

COBAR SHIRE COUNCIL



FINANCE & POLICY COMMITTEE MEETING AGENDA

THURSDAY 11 SEPTEMBER 2014

~ ORDER OF BUSINESS ~

Business for the meeting will be as follows:

1. Apologies
 2. Declaration of Interests
 3. General Manager's Report – Part A (Action)
 4. General Manager's Report – Part B (Information)
 5. Matters of Urgency
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~ TABLE OF CONTENTS ~

<u>PART A – ACTION</u>	<i>Page Number</i>
Report 1A – Comparative Information on NSW Councils 2012/2013.....	3
Report 2A – Christmas Functions 2014	6
Report 3A – Senior Citizens Christmas Party 2014.....	8
<u>PART B - INFORMATION</u>	<i>Page Number</i>
Report 1B – Bank Reconciliation, Cash Flow & Loan Facility Summaries as at 31 August 2014.....	8
Report 2B – Rates Reconciliation Report as at 31 August 2014	11
Report 3B - Grant Report.....	13
Reference to Attachments	15

**REPORT 1A – COMPARATIVE INFORMATION ON NSW COUNCILS
2012/2013**

FILE: F2-5 AOP REFERENCE: 3.3 ATTACHMENT: YES (PAGE 17-18)

AUTHOR: *Special Projects Officer, Angela Shepherd*

Purpose

To provide Councillors with a summary of the NSW Government Publication *Comparative Information on NSW Local Government – Measuring Local Government Performance 2012/2013*.

Background

This is the second year of a new format for this Report. It not only uses a new format, aimed at being more user friendly, but also incorporates the results of the TCorp Report on the *Financial Sustainability of the NSW Local Government Sector*, and *Local Government Infrastructure Audit* conducted by the OLG. This Report is likely to change format again once the Local Government Performance Measurement Framework and the key performance indicators associated with it are finalised. A key set of indicators based around financial performance, asset management, community leadership and service delivery are being developed.

There are three sets of data being reported on here:

- State of Local Government in NSW – an overview of the performance of the local government sector as a whole;
- Cobar Shire Council's performance – a snapshot of Council looking at key data and compares Cobar to group average;
- Data Tables – detailed data is provided to allow further comparison and analysis.

The key performance measures in the Report, when used on their own, do not give a full picture of Council's performance. They do not explain why differences occur between council's (such as differences in the services provided etc).

The State of Local Government in NSW

As an industry, local government owns \$134bn worth of assets, contributes more than \$9bn to the economy each year and directly employs more than 45,000 people. The roles Council's play has increased over the last ten years.

Over the last ten years, there has been a 2.36% increase in the number of pensioner rebates, a 2,395km increase in the length of roads councils maintain and a 120% increase in the number of community halls and centres. Council's regulatory responsibilities have increased greatly over the ten years as the number of tattooists, hair dressers and food outlets has grown. Also over this time, average revenue per capita increased by 54% but average expenses per capital increased by 61%.

64% of Councils are still reporting an operating deficit before capital. 49% of those Councils had a deficit of more than \$2.5m.

Cobar Shire Council

The following observations are made:

