

COBAR SHIRE COUNCIL



FINANCE & POLICY COMMITTEE MEETING AGENDA

THURSDAY 13 AUGUST 2015

~ ORDER OF BUSINESS ~

Business for the meeting will be as follows:

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

<u>NOTICE OF MOTION</u>	<i>Page Number</i>
Notice of Motion – Resources for Regions Monthly Report	3
Notice of Motion – Cobar Water Treatment Plant	4
Notice of Motion – Medical Centre Community Building Partnerships Grant Application .	5
Notice of Motion – Economic Development Opportunities for Cobar – Flight School	7
<u>PART A - ACTION</u>	<i>Page Number</i>
Report 1A – Proposed Amendment to Policy for the Provision & Use of Council’s Corporate Credit Card	8
Report 2A – Cobar Memorial Services Club Car Park Rates Concession	9
<u>PART B - INFORMATION</u>	<i>Page Number</i>
Report 1B - Update on Infrastructure Project Finances	10
Report 2B – Bank Reconciliation, Cash Flow & Loan Facility Summaries as at 31 July 2015	11
Report 3B – Rates Reconciliation Report as at 31 July 2015	13
Report 4B – Grant Report	15
Reference to Attachments	16

NOTICE OF MOTION – RESOURCES FOR REGIONS MONTHLY REPORT

FILE: G4-29

AOP REFERENCE: N/A

ATTACHMENT: NO

AUTHOR: *Councillor, Bob Sinclair*

RECOMMENDATION

That an expenditure analysis showing actual vs budget expenditure and forecasts be provided to Council monthly to the Finance and Policy Committee Meeting or all Roads for Recovery Projects.

Explanation

Cobar Shire Council are currently undertaking major projects funded by the Resources for Regions program.

To ensure Council is kept fully informed of these projects a report needs be provided each month.

NOTICE OF MOTION – COBAR WATER TREATMENT PLANT

FILE: A10-41

AOP REFERENCE: 4.1.3

ATTACHMENT: NO

AUTHOR: *Councillor, Bob Sinclair*

RECOMMENDATION

That a Report be provided to the September Finance and Policy Committee Meeting detailing the increase in the Budget figure for the Cobar Water Treatment Plant with the report including recommendations on how to fund the shortfall and how to limit Council's outgoings until funding is secured.

Explanation

The Budget figure for the Cobar Water Treatment Plant has increased from \$8 million to \$15.5 million.

Council has no committed financial plan for the increased cost.

NOTICE OF MOTION – MEDICAL CENTRE COMMUNITY BUILDING PARTNERSHIPS GRANT APPLICATION

FILE: A10-35

AOP REFERENCE: 1.5.2.1

ATTACHMENT: NO

AUTHOR: *Councillor, Peter Yench*

RECOMMENDATION

- 1. That Council apply for funding under the Community Building Partnerships Program to upgrade the Harcourt Street Medical Centre to accommodate the recent growth and space that is required for the Centre.**
- 2. Regardless if successful or not with the application that the work be divided into 2 Stages and that Stage 1 begin construction on 8 August 2015 using the predicted surplus on the 2015/2016 Budget.**
- 3. Stage 1 works are to consist of connecting the two buildings and any additional works required to upgrade the facilities to be workable within the Centre. If Council Staff are too busy then Contractors and Consultants be brought in to progress these works and more consultancy with the Medical Centre for the final Stage of the Project, which should consist of more up to date equipment including Video Conference Facilities.**

Explanation

A competitive round of funding is available in each New South Wales Electorate, with a closing date for applications being 7 August 2015.

The funding is aimed at capital works (new, repairs and maintenance and equipment purchase).

The criteria for funding is:

- The project develops a vibrant, sustainable and inclusive environment or construction of community infrastructure that is pivotal to local community members and supports activities and services needed by local communities;
- Projects which encourage participation in activities or services needed by a broad section of the community and which promote inclusion by disadvantaged sections of the community;
- Projects that provide value for money by leveraging other sources of funds to deliver the community infrastructure;
- Projects that will create employment during construction and/or ongoing employment, or allow for the activity of service to continue;
- The capacity and experience of the organisation to deliver the project.

