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

Date: Tuesday, 23 March 2021
Time: 5.30 p.m.
Location: Council Chamber
Civic Centre
10 Watson Terrace
Mount Gambier

CONFIDENTIAL AGENDA

Special Council Meeting
23 March 2021

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

Barbara Cernovskis
Acting Chief Executive Officer
23 March 2021

4 NEW CONFIDENTIAL ITEMS

4.1 WULANDA RECREATION AND CONVENTION CENTRE FUNDING – REPORT NO. AR21/17395

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, C Greco, B Hood, P Jenner, F Morello and S Perryman and Council Officers B Cernovskis, D Barber, T Coote, M McDonald be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 4.1 AR21/17395 Wulanda Recreation and Convention Centre Funding.

The Council 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 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 Wulanda Recreation and Convention Centre.



4.1 WULANDA RECREATION AND CONVENTION CENTRE FUNDING – REPORT NO. AR21/17395

Committee:	Council
Meeting Date:	23 March 2021
Report No.:	AR21/17395
CM9 Reference:	AF13/64
Author:	Barbara Cernovskis, Acting Chief Executive Officer
Authoriser:	Barbara Cernovskis, Acting Chief Executive Officer
Summary:	This report seeks Council approval of the special conditions applied to the loan approval for the Wulanda Recreation and Convention Centre with the Local Government Finance Authority.
Strategic Plan Reference:	Goal 1: Our People Goal 2: Our Location Goal 3: Our Diverse Economy Goal 4: Our Climate, Natural Resources, Arts, Culture and Heritage Goal 5: Our Commitment

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

REPORT RECOMMENDATION

1. That Council Report No. AR21/17395 titled 'Wulanda Recreation and Convention Centre Funding' as presented on 23 March 2021 be noted.
2. That Council accept the special conditions of the loan approval for the Wulanda Recreation and Convention Centre imposed by the Local Government Finance Authority and will, as forecast in the current adopted Long-Term Financial Plan, not later than the end of the financial year ending 30 June 2027 have achieved:
 - A positive Operating Surplus Ratio;
 - Net Financial Liabilities Ratio less than 100%;
 - Asset Renewal Ratios which align with forecasts set out in the Long-Term Financial Plan
 - That Council not undertake any capital projects or increase the costs of operations through new or enhanced services other than as set out in the Long-Term Financial Plan



TYPE OF REPORT

Corporate

BACKGROUND

Council approved at the 17 November 2020 meeting for Council administration to execute required loan documentation for a maximum combined \$35 million long term credit foncier loans with the Local Government Finance Authority (LGFA) to fund the Wulanda Recreation and Convention Centre (WRCC) project.

The LGFA Board have considered Councils application and conditionally approved the loan request of additional facilities totalling \$35 million (Attachment 1). This conditional approval is subject to the inclusion, and the Council's acceptance, of the following special conditions (Attachment 2) in the loan documentation:

That the council, as per forecast in the current adopted Long-Term Financial Plan, not later than the end of the financial year ending 30 June 2027 have achieved:

- *A positive Operating Surplus Ratio;*
- *Net Financial Liabilities Ratio less than 100%;*
- *Asset Renewal Ratios which align with forecasts set out in the Long-Term Financial Plan*
- *That Council not undertake any capital projects or increase the costs of operations through new or enhanced services other than as set out in the Long-Term Financial Plan*

PROPOSAL

The proposal is that Council accept the financial covenants in the loan documentation as well as committing to an annual financial review process with the LGFA.

LEGAL IMPLICATIONS

Council accept the financial covenants in the loan documentation in order for the Mayor and the CEO to apply the Council's Common Seal to execute the loan.

STRATEGIC PLAN

Nil

COUNCIL POLICY

[T150 - Treasury Management](#)

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

Loans funded by the LGFA aims to provide Council with flexibility and to minimise the interest expenditure that Council incurs over the length of the funding requirement.

RISK IMPLICATIONS

Non-compliance with the financial covenants applied to the loan may result in the LGFA asking for full repayment of the facilities prior to the planned repayment date.

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 accept the inclusion of the financial covenants in the LGFA loan documentation that is aligned to Councils financial forecast as per the current adopted Long-Term Financial Plan.

