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset', where 'borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds' and 'a qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale'.

Although there is a clause 8.1 that indicates that a not-for-profit public sector entity may elect to recognise borrowing costs as an expense, the South Australian Model Financial Statements 2020 on page 65 indicates that this clause is not to be applied. This makes Council's treatment consistent with the treatment within the community at large.

Based on current projections, the interest expense could be in the order of till the opening of the Mount Gambier Community and Recreation Hub project, this could amount to \$500k to \$700k depending on timing of income and expenditure as well as available interest rates.

**PROPOSAL**

The proposal is that Council approves that Council administration, for the purpose of the Mount Gambier Community and Recreation Hub project funding, can enter into:

- a maximum combined \$35 million long term credit foncier loans with LGFA
- an additional \$10 million CAD with LGFA for the length of the Mount Gambier Community and Recreation Hub project, to be closed in the month(s) following the Mount Gambier Community and Recreation Hub opening.

**LEGAL IMPLICATIONS**

Council agrees that the Mayor and the CEO can apply the Council's Common Seal to execute any loan requirements within this resolution.

**STRATEGIC PLAN**

Nil

**COUNCIL POLICY**

Treasury policy – see AR19/70520

**ECONOMIC IMPLICATIONS**

The above will impact on Council's net financial liability and adjusted financial liability ratios.

**ENVIRONMENTAL IMPLICATIONS**

Nil

**SOCIAL IMPLICATIONS**

Nil

**CULTURAL IMPLICATIONS**

Nil





## **RESOURCE IMPLICATIONS**

The treasury function related to this resolution will be implemented by the Finance section within Council.

## **VALUE FOR MONEY**

The proposal aims to minimise the interest expenditure that Council incurs over the length of the funding requirement.

## **RISK IMPLICATIONS**

Settling the term of the loans, determining the principal and interest or interest only loan allocation, the usage of the CAD facilities, will all have an impact on Council's interest rate risk.

## **EQUALITIES AND DIVERSITY IMPLICATIONS**

Nil

## **ENGAGEMENT AND COMMUNICATION STRATEGY**

Nil

## **IMPLEMENTATION STRATEGY**

Council Finance department will implement the strategy. Reporting of the borrowing position of Council will occur on a regular basis as part of the regular budget review process.

## **CONCLUSION AND RECOMMENDATION**

Council approves that Council administration, for the purpose of the Mount Gambier Community and Recreation Hub project funding, can enter into:

- a maximum combined \$35 million long term credit foncier loans with LGFA
- an additional \$10 million CAD with LGFA for the length of the Mount Gambier Community and Recreation Hub project, to be closed in the month(s) following the Mount Gambier Community and Recreation Hub opening.

## **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 5.1 AR20/73196 Funding of Mount Gambier Community and Recreation Hub project and its attachments, the discussion and the resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (b), (d) and (k) be kept confidential and not available for public inspection until that the item be reviewed 12 months after successful execution of the contract.
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 REGIONAL SPORT AND RECREATION CENTRE COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT  
GAMBIER  
ON TUESDAY, 10 NOVEMBER 2020 AT 5.00 P.M.**

**PRESENT:** Mayor Lynette Martin (OAM), Cr Ben Hood, Cr Kate Amoroso, Cr Max Bruins,  
Cr Christian Greco, Cr Frank Morello

**OFFICERS IN ATTENDANCE:** Acting Chief Executive Officer - Ms B Cernovskis  
General Manager City Infrastructure - Mr N Serle  
Manager Finance and Customer Service - Mr J Zwijnenburg  
Executive Administration Officer - Mrs F McGregor

**5 CONFIDENTIAL ITEMS**

**5.1 FUNDING OF MOUNT GAMBIER COMMUNITY AND RECREATION HUB PROJECT –  
REPORT NO. AR20/73196**

**COMMITTEE RESOLUTION**

Moved: Mayor Lynette Martin  
Seconded: Cr Frank Morello

**CONSIDERATION FOR EXCLUSION OF THE PUBLIC**

Pursuant to section 90(2) of the *Local Government Act 1999* the Regional Sport and Recreation Centre Committee orders that all members of the public, except Mayor L Martin, Councillors B Hood, K Amoroso, M Bruins, C Greco, F Morello and Council Officers B Cernovskis, N Serle, J Zwijnenburg and F McGregor be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 5.1 AR20/73196 Funding of Mount Gambier Community and Recreation Hub project.

