

MINUTES

**MINUTES OF CONFIDENTIAL COUNCIL MEETING
HELD AT THE TIRKANTHI KUU ROOM, LEVEL 1 AT PAYINTHI, 128 PROSPECT ROAD,
PROSPECT
ON TUESDAY, 27 JUNE 2023 AT 8.09PM**

PRESENT: Mayor Matt Larwood (Mayor), Cr Kristina Barnett, Cr Alison De Backer, Cr Mark Groote, Cr Thuy Nguyen, Cr Mark Standen, Cr Trinh Nguyen, Cr Jason Nelson, Cr Lillian Hollitt

IN ATTENDANCE: Chris White (Chief Executive Officer), Farlie Taylor (Director City Strategy, Community and Culture), Ginny Moon (Director City Corporate), John Pearce (Director City Growth & Development), Sam Dilena (City Works & Presentation), Deborah Horton (Team Leader Governance & Risk), Cheryl Goult (Minute Secretary)

Via Zoom link: Corinne Garrett Chair City of Prospect Audit and Risk Committee, Cimon Burke Kelledy Jones Lawyers, Michael Richardson BRM Advisory

16 CONFIDENTIAL ITEMS

16.1 STRATEGIC LAND PURCHASE

Cr Thuy Nguyen withdrew from the meeting at 8.09pm and returned at 8.10pm.

Cr Jason Nelson withdrew from the meeting at 8.11pm and returned at 8.12pm.

SHORT TERM SUSPENSION

Mayor Matt Larwood sought, with approval of two-thirds leave of the meeting, for a short term suspension of proceedings pursuant to Regulation 20 for 45 minutes until 9pm to facilitate a presentation of the final prudential report and discussion, including asking questions of Corinne Garrett Chair, City of Prospect Audit and Risk Committee, Cimon Burke from Kelledy Jones Lawyers and Michael Richardson of BRM Advisory.

Leave was granted.

Formal meeting procedures were suspended at 8.13pm.

Cr Mark Groote entered the meeting at 8.16pm.

At 9pm, Mayor Matt Larwood sought leave of the meeting for the short term suspension to be extended for another 15 minutes until 9.15pm.

Leave was granted.

Formal meeting procedures resumed at 9.17pm.

RESOLUTION 2023/74

Moved: Cr Jason Nelson

Seconded: Cr Mark Standen

That Council:

1. Having considered Item 16.1 Strategic Land Purchase receives and notes the report which incorporates accepting the final independent Prudential Review Report as presented by BRM Advisory and the Special Audit & Risk Committee Minutes 21 June 2023 as provided within this report.
2. Having considered Item 16.1 Strategic Land Purchase, authorises the Chief Executive Officer to make a final offer to purchase the property located at 142-148 Prospect Road, Prospect

- ("the Property") for a purchase price that does not exceed \$9 million (exclusive GST), subject to the following conditions;
- a. The offer is open for acceptance until 12 noon, Friday 30 June and if not accepted at or before this time, will lapse;
 - b. Settlement under the contract being subject to and conditional upon:
 - i. The Council having a right to undertake due diligence during a period acceptable to the Chief Executive Officer from the date of execution of the contract, with an ability for the Council to terminate the contract if the Council is not satisfied with the outcomes of its due diligence enquiries.
 - ii. Finance being secured from Local Government Finance Authority (LGFA) within 4 weeks from the date of execution of the contract, with the council having a right to terminate the contract if finance is not obtained.
 - c. The contract for the sale of the property otherwise being on terms and conditions that are acceptable to the Chief Executive including pending outcomes of contract negotiations.
3. In the event Council's offer is accepted, authorises the Chief Executive Officer to
- a. Execute a contract for the purchase of the Property on the conditions listed in paragraph (2) above; and
 - b. Do all things necessary to undertake appropriate due diligence investigations and activities, including in accordance with the advice of Council's legal advisors.
4. If a contract is executed by the Chief Executive Officer, a further report is to be presented to Council prior to the expiry of the due diligence period specified in the contract so that the Council can determine whether it wishes to either proceed to acquire the Property or, exercise its rights to terminate the contract. The report must;
- a. Address any issues arising from the due diligence investigations; and
 - b. Include a recommendation for the Council to resolve, if it resolved to proceed to acquire the Property, to exclude the Property from classification as community land.
5. Authorises the Chief Executive Officer to prepare and submit any and all documents, applications and materials necessary to seek funding for the purchase from the Local Government Finance Authority that does not exceed \$9 million.
6. In the event Council's offer is accepted, direct the Chief Executive Officer:
- a. to amend the draft 2023/24 Annual Business Plan and Budget to include:
 - I. an increase to projected revenue from rates of an additional 1% to help fund the purchase, with the increase funded proportionally across all rating classes;
 - II. Revenue projections from anticipated rent income derived from leasing the Property to be adjusted to take into account an expected delay in receipt of rent income until no earlier than March 2024; and
 - b. to commence community consultation on the amended 2023/24 draft Annual Business Plan and Budget as soon as possible to inform ratepayers of the proposed changes to rating, ensuring such processes comply with Section 123 of the *Local Government Act 1999* (SA).
7. To enable commencement of procurement process and planning to avoid delay in project delivery, adopts the Capital and Operating Projects Lists as presented in the Draft Annual Business Plan 2023/2024, as adopted by Council for community consultation on 18 April 2023, with the following amendments:
- (a) Capital Projects
 - Fully funding RL Pash WSUD upgrade (+\$114,000)

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- Decrease in funding (-\$20,000) Christmas Decorations
- Deferral of Balfour Street and Howard Street Intersection Upgrade involving the removal of traffic treatments (-\$100,000)
- Increase in funding for Howard Street Roundabout Upgrade (+\$50,000)

(b) Operating Projects

- New Christmas Community Festive project (+\$20,000)
- Decrease in funding for Artwalk (-\$20,000)

8. Directs the Chief Executive Officer to present the draft 2023/24 Annual Business Plan and Budget and associated reporting to Council's Ordinary Meeting on 25 July 2023 for consideration and adoption, or if timing does not permit this, a Special Full Council Meeting is arranged to ensure the timely and compliant adoption of the revised Draft Annual Business Plan and Budget as soon as possible.

CARRIED

DIVISION CALLED by Cr Alison De Backer, whereby the decision was set aside:

In Favour: Cr Mark Groote, Cr Jason Nelson, Cr Thuy Nguyen, Cr Kristina Barnett, Cr Mark Standen, Cr Lillian Hollitt

Against: Cr Alison De Backer

CARRIED 6/1