The upgrade of the Medical Centre is not just important for our local residents but it will also help to build up the business economy, help to move Cobar into a more comfortable position to become a regional centre. It has been pointed out that people come from all of our neighboring shires for medical visits.

The Medical Centre in its current form has had to turn away Professionals and Professional Services, this expansion could save expenses for our Local Residents who are currently having to travel for treatments.

**NOTICE OF MOTION – ECONOMIC DEVELOPMENT OPPORTUNITIES
FOR COBAR – FLIGHT SCHOOL**

FILE: D2-17 AOP REFERENCE: 2.1.1.1 ATTACHMENT: YES (PAGE 18-21)

AUTHOR: *Councillor, Peter Yench*

RECOMMENDATION

That Cobar Shire Council investigate the opportunities available to become a flight training centre that has the capacity to attract overseas students to take advantage of the current demand from the region.

Explanation

At the June Economic Taskforce Meeting I presented a newspaper article showing that Australia will be asked to train 261,000 Pilots for the Asia Pacific area by 2034 (article attached). This is a great economic development opportunity for Cobar as it would bring hundreds of people into the Shire, make use of the airport and allow us to increase our income from the airport. Cobar is blessed with open space and has the ability to manage such an operation around existing air traffic. The article suggested there was currently not enough training capacity in Australia to fulfil the demand for pilots in the region.

REPORT 1A – PROPOSED AMENDMENT TO POLICY FOR THE PROVISION & USE OF COUNCIL’S CORPORATE CREDIT CARD

FILE: P5-50 AOP REFERENCE: 3.3.3 ATTACHMENT: YES (PAGE 22-29)

AUTHOR: *Director of Corporate & Community Services, Kym Miller*

Purpose

For Council to approve a proposed amendment to the Policy for the Provision & Use of Council’s Corporate Credit Card.

Background

After a review of the Policy for the Provision & Use of Council’s Corporate Credit Card at Manex, a proposal was made for employees with corporate credit cards to surrender them when taking extended leave of three months or more, until the employee returns to full time work at Council.

This is seen to improve transparency with Council’s credit cards.

Financial Implications

Nil.

RECOMMENDATION

To amend the Policy for the Provision & Use of Council’s Corporate Credit Card to note that after three months extended leave Council credit cards are to be surrendered until the employee returns to work, unless otherwise approved by the General Manager.

REPORT 2A – COBAR MEMORIAL SERVICES CLUB CAR PARK RATES CONCESSION

FILE: L6-2 AOP REFERENCE: 4.3.2 ATTACHMENT: YES (PAGE 30)

AUTHOR: *Director of Corporate & Community Services, Kym Miller*

Purpose

For Council to consider an application for a rates concession from the Cobar Memorial Services and Bowling Club Ltd

Background

At the Ordinary Meeting of Council held in December 2014 it was resolved as follows:

- 1. That Council provide a concession for payment of \$2,000 for General Rates of the Cobar Memorial Services and Bowling Club Ltd for the Drummond Park Car Park Land for 2014/2015 with payment to come from Council's Parks Budget.*
- 2. That the concession of \$2,000 General Rates plus any subsequent rate increase payment for the Drummond Park Car Park be on an annual application basis by the Cobar Memorial Services and Bowling Club Ltd with any payments to come from Council's Parks Budget.*
- 3. That no changes be made to the Lease 3349663Y – Folio Identifiers 2/214174 and 3/214174 Lots 2 and 3 DP827719 – Encumbrance M884930 Lease Period 01/11/1996 to 31/10/2020 With Option to Renew for 25 Years.*

A request for a rates concession has been received from the Cobar Memorial Services & Bowling Club Ltd for the 2015/2016 period (Letter of request attached).