- Our population is a lot younger than the rest of the group with 16.9% of the population being over 60, compared to 26.7% for the group;
- Our unemployment rate is lower than the group at 3.3% compared to 5.5%;
- Our average taxable income is significantly higher at \$47,349 compared to \$34,729;
- The value of our DAs are lower at \$4.182m compared to the group average of \$10.612m. This value for Cobar Shire also fell around \$5m over the previous year (fall in the value of mining DAs from the previous year);
- Cobar has 3 more Councillors than the group average, and half the population per Councillor;
- Cobar has 131 FTEs compared to 108 for the group;
- We have around \$0.75m more in revenue than the group average and around \$1.1m more in expenses;
- Our population is also far more sparse with a density of 0.11 compared to 1.80 for the group;
- Cobar has fewer pools, public halls and open space to manage compared to the group average;
- We have 2,320km of road to maintain, whereas the group average is 1,606km;
- Council's governance and administration costs are 12% (compared to the state average of 19%), roads-bridges and footpaths is the highest at 34% (state average 16%), community services 20% (state average 10%), public order safety health water and sewer 15% (state average 14%), recreation and culture 8% (state average 15%), environment including waste 2% (state average 15%);
- Average residential rates rose from \$381 back to their level the year before at \$397. This is still below the group average of \$517. Business, farmland and mining rates are also well below the group average;
- The typical residential water and sewer bills were below the group average as were waste charges;
- The operating performance ratio (measures whether Council has contained operating expenditure within operating revenue) was -4.7, which was above the group average of -6.8, but below the TCorp benchmark of >-4%;
- The unrestricted current ratio (measures adequacy of working capital and ability to satisfy short term obligations) was 2.4, below the group average of 5.1, but up on previous years for Cobar. A ratio of less than 1.5 is unsatisfactory;
- Council's outstanding rates and charges (3.9%) are well below the group average of 9.2%;
- Council has an asset maintenance ratio of 0.5, lower than the group average of 0.9, and below the TCorp benchmark of >1.0;

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- The infrastructure backlog ratio is 52.6%, well above the TCorp benchmark of 20% and the group average of 16.6%;
 - The Building and Infrastructure Renewal Ratio was about half of what it should be at 51.2% (100% is satisfactory). The group average is 79%.

The comparative information for Cobar is attached.

Conclusion

This report provides the data collected by DLG. It does not contain any analysis to explain the differences in the figures or to explain them. Should Councillors wish to view the whole document, it is available on the *Comparative Information* pages on the DLG website at www.dlg.nsw.gov.au.

RECOMMENDATION

That Council receives and notes the information contained in the report on the comparison of NSW Councils for 2012/2013.

REPORT 2A – CHRISTMAS FUNCTIONS 2014

FILE: S5-27

AOP REFERENCE: 3.3.2

ATTACHMENT: NO

AUTHOR: *Special Projects Officer, Angela Shepherd*

Purpose

To gain approval for funding the staff and councillors Christmas parties or presents for 2014 and to determine how these funds are to be split.

Background

This Report deals with arrangements for Christmas functions for Council staff and Councillors for 2014. In previous years Council has resolved to provide an amount of funding to the Staff/Councillors Christmas celebrations.

Issues

It is requested that Council once again give favourable consideration to a financial contribution towards Staff/Councillors Christmas celebrations for 2014. For the last few years Council has resolved to provide a lump sum payment, based on the number of staff and Councillors, towards the Christmas celebrations.

For the last several years, the amount has been based on a contribution of \$20 per staff/Councillor meaning a lump sum of \$3,400. This year has again seen a reduction in staff numbers, however over the years the funding provided has remained the same with no inflationary increase. Therefore the funding level of \$3,400 is proportional to an appropriate level for 2014. This amount would be distributed between the Lilliane Brady Village staff, Cobar based staff and Euabalong based Council staff.

This year several options are being presented to Council. It is thought to be appropriate to combine the Cobar-based Outdoor Staff and Indoor Staff (other than the LBV) into one, combined Council Christmas party, to be held from 3pm on Thursday 18 December 2014. This date is appropriate as it is the last day before the workshop closes for the year.

To allow all staff to come together, it is proposed to close all Council offices at 3pm so all staff can attend at the same time. However, to avoid the need to close the offices, the party could be held from noon to 3pm, with staff alternating between work and the party, allowing all venues to remain open. This option fails to bring staff together or to create any Christmas spirit.

The third option being presented to Council is to provide a Christmas present to the value of \$20 to each staff member and not hold a Christmas party.

It is proposed to continue to allocate, based on numbers, \$800 to the LBV to allow staff to hold a Christmas function at a time that is suitable for their operational needs and \$160 to Euabalong to hold a party at a time convenient to their staff. This would leave \$2,440 for the combined party.

All Councillors would be invited to the combined function if it is deemed the most appropriate option.

The provision of funding towards Christmas festivities or presents provides a good opportunity for Council to recognise the efforts of Council staff over the year and it sends a positive message to staff which can lead to an increase in staff morale and productivity.

