



**EXTRAORDINARY MEETING OF COUNCIL
BUSINESS PAPER**

14 May 2019

Extraordinary Meeting of Council

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OF COUNCIL**

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Extraordinary Council Meeting

14 May 2019 at 12:40pm

Uralla Shire Council Chambers

- BUSINESS AGENDA -

- 1. OPENING OF EXTRAORDINARY MEETING**
- 2. PRAYER**
- 3. ACKNOWLEDGEMENT OF COUNTRY**
- 4. APOLOGIES**
- 5. DISCLOSURES & DECLARATIONS OF INTEREST**
- 6. REPORTS TO COUNCIL**
Report #1 – Public Exhibition of draft Delivery Program 2017-21 and Operational Plan 2019-20
- 7. CLOSE OF EXTRAORDINARY MEETING**

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- 1. OPENING & WELCOME**
- 2. PRAYER**
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To be tabled at the Meeting.
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REPORT TO COUNCIL

Department:	General Manager's Office
Submitted by:	Chief Financial Officer and Coordinator Governance and Risk
Reference/Subject:	Report #1 – Public Exhibition of draft Delivery Program 2017-21 and Operational Plan 2019-20

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

Goal:	4.1 A strong, accountable and representative Council
Strategy:	4.1.1 Provide clear direction for the community through the development of the Community Strategic Plan, Delivery Program, and Operational Plan
Activity:	4.1.1.1 Deliver integrated strategic planning and reporting requirements
Action:	4.1.1.1.2 Develop and monitor the annual Operational Plan

SUMMARY:

The purpose of this report is for Council to determine to place the combined draft Delivery Program 2017-21 and Operational Plan 2019-20, including the Statement of Revenue Policy, on public exhibition for the period 15 May to 12 June 2019.

OFFICER'S RECOMMENDATION:

That Council:

- 1. Adopt the Draft Delivery Program 2017-21;**
- 2. Adopt the Draft Operational Plan 2019-20;**
- 3. Publicly exhibit the combined Draft Delivery Program 2017-21 and Draft Operational Plan 2019-20, including the Statement of Revenue Policy, contained at Attachment A, on public exhibition for a period of 28 days from 15 May 2019 and indicating that submissions may be made to the council at any time during the period that the draft operational plan is to be on public exhibition;**
- 4. Adopt an interest rate equivalent to the maximum allowable percentage determined by the Office of Local Government for the 2019-20 financial year to be charged on arrears of rates and charges.**

BACKGROUND:

The combined draft Delivery Program 2017-21 and Operational Plan 2019-20 has been developed to conform with the requirements of the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulations* (the Regulations). A further report will be presented to the Council at its ordinary meeting (or at an extraordinary meeting) in June 2019 reporting on any public responses received and detailing any proposed changes in response to those submissions, prior to the final adoption of the combined Delivery Program 2017-21 and Operational Plan 2019-20.

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REPORT:

Under section 404 of the Act, Council must adopt a Delivery Program detailing the principal activities it will undertake to achieve the objectives identified in the Community Strategic Plan. Council is also required under section 405(5) of the Act to have an annual Operational Plan adopted by the beginning of each financial year which outlines the planned activities for the year as part of the Delivery Program.

The combined draft Delivery Program 2017-21 and Operational Plan 2019-20 has been developed in consultation with staff and Councillors to specifically address Council's commitment to deliver on the goals of the Community Strategic Plan 2017-27 over the four-year period covered by the Delivery Program.

Draft Delivery Program and Operational Plan

The Delivery Program 2017-21 has been structured to include:

1. Detail on the Council Improvement Plan (CIP), which outlines the improvement strategies and outcomes in order for Council to maintain its financial sustainability and Fit for the Future rating; and
2. The draft Operational Plan 2019-20.