RECOMMENDATION

- 1. That the Cobar Memorial Services & Bowling Club Ltd be granted a rates concession as per the resolution from the Ordinary Council Meeting held in December 2014 for the financial year 2015/2016.**
- 2. That the Cobar Memorial Services & Bowling Club Ltd be granted a rates concession as per the resolution from the Ordinary Council Meeting held in December 2014 until further review.**

REPORT 1B - UPDATE ON INFRASTRUCTURE PROJECT FINANCES**FILE: G4-29****AOP REFERENCE: N/A****ATTACHMENT: NO****AUTHOR: *Project Manager, David Sechtig******Project Executive Officer, Heather Holder*****Purpose**

To provide Council with an update on the infrastructure projects budgets and expenditure as at 31 July 2015.

Background

Cobar Shire Council was successful in obtaining funding for three projects through the Resources for Regions Restart NSW Program provided by the NSW State Government.

Financial Implications

	Restart NSW Funding	Cobar Shire Council Funding	Expended as at 31 July 2015	Project Status
Airport Stabilisation and Lighting	\$2,500,000	\$0	\$2,379,233	- Fencing Project underway. - Certification to be undertaken before 31 August 2015. - Project Expected to be completed 31 August 2015.
Water Treatment Plant	\$7,800,000	\$200,000	\$383,041	- Currently on hold pending securing further financial support.
Sewerage Scheme Refurbishment s Expansion and upgrade	\$2,100,000	\$100,000	\$13,196	- Effluent reuse test results are in the process of being returned. Based on ones received a number of options for a cost effective chlorine system are being considered. - Prices have been requested from suppliers for options on the internal pump stations.

RECOMMENDATION

That Council receive and note the updated financial information for the three infrastructure projects.

**REPORT 2B – BANK RECONCILIATION, CASH FLOW & LOAN FACILITY
SUMMARIES AS AT 31 JULY 2015**

FILE: B2-7 AOP REFERENCE: 3.1.1.5 ATTACHMENT: NO
AUTHOR: *Manager Finance & Administration, Neil Mitchell*

Purpose

Council has requested that the following financial information be presented to each meeting of Council: reconciled bank balance, cash flow statement, and loan facility.

Bank Reconciliation

Balance as per Bank Statement	-
Add: Outstanding deposits	8,402
Deduct: Unpresented Cheques	-
BALANCE AS PER CASH BOOK	8,402

In accordance with the requirements of the Local Government Act, 1993, I hereby certify that the Cash Book has been reconciled with the appropriate Bank Statements on a daily basis, during the month of July 2015 and that the reconciliations have been recorded.



Manager Finance & Administration

Summary of Total Funds Available at Month End for the Last 12 Months

Month	Investment Balances	Operating Account	Total Available Funds
Aug-14	8,314,265	156,366	8,470,631
Sep-14	8,198,204	57,627	8,255,831
Oct-14	8,199,632	52,044	8,251,676
Nov-14	8,379,663	268,158	8,647,821
Dec-14	8,950,731	33,005	8,983,736
Jan-15	8,279,456	247,174	8,526,630
Feb-15	9,182,594	122,149	9,304,743
Mar-15	9,310,753	92,176	9,402,929
Apr-15	9,182,594	36,235	9,218,829
May-15	11,606,935	20,318	11,627,253
Jun-15	10,473,979	153	10,474,132
Jul-15	12,971,035	8,402	12,979,437

12 month average of cash held: \$9,511,971, the amount restricted in the Unaudited Financial Accounts for Employee Leave Entitlements is \$366,348.