Financial Implications

A budget allocation of \$3,400 is required.

Options

1. \$3,400 is allocated towards Christmas parties, with \$2,440 for the combined Cobar party, \$800 for the LBV and \$160 for Euabalong.
2. That each staff member is provided with a suitable \$20 Christmas gift and no Council funded Christmas party is held.

If Option 1 is adopted, Council must decide whether to close the offices from 3pm on Thursday 18 December 2014 allowing the Christmas party to be held from 3pm-6pm or if the party will be held from noon to 3pm, with staff attending on a rotational basis, allowing all offices to remain open.

RECOMMENDATION

1. That Council provides a lump sum payment of \$3,400 based on the number of staff and Councillors towards the Staff/Councillors Christmas Celebrations in 2014.
2. The lump sum payment be divided as follows: \$2,440 for a combined Cobar-based Staff/Councillor Party, \$800 for Lilliane Brady Village Staff and \$160 for Euabalong Staff.
3. That a combined Cobar based Staff/ Councillor Christmas Party be held from 3pm on Thursday 18 December 2014 with Council Offices closing from 3pm on the day.

REPORT 3A – SENIOR CITIZENS CHRISTMAS PARTY 2014

FILE: S5-27

AOP REFERENCE: 1.3.4.1

ATTACHMENT: NO

AUTHOR: *Special Projects Officer, Angela Shepherd*

Purpose

To set the date for the Senior Citizens Christmas Party for 2014.

Background

Council has, for a number of years, held a Christmas party for its Senior Citizens in the Council Chambers with the cost being met by Council. It has again been included in the adopted 2014/2015 Budget with a \$2,746 allowance.

The event is organised by the Manager of Tourism and Public Relations with heavy support from the Administration Centre Staff.

It is desirable that the event be held before the Christmas school holidays commence as local school children may be involved in the entertainment.

Council Staff and Councillors assist with the serving of food, entertainment and the role of Santa Claus which is usually keenly contested for by a Councillor.

To assist Councillors to be involved, the party is generally held the day after the last Council Meeting for the year.

RECOMMENDATION

That the Council Senior Citizens Christmas Party be held in the Cobar Shire Council Chambers on Friday 12 December 2014.

Cash Flow

Forecast	Actual	Description	Forecast
Aug-14	Aug-14		Sep-14
229,986	229,986	Bank Balance Forward	156,366
1,143,600	1,217,578	Financial Assistance Grant	
431,500	443,262	Regional Roads	
400,000	861,491	RMS – Ordered Works	60,000
12,300	13,236	RMS Agency	13,200
250,000		RMS – Routine Maintenance	180,000
820,000	916,544	Rates /Water/User Charges	680,000
50,000	162,612	Private Works/Debtors	50,000
220,000	251,494	LBV – Residents Fees & Grant	220,000
90,000	117,605	Child Care/In Home Care	90,000
500,000	267,000	Transfer from ‘At Call’ Account	1,000,000
25,000	28,849	Sundry	25,000
30,000	37,063	Plant Sales	
		GST	92,000
		<i>Less</i>	
(1,200,000)	(494,107)	Creditors <i>Larger than expected creditors paid in July</i>	(1,200,000)
(650,000)	(1,376,224)	Wages / Salaries <i>Two large termination pay-outs, effect of salary increases</i>	(700,000)
(3,010,086)	(2,497,758)	Transfer to ‘At Call’ Account <i>(Net transfer is close)</i>	(594,301)
(22,300)	(22,265)	Loan Repayment	(22,265)
100,000	156,366	Closing Reconciled Bank Balance Cr/(Dr)	50,000
COUNCIL’S LOAN FACILITIES as at 31 August 2014			
Working Capital Loan (4.725%)			(\$ 600,000)
Refinanced NECU Loan (6.22%)			(\$ 1,875,011)
Closing Balance 31 August 2014			(\$2,475,011)

RECOMMENDATION

That Council receive and note the Bank Reconciliation, Cash Flow and Loan Facility Report as at 31 August 2014.