The Regional Sport and Recreation Centre Committee is satisfied that, pursuant to section 90(3) (b), (d) and (k) 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
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- commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected:
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The Regional Sport and Recreation Centre Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because specifically, the present matter relates to the execution of a signed contract between Council and Badge for the construction of the Mount Gambier Community and Recreation Hub.

**CARRIED**

### **COMMITTEE RESOLUTION**

Moved: Mayor Lynette Martin

Seconded: Cr Max Bruins

1. That Regional Sport and Recreation Centre Committee Report No. AR20/73196 titled 'Funding of Mount Gambier Community and Recreation Hub project' as presented on 10 November 2020 be noted.
2. That Council approves that Council administration, for the purpose of the Mount Gambier Community and Recreation Hub project funding, can enter into:
  - a maximum combined \$35 million long term credit foncier loans with Local Government Financing Authority
  - an additional \$10 million CAD with LGFA for the length of the Mount Gambier Community and Recreation Hub project, to be closed in the month(s) following the Mount Gambier Community and Recreation Hub opening.
3. That the Mayor and the Chief Executive Officer be authorised to sign and affix the common seal to execute the required loan documentation as referenced in point 2 above.

**CARRIED**

### **COMMITTEE RESOLUTION**

Moved: Cr Frank Morello

Seconded: Mayor Lynette Martin

### **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 5.1 AR20/73196 Funding of Mount Gambier Community and Recreation Hub project and its attachments, the discussion and the resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (b), (d) and (k) be kept confidential and not available for public inspection until that the item be reviewed 12 months after successful execution of the contract.
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**





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

**Date: Tuesday, 17 November 2020**  
**Time: 6.00 p.m.**  
**Location: Council Chamber**  
**Civic Centre**  
**10 Watson Terrace**  
**Mount Gambier**

# **CONFIDENTIAL AGENDA**

**Council Meeting**  
**17 November 2020**

A handwritten signature in black ink, appearing to read 'Barbara Cernovskis', is placed over a light grey rectangular background.

**Barbara Cernovskis**  
**Acting Chief Executive Officer**  
**13 November 2020**

**27.2 CONFIDENTIAL ITEMS OF THE REGIONAL SPORT AND RECREATION CENTRE COMMITTEE HELD ON 10 NOVEMBER 2020 - [Go to Attachment](#)**

**27.3 Funding of Mount Gambier Community and Recreation Hub project**

**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 Mayor L Martin, Councillors S Mezinac, K Amoroso, M Bruins, C Greco, B Hood, P Jenner, F Morello and S Perryman and Council Officers B Cernovskis, N Serle, M McCarthy, S McLean and F McGregor be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 27.3 AR20/73196 Funding of Mount Gambier Community and Recreation Hub project.

The Council is satisfied that, pursuant to section 90(3) (b), (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
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  - to prejudice the commercial position of the Council

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

- commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected:
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In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

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 specifically, the present matter relates to the execution of a signed contract between Council and Badge for the construction of the Mount Gambier Community and Recreation Hub.



### RECOMMENDATION

1. That Regional Sport and Recreation Centre Committee Report No. AR20/73196 titled 'Funding of Mount Gambier Community and Recreation Hub project' as presented on 10 November 2020 be noted.
2. That Council approves that Council administration, for the purpose of the Mount Gambier Community and Recreation Hub project funding, can enter into:
  - a maximum combined \$35 million long term credit foncier loans with Local Government Financing Authority
  - an additional \$10 million CAD with LGFA for the length of the Mount Gambier Community and Recreation Hub project, to be closed in the month(s) following the Mount Gambier Community and Recreation Hub opening.
3. That the Mayor and the Chief Executive Officer be authorised to sign and affix the common seal to execute the required loan documentation as referenced in point 2 above.