ATTACHMENTS

1. Mount Gambier Conditional Approval Letter - 2021 [↓](#)
2. Special Conditions - 17/03/2021 [↓](#)



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 4.1 AR21/17395 Wulanda Recreation and Convention Centre Funding 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 SPECIAL COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, CIVIC CENTRE, 10 WATSON TERRACE, MOUNT
GAMBIER
ON TUESDAY, 23 MARCH 2021 AT 5.30 P.M.**

PRESENT: Mayor Lynette Martin (OAM), Cr Sonya Meziniec, Cr Max Bruins, Cr Christian Greco, Cr Paul Jenner, Cr Frank Morello

OFFICERS IN ATTENDANCE: Acting Chief Executive Officer - Ms B Cernovskis
General Manager Shared Services - Mr D Barber
General Manager City Growth - Mr T Coote

4 NEW CONFIDENTIAL ITEMS

4.1 WULANDA RECREATION AND CONVENTION CENTRE FUNDING – REPORT NO. AR21/17395

RESOLUTION 2021/88

Moved: Cr Frank Morello
Seconded: Cr Sonya Meziniec

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, M Bruins, C Greco, P Jenner and F Morello and Council Officers B Cernovskis, D Barber and T Coote be excluded from attendance at the meeting for the receipt, discussion and consideration in confidence of Agenda Item 4.1 AR21/17395 Wulanda Recreation and Convention Centre Funding.

The Council 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:

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- tenders for the:
 - supply of goods, or
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 - the carrying out of works



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 Wulanda Recreation and Convention Centre.

CARRIED

The Mayor sought the approval of at least two-thirds of the members present at the meeting to suspend meeting procedures:

Purpose of the Suspension: To discuss Wulanda Recreation and Convention Centre funding structure.

Carried by more than two-thirds of the members present at the meeting.

Meeting Procedures were suspended at 5:36 pm.

The Mayor determined that the period of suspension should be brought to an end;

Carried by more than two-thirds of the members present at the meeting.

The Period of Suspension came to an end and Meeting Procedures resumed at 5:56 pm.

MOTION

Moved: Mayor Lynette Martin

1. That Council Report No. AR21/17395 titled 'Wulanda Recreation and Convention Centre Funding' as presented on 23 March 2021 be noted.
2. That Council accept the special conditions of the loan approval for the Wulanda Recreation and Convention Centre imposed by the Local Government Finance Authority and will, as forecast in the current adopted Long-Term Financial Plan, not later than the end of the financial year ending 30 June 2027 have achieved:
 - A positive Operating Surplus Ratio;
 - Net Financial Liabilities Ratio less than 100%;
 - Asset Renewal Ratios which align with forecasts set out in the Long-Term Financial Plan
 - That Council not undertake any capital projects or increase the costs of operations through new or enhanced services other than as set out in the Long-Term Financial Plan

AMENDMENT

Moved: Cr Max Bruins

Seconded: Cr Frank Morello

1. That Council Report No. AR21/17395 titled 'Wulanda Recreation and Convention Centre Funding' as presented on 23 March 2021 be noted.
2. That Council accept the special conditions of the loan approval for the Wulanda Recreation and Convention Centre imposed by the Local Government Finance Authority and will, as forecast in the current adopted Long-Term Financial Plan, not later than the end of the financial year ending 30 June 2027 have achieved:
 - A positive Operating Surplus Ratio;
 - Net Financial Liabilities Ratio less than 100%;



- Asset Renewal Ratios which align with forecasts set out in the Long-Term Financial Plan
- Unless with the prior written consent of LGFA, Council must not undertake any capital projects or increase the costs of operations through new or enhanced services other than as set out in the Long-Term Financial Plan.

The Amendment was put and

CARRIED

The Amendment became the Motion

RESOLUTION 2021/89

Moved: Cr Max Bruins

Seconded: Cr Frank Morello

1. That Council Report No. AR21/17395 titled 'Wulanda Recreation and Convention Centre Funding' as presented on 23 March 2021 be noted.
2. That Council accept the special conditions of the loan approval for the Wulanda Recreation and Convention Centre imposed by the Local Government Finance Authority and will, as forecast in the current adopted Long-Term Financial Plan, not later than the end of the financial year ending 30 June 2027 have achieved:
 - A positive Operating Surplus Ratio;
 - Net Financial Liabilities Ratio less than 100%;
 - Asset Renewal Ratios which align with forecasts set out in the Long-Term Financial Plan
 - Unless with the prior written consent of LGFA, Council must not undertake any capital projects or increase the costs of operations through new or enhanced services other than as set out in the Long-Term Financial Plan.

CARRIED



RESOLUTION 2021/90

Moved: Cr Max Bruins
Seconded: Cr Sonya Meziniec

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 4.1 AR21/17395 Wulanda Recreation and Convention Centre Funding 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