REPORT 2B – RATES RECONCILIATION REPORT AS AT 31 AUGUST 2014**FILE: R2-1****AOP REFERENCE: 3.1.1.6****ATTACHMENT: YES (PAGE 19-20)****AUTHOR: Rates Officer, Jo-Louise Brown****Purpose**

To provide Council details of the Rate Reconciliation as at 31 August 2014.

FUND	LEVY 2014-2015	Pensioner Rebates	Abandoned Levy	Additional Levies	Sub Total 2014- 2015	Arrears 30th Jun 14	Payments	Total Outstanding	Total Outstanding Previous Year	% Outstanding of Sub Total Plus Arrears
Business	361,810.49	328.33	500.00	-	360,982.16	21,537.58	150,829.80	231,689.94	201,281.86	60.57%
Farmland	618,372.00	2,750.00	-	3,201.76	618,823.76	41,751.70	194,760.43	465,815.03	435,186.65	70.52%
Mining	1,534,980.69		12,233.20	-	1,522,747.49	129,765.55	293,641.62	1,358,871.42	1,247,537.97	82.23%
Residential	1,099,583.83	49,118.14	-	-	1,050,465.69	158,054.45	280,064.56	928,455.58	827,196.82	76.83%
Overpayments					-	-95,748.40	- 63,152.00	-32,596.40	-40,817.52	34.04%
Legal Costs			-	1,209.80	1,209.80	19,842.63	909.83	20,142.60	23,517.66	95.68%
Interest			-	1,033.63	1,033.63	58,224.43	2,935.80	56,322.26	44,632.28	95.05%
General Rates	3,614,747.01	52,196.47	12,733.20	5,445.19	3,555,262.53	333,427.94	859,990.04	3,028,700.43	2,738,535.72	77.88%
Domestic Waste	534,703.00	18,302.53	221.00	208.00	516,387.47	24,871.02	171,068.23	370,190.26	326,666.20	68.39%
Sewerage	619,440.00	19,950.00	320.00	-	599,170.00	33,661.10	174,692.33	458,138.77	426,871.20	72.40%
Cobar Water	597,105.00	21,262.50	-	-	575,842.50	22,627.79	212,138.74	386,331.55	341,443.05	64.55%
Nymagee Water	25,060.00	612.50	-	-	24,447.50	5,203.55	9,620.78	20,030.27	18,575.25	67.55%
Euabalong Water	36,405.00	1,137.50	-	-	35,267.50	8,951.87	11,817.41	32,401.96	29,056.87	73.28%
Euab West Water	22,575.00	612.50	-	-	21,962.50	4,534.19	9,021.19	17,475.50	19,056.87	65.95%
Mt Hope Water	4,620.00	-	-	-	4,620.00	0.00	1,980.00	2,640.00	1,949.05	57.14%
Water Access	685,765.00	23,625.00	-	-	662,140.00	41,317.40	244,578.12	458,879.28	410,081.09	65.23%
Water Usage	-	-	754.00	-	- 754.00	436,760.89	345,454.82	90,552.07	61,927.81	20.77%
TOTAL	5,454,655.01	114,074.00	14,028.20	5,653.19	5,332,206.00	870,038.35	1,795,783.54	4,406,460.81	3,964,082.02	71.05%

RECOMMENDATION**That the Rates Reconciliation Report as at the 31 August 2014 be received and noted.**

