

REF NO: GC240516F03

## MINUTES OF

## CONFIDENTIAL ITEM

**9.50 pm CEO Interim Performance Review**  
**Report Reference:GC240516F03****Moved Councillor Telfer, Seconded Councillor Crossland that:**

1. That Pursuant to Section 90(2) and (3)(a) of the Local Government Act, 1999 the Council orders that all persons present, with the exception of Kate McKenzie, Manager Corporate Governance and Steph Roberts, Manager Human Resources be excluded from the meeting as the Council considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Council will receive and consider a report dealing with the interim performance of the Chief Executive Officer.

**Carried Unanimously**

09.50pm The meeting went into confidence.

**Moved Councillor Veliskou, Seconded Councillor Byram** that standing orders are suspended until further notice.**Carried Unanimously**

9.55 pm Standing orders were suspended  
 9.56 pm Manager Corporate Governance left the meeting  
 10.25 pm Councillor Westwood left the meeting  
 10.35pm Councillor Hull left the meeting and did not return  
 10.37 pm Councillor Westwood returned to the meeting

**Moved Gard, Seconded Crossland** that standing orders be resumed.**Carried Unanimously**

10.48 pm Standing orders resumed

**Moved Councillor Gard, Seconded Councillor Hutchinson** that Council:

1. Notes the summary report on the Chief Executive Officer Interim Elected Member Performance Feedback.
2. Endorses the Interim Assessment of Key Performance Indicators 2015/16 in Appendix 1
3. Forwards to the Finance and Audit Committee meeting of 31st May 2016 the following draft proposed Organisational Key Performance Indicators 2016/17, for comment and recommendations to the General Council Meeting of June 14 2016.

*All based on no substantial cuts to existing services provided to community (unless by Council resolution) and applying level of rate increase as set by Council*

	KPI	Measure/Range 2016/17 pa
A	Asset sustainability ratio	less than 80%
B	Net Financial Liabilities Ratio (* Council definition)	less than 50%

C	Staff net numbers (full time equivalent, employee and agency)	a reduction
D		
E	Lost Employee Time due to staff absence (ie. worker's compensation)	Reduce by 1% (compared to av of last 5 years)
F	Employee retention	greater than 88%
G	Substantial and timely progress with 3yr Business Plan (2016/17, 2017/18, 2018/19) demonstrated in Work Plan Outcomes	greater than 70 %
H	Community Satisfaction. Overall satisfaction with each of (1) community facilities (2) sports facilities (3)events.	greater than 70%

\* Net Financial Liabilities (Total liabilities – Non equity financial assets)  
Council Own Source Revenue

4. Forwards to the People and Culture Committee Meeting of 5 July 2016 for comment and recommendations to General Council Meeting of 26 July 2016, the proposed draft CEO Key Performance Indicators for 2016/17 in Appendix 2 as amended.
  5. Authorise Mayor Hanna and Councillor Telfer (Presiding Member of the People and Culture Committee) to provide feedback to the Chief Executive Officer on the interim performance review and provide him with the draft proposed organisational and CEO Key Performance Indices 2016/17.
- +
6. In accordance with 90(2) and (3)(a) of the Local Government Act 1999 the Council orders that this report, Chief Executive Officer Interim Performance Review and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(a) of the Act be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2016.

**Carried Unanimously**

10.50 pm The meeting came out of confidence.

## Refer to resolution 4 - Appendix 2 of report as amended in the meeting

### 1. Financial (Council of Marion Measures)

	<u>KPI</u>	<u>Measure/Range</u> T	<u>Rating</u>	<u>Weighted Scoring</u>
1	Asset sustainability ratio	$\geq 90\%$	Exceptional	5%
		$80 \leq T < 90\%$	Acceptable	
		$< 80\%$	Unacceptable	
2	Net Financial Liabilities Ratio (* Council definition)	$20 < T < 40\%$	Exceptional	
		$0 < T \leq 20\%$ or $40 \leq T \leq 50\%$	Acceptable	5%
		$T > 50\%$	Unacceptable	

#### \* Net Financial Liabilities (Total liabilities – Non equity financial assets)

#### Council Own Source Revenue

Target Range – Between 0% and 50%

This is a variation of the LGA's ratio which uses total operating income as the denominator. Total income will include for instance tied grant income for specific projects or programs which will not be available for repayment of debt. It is therefore not appropriate to use total income as the denominator in this instance.

When considering non-equity financial assets we also exclude any cash holding allocated to carryover projects, unexpected grants or retimed works as this is committed and again unavailable to reduce debt.

### 2. Human Resources

	<u>KPI</u>	<u>Measure/Range</u>	<u>Rating</u>	<u>Weighted Scoring</u>
3	Staff numbers (employee and agency full time equivalent)	Reduce by 2 %	Exceptional	10%
		Reduce by 0 - 2%	Good	
		Any increase	Unacceptable	
4	Total expenditure on Wages & Consultants  (Compare with 2015/16 actual)	No net increase	Exceptional	10%
		Between 0% to increase of 3% net increase	Acceptable	
		> 3 % increase	Unacceptable	
5	Lost Employee Time due to staff absence (ie worker's compensation)	Reduce by 1% (using average of last 5 years)	Exceptional	5%
		Equal to or Less than 1% reduction (using average of last 5 years)	Acceptable	
		Any increase when compared with average of last 5 years	Unacceptable	
6	Employee retention	88-92%	Exceptional	5%
		Greater than 92%	Acceptable	
		Less than 88%	Unacceptable	

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### 3. Capital Works

	<u>KPI</u>	<u>Measure/Range</u>	<u>Rating</u>	<u>Weighted Scoring</u>
7	Number of prioritised Major Capital Works ready for approval by Council resolution (BMX, soccer Mitchell Park stadium & centre)	2+	Exceptional	5%
		1	Acceptable	
		0	Unacceptable	
8	Council's cash contribution in respect of each Major Capital Work	T < 40%	Exceptional	5%
		40 ≤ T < 60%	Acceptable	
		T > 60%	Unacceptable	
9	Completion of Council Member's Priority List of Budgeted Projects (13)* (1/11/15 to 31/10/16)	All 13 completed	Exceptional	15%
		11 or 12 completed	Acceptable	
		Less than 11 completed	Unacceptable	

\* Budgeted Project for completion (milestone or completion achievable within 12 months), being a continuation to implementation of prior projects

### 4. Elected Members' Assessment

	<u>KPI</u>	<u>Measure/Range</u>	<u>Rating</u>	<u>Weighted Scoring</u>
10	Rating by Elected Members	Exceeded expectations	Exceptional	10%
		Met expectations	Acceptable	
		Did not meet expectations	Unacceptable	
11	Substantial and timely progress with 3yr Business Plan (2016/17, 2017/18, 2018/19) demonstrated in Work Plan Outcomes	T > 80 %	Exceptional	15%
		70 < T ≤ 80%	Acceptable	
		T ≤ 70%	Unacceptable	
12	Community Satisfaction. Overall satisfaction with each of (1) community facilities (2) sports facilities (3) events.	≥ 80%	Exceptional	10%
		70 ≤ T < 80%	Acceptable	
		< 70%	Unacceptable	