Cash Flow

Forecast	Actual	Description	Forecast
Jul-15	Jul-15		Aug-15
153	153	Bank Balance Forward	8,402
110,000		Major Project Revenue <i>(estimate only)</i>	510,000
2,421,027	2,421,027	Financial Assistance Grant <i>(no notice - used 14/15)</i>	1,217,578
		Roads to Recovery	64,000
511,700	448,000	Regional Roads Block Grant	
260,000	381,517	RMS – Ordered Works	
370,000	266,234	RMS - Routine Works	
13,750	13,756	RMS Agency	13,750
985,000	986,116	Rates /Water/User Charges	890,000
50,000	36,237	Private Works/Debtors	50,000
150,000	104,698	Non s67 Debtors <i>(incl. CWB & Capital Grants)</i>	150,000
230,000	233,492	LBV – Residents Fees & Grant	265,000
121,000	138,090	Child Care/In Home Care	117,000
		Net Transfer from ‘At Call’ Account	
25,000	54,304	Sundry <i>(including small grant revenue)</i>	25,000
32,000	84,725	Plant Sales	
70,000	151,355	GST <i>(Difference due to Creditors cut-off as at 15th of the month)</i>	10,000
		<i>Less</i>	
(2,400,000)	(2,139,911)	Creditors	(2,400,000)
(670,000)	(692,342)	Wages & Salaries	(690,000)
(2,257,365)	(2,465,186)	Net Transfer to At Call Account	(208,465)
(22,265)	(22,265)	Loan Repayment	(22,265)
-	8,402	Closing Reconciled Bank Balance Cr/(Dr)	-

COUNCIL’S LOAN FACILITIES as at 31 JULY 2015

Working Capital Loan (4.100%)	(\$500,000)
Refinanced NECU Loan (6.22%)	(\$1,733,230)
Closing Balance	(\$2,233,230)

RECOMMENDATION

That Council receive and note the Bank Reconciliation, Cash Flow and Loan Facility Report as at 31 July 2015.

REPORT 3B – RATES RECONCILIATION REPORT AS AT 31 JULY 2015**FILE: R2-1****AOP REFERENCE: 3.1.1.6****ATTACHMENT: YES (PAGE 31-32)****AUTHOR: Rates Officer, Jo-Louise Brown****Purpose**

To provide Council details of the Rate Reconciliation as at 31 July 2015.

FUND	LEVY 2015-2016	Pensioner Rebates	Abandoned Levy	Additional Levies	Sub Total 2015- 2016	Arrears 30th Jun 15	Payments	Total Outstanding	Total Outstanding Previous Year	% Outstanding of Sub Total Plus Arrears
Business	373,284.09		-	-	373,284.09	28,372.80	101,761.03	299,895.86	296,842.58	74.66%
Farmland	636,330.18		-	-	636,330.18	30,712.52	104,954.17	562,088.53	584,900.16	84.27%
Mining	1,562,018.90		-	-	1,562,018.90	100,980.00	5,670.18	1,657,328.72	1,538,453.89	99.66%
Residential	1,125,966.49	52,972.41	-	-	1,072,994.08	163,655.32	150,900.41	1,085,748.99	1,067,540.59	87.80%
Overpayments					-	-112,364.94	- 83,308.81	-29,056.13	-30,138.36	25.86%
Legal Costs			-	1,479.36	1,479.36	34,066.14	3,968.19	31,577.31	19,810.44	88.84%
Interest			-	355.00	355.00	74,347.87	1,490.96	73,211.91	57,373.84	98.00%
General Rates	3,697,599.66	52,972.41	-	1,834.36	3,646,461.61	319,769.71	285,436.13	3,680,795.19	3,534,783.14	92.80%
Domestic Waste	571,520.00	18,965.09	315.00	-	552,239.91	26,068.33	114,932.20	463,376.04	436,575.71	80.13%
Sewerage	642,420.00	20,278.13	330.00	-	621,811.87	42,857.67	120,612.88	544,056.66	539,077.48	81.85%
Cobar Water	617,750.00	21,678.13	240.00	-	595,831.87	23,343.92	154,952.79	464,223.00	469,293.49	74.97%
Nymagee Water	26,250.00	612.50	295.00	-	25,342.50	5,829.76	5,264.60	25,907.66	24,018.83	83.11%
Euabalong Water	41,495.00	1,050.00	-	-	40,445.00	8,321.50	9,986.05	38,780.45	36,362.45	79.52%
Euab West Water	25,720.00	525.00	-	-	25,195.00	4,905.32	5,945.96	24,154.36	21,030.45	80.25%
Mt Hope Water	6,800.00	87.50	-	-	6,712.50	249.72	3,446.21	3,516.01	2,640.00	50.50%
Water Access	718,015.00	23,953.13	535.00	-	693,526.87	42,650.22	179,595.61	556,581.48	553,345.22	75.60%
Water Usage	-	-	4,313.40	-	- 4,313.40	474,833.87	302,804.89	167,715.58	219,362.60	35.64%
TOTAL	5,629,554.66	116,168.76	5,493.40	1,834.36	5,509,726.86	906,179.80	1,003,381.71	5,412,524.95	5,283,144.15	84.36%