REPORT 3B – GRANT FUNDING

FILE: G4-17

AOP REFERENCE: 3.1.1.4

ATTACHMENT: NO

AUTHOR: *Special Projects Officer, Angela Shepherd***Grant Update**

Grant and Department	Activity	Amount Applied For	Successful?	Council Funding Required	Deadline for Project
Grants Applied for					
Fixing Country Roads	Realign corner and floodway at Kangaroo Springs, Whitbarrow Road	\$386,300	EOI Pending	\$50,000 Council and \$63,700 VPA funds	EOIs announced around October
Fixing Country Roads	2 floodways and 5kms seal between on the Wool Track	\$950,000	EOI Pending	\$50,000	EOIs announced around October
Fixing Country Roads	Floodway remediation and water diversion at Acres Billabong on Tiltagoona Rd	\$320,000	EOI Pending	\$100,000	EOIs announced around October
Domestic Violence Community Action Grants	Reclaim the Night march and community event	\$1,000	Submitted on behalf of CDVAG – pending	Project management as in-kind	
Resources for Regions	Upgrade of the Cobar Youth and Fitness Centre	\$2.055m	Pending	Nil	EOIs expected to be announced October
Resources for Regions	Upgrade of Whitbarrow Way (Nymagee to Hermidale road)	\$4.62m project, applied for \$4.1063m	Pending	\$100,000 roads funding, \$63,700 in VPA funds. Bogan Shire and Hera Mine also contributing.	EOIs expected to be announced October
Resources for Regions	Upgrade of Mulya Road and mine access roads	\$5.21m project,	Pending	\$100,000	EOIs expected to be announced

		applied for \$5.11m			October
Resources for Regions – Application made on behalf of the Cobar Water Board	Replacement of the Twin Pipeline from Nyngan to Cobar.	\$5m	Pending	CWB to contribute \$1.4m, total project value \$6.4m	EOIs expected to be announced October
Heavy Vehicle Safety and Productivity Program	New Truckwash	\$90K	Pending	\$90K, budgeted	
Senior Citizens Week	Funding to run the 2015 Senior Citizens Week activities.	\$1,000	Pending	\$1,000 matching	Held in March each year.

Grant and Department	Activity	Amount Applied For	Successful?	Council Funding Required	Comment
Grants Announced					
Community Resilience Innovation Program	Establishment of an Emergency Operations Centre in the Council Chambers	\$32,089	No	Nil	

Current Grant Opportunities –

- Country Arts Support Program (CASP) – closes 1 October 2014. Grants of up to \$3,000 for artistic workshops and performances;
- Community Resilience Innovation Program – closes 29 September 2014. Grants between the values of \$15K to \$80K for work addressing climate change impacts. Considering a project regarding water bores for road works;
- Youth Opportunities – grants of up to \$50,000 to develop leadership skills, confidence etc. Closes 29 September 2014;
- Environment Trust – grants of up to \$100,000, closes 29 September 2014 for environmental protection projects. Looking at doing a project at the Newey to improve the water quality and soil/erosion in the inlets.

Resources for Regions – an Update

- Water Treatment Plant – Council agreed to the location and type of plant at the August 2014 Meeting. The design team at NSW Public Works will now commence the geotechnical investigation and investigate the environmental aspects of the site. A design brief is now being prepared;
- Cobar Water Board – The investigation of the performance of the Nyngan and Hermidale pumps is currently being undertaken;
- Airport Upgrade – Investigations are underway for the pavement design. Reconstruction work is scheduled for February or March next year;
- Sewer Project – A public consultation strategy is currently being considered for the extension part of the project. Investigations are underway to stabilise the banks of the sewerage lagoon ponds using grass. The options for the rehabilitation of the Ward Oval pump station are currently being considered. It has been confirmed that a flow control system can be used during the process.

Skatepark Project – an Update

- The design and location have been finalised;
- Contractor to undertake a site inspection mid-September;
- Construction to commence at the end of the month.

The LBV Extensions

- The Project Manager has arranged the electrical and fire safety drawings required for the project and has finalised the construction drawings. The final draft of the specification is now complete;
- A draft risk assessment has been completed regarding operational and patient requirements during construction. Council will continue to work with potential contractors to resolve these issues.

RECOMMENDATION

That the information contained in the Grant Funding Report detailing grants applied for, grants announced and grants available, as well as the updates on Council's grant capital projects, be received and noted.

ATTACHMENTS



FINANCE & POLICY COMMITTEE MEETING AGENDA

THURSDAY 11 SEPTEMBER 2014

~ REFERENCE TO ATTACHMENTS ~

PART A - ACTION

Report 1A – Comparative Information on NSW Councils 2012/201317-18

PART B – INFORMATION

Report 2B – Rates Reconciliation to 31 August 2014.....19-20