### 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 5.1 AR20/73196 Funding of Mount Gambier Community and Recreation Hub project and its attachments, the discussion and the resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (b), (d) be kept confidential and not available for public inspection and that the item be reviewed 12 months after successful execution of the contract.
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*.



**MINUTES OF COUNCIL MEETING  
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT  
GAMBIER  
ON TUESDAY, 17 NOVEMBER 2020 AT 6.00 P.M.**

**PRESENT:** Mayor Lynette Martin (OAM), Cr Sonya Mezinec, Cr Kate Amoroso, Cr Max Bruins, Cr Ben Hood, Cr Paul Jenner, Cr Frank Morello, Cr Steven Perryman

**OFFICERS IN ATTENDANCE:**

Acting Chief Executive Officer	- Ms B Cernovskis
General Manager City Infrastructure	- Mr N Serle
Media and Communications Coordinator	- Ms S McLean
Manager Governance and Property	- Mr M McCarthy
Manager Finance and Customer Service	- Mr J Zwijnenburg
Executive Administration Officer	- Mrs F McGregor



**27.2 CONFIDENTIAL ITEMS OF THE REGIONAL SPORT AND RECREATION CENTRE COMMITTEE HELD ON 10 NOVEMBER 2020**

**27.3 FUNDING OF MOUNT GAMBIER COMMUNITY AND RECREATION HUB PROJECT – REPORT NO. AR20/73196**

**RESOLUTION 2020/380**

Moved: Cr Steven Perryman

Seconded: Cr Max Bruins

**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 Mayor L Martin, Councillors S Meziniec, K Amoroso, M Bruins, B Hood, P Jenner, F Morello and S Perryman and Council Officers B Cernovskis, N Serle, M McCarthy, S McLean, J Zwijnenburg, and F McGregor be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 27.3 AR20/73196 Funding of Mount Gambier Community and Recreation Hub project.

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

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In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.



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 specifically, the present matter relates to the discussion of information contained in a contract with Badge for the construction of the Mount Gambier Community and Recreation Hub, this disclosure of which could confer advantage on a 3<sup>rd</sup> party and prejudice the position of Council.

**CARRIED**

**RESOLUTION 2020/381**

Moved: Cr Ben Hood

Seconded: Cr Sonya Mezinac

1. That Regional Sport and Recreation Centre Committee Report No. AR20/73196 titled 'Funding of Mount Gambier Community and Recreation Hub project' as presented on 10 November 2020 be noted.
2. That Council approves that Council administration, for the purpose of the Mount Gambier Community and Recreation Hub project funding, can enter into:
  - a maximum combined \$35 million long term credit foncier loans with Local Government Financing Authority
  - an additional \$10 million CAD with LGFA for the length of the Mount Gambier Community and Recreation Hub project, to be closed in the month(s) following the Mount Gambier Community and Recreation Hub opening.
3. That Council approves that Council administration can enter into a variation agreement for one of Council's existing Cash Advance Debenture (CAD) facilities for the amount of \$3.2 million for a period of 3 years.
4. That the Mayor and the Chief Executive Officer be authorised to sign and affix the common seal to execute the required loan documentation as referenced in point 2 and 3 above.

**CARRIED**

**RESOLUTION 2020/382**

Moved: Cr Max Bruins

Seconded: Cr Ben Hood

**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 27.3 AR20/73196 Funding of Mount Gambier Community and Recreation Hub project and its attachments, the discussion and the resolution/s and minutes arising from the report, having been considered by the Council in confidence under Section 90(2) & (3) (b), (d) be kept confidential and not available for public inspection and that the item be reviewed 12 months after successful execution of the contract.