RECOMMENDATION**That the Rates Reconciliation Report as at the 31 July 2015 be received and noted.**

REPORT 4B – 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					
EPA Environmental Education Grants	To undertake an education program on water quality and stormwater into the Newey involving the schools in Cobar.	\$48,000	EOI successful. Full application submitted.	Nil.	
National Stronger Regions Fund	Replacement of the Cobar Water Treatment Plant	\$7.5million	Pending.	Existing funds – Council and NSW Government – used as matching money.	To be awarded December 2015.
Building Reliance to Climate Change	Constructing three water bores along the Wool Track	\$79,900	Pending.	Nil required.	
National Stronger Regions Fund	Expansion and Upgrade of the Cobar Youth and Fitness Centre	\$310,775	Pending.	\$312,000 (matching grant funds and S94 grants used), CSA and Peak contributions pledged.	To be awarded December 2015.

Grant and Department	Activity	Amount Applied For	Successful?	Council Funding Required	Comment
Grants Announced					
NSW Sport and Recreation	Installation of accessible toilet facility, storage for wheelchair basketball chairs and rails in toilets.	\$26,750	Successful.	Matching funds of \$26,750 to come from matching grants contribution from 2014/2015.	
Heavy Vehicle Safety and Productivity Program	New Truckwash	\$90,000	Haven't heard back from this so assuming it has been unsuccessful.	\$90,000 budgeted.	

Current Grant Opportunities:

- Community Building Partnership grants due 7 August 2015. Applying for playground equipment as part of the Drummond Park playground upgrade.
- Active Transport Grants – RMS – due 21 August 2015. Considering applying for capital funds to implement key areas of the PAMP and possibly for funds to undertake a cycle path element to include in the PAMP.
- Water Security for Regions – Cobar Water Supply – due 31 August 2015. Apply for funding for the Cobar Water Treatment Plant.
- Youth Opportunities Grant – due 31 August 2015 – applying for a project to provide youth services through the Youthie.
- Remote Airstrips Program – due 31 August 2015 – unlikely to submit a project.
- Bridges Renewal Program – due 31 August 2015 – unlikely to submit a project.
- Seniors Week Grant – due August 2015 – for \$1,000 for activities for Seniors Week, or up to \$5,000 if matched for active ageing activities during Seniors Week.

RECOMMENDATION

That the information contained in the grant funding report detailing grants applied for, grants announced and grants available be received and noted.

ATTACHMENTS



FINANCE & POLICY COMMITTEE MEETING AGENDA

THURSDAY 13 AUGUST 2015

~ REFERENCE TO ATTACHMENTS ~

NOTICE OF MOTIONS

Notice of Motion – Economic Development Opportunities for Cobar – Flight School ...18-21

PART A – ACTION

Report 1A – Proposed Amendment to Policy for the Provision & Use of Council’s Corporate Credit Card 22-29

Report 2A – Cobar Memorial Services Club Car Park Lease Agreement – Rates Concession 30

PART B – INFORMATION

Report 4B – Rates Reconciliation Report as at 31 July 2015 31-32