Council's Community Strategic Plan 2017-27 commits Council to building an effective and efficient organisation (Goal 4.2) and operating in a financially responsible and sustainable manner (Strategy 4.2.2). The CIP, which was endorsed by Council in June 2015, includes a range of initiatives to address the operational challenges facing Council and improve the organisation's financial sustainability, including an application to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation. The draft Operational Plan 2019-2020 proposes that Council progress this initiative in the 2019-20 financial year through making an application for a Special Rate Variation in accordance with the IPART's criteria (Action 4.2.2.1.2) – subject to resolution of Council and subject to appropriate community engagement

The Council is required to have an Operational Plan which is adopted prior to the beginning of each financial year and which details the activities to be engaged in by Council during the year. The actions in the Operational Plan are aligned to those in the third year of the Delivery Program and are funded by the dollars allocated in the budget.

The combined draft 2017-21 Delivery Program and Operational Plan 2019-20 will be placed on public exhibition from 15 May to 12 June 2019, with access to all documents available from Council's website and on request from Council's Administration Centre.

Draft Operational Plan and Budget

Council's budgeted operating income is \$24.9 million made up of Rates and Annual Charges of \$6.5 million, Operating Grants of \$7.5 million, Capital Grants of \$5.27 million, User Charges of \$4.83 million and other income of \$0.8 million.

Operating expenditure is \$20.5 million which includes \$4.4 million of depreciation, \$10.2 million in employee benefits, \$3.8 million in materials and contracts, and other expenditure of \$2.1 million.

Rates and Annual Charges

Rates will increase by the rate peg limit of 2.7% equating to an increased collection of \$103,000. The water and sewer access charges will increase by 5% whilst the environmental levy, waste facility fee and waste and recycling bin collection services will also increase by 2.7%.

Capital Works

In addition to the delivery of Council's regular capital renewal programs, key highlights of the combined draft Delivery Program 2017-21 and Operational Plan 2019-20 include:

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- Delivering over \$570,000 in projects funded through the NSW Government's Stronger Country Communities Fund, including upgrades to tennis courts and sporting complex improvements, swimming pool upgrade and parks and pathways composite works;
- Sealing an additional 2.2 kilometres of Bingara Road through the NSW Government's Restart Fund;
- Progressing the implementation of the Bundarra Sewerage Scheme (subject to additional grant funding);
- Progressing the development of the light industrial project in Rowan Avenue subject to a successful business case being approved by the Office of Premier and Cabinet;
- Progressing the implementation of the Uralla Visitor Information Centre Improvement Project;
- Progressing workplace health and safety improvement works for both Uralla and Bundarra water supplies and Uralla sewerage;
- Progressing the upgrade of resident bathrooms at McMaugh Gardens through the Commonwealth Department of Health special grant; and
- Upgrading the Uralla water filtration systems.

Operations – Roads and Bridges

The total 2019-20 roads and bridges program of \$6.437 million includes capital works on Bingara Road, Thunderbolts Way, and numerous rural and urban roads together with reseals, re-sheeting, heavy patching and general maintenance. This will be achieved through a combination of council labour and specialist contractors and aligns with the Transport Asset Management Plan.

Plant and Depots

Council's plan of maintaining a fully funded major plant replacement fund will result in significant purchases this year. Council staff use a ten-year plant replacement program for financial management and review of charge out rates. The budget for replacement of major plant items for 2019-20 totals nearly \$2.3 million after trade-ins.

Facilities and Open Space

This component of the Delivery Program forms the basis of Our Society and includes a wide variety of activities and services associated with public areas such as parks, gardens, reserves, town beautification activities such as mowing, tree maintenance and the provision of public facilities, together with maintenance of sporting and recreational facilities. Council has budgeted to spend over \$637,000 on maintenance as well as over \$615,000 on various capital projects.

Waste Management

Domestic Waste Management and Recycling continue to be key priorities for Council. This year Council will review this operational area to assess options for efficiency and delivery of services.

Development and Planning

The Delivery Program focuses on providing effective regulatory, compliance and enforcement services for the community and implementation of tools to simplify development processes and encourage quality commercial, industrial, and residential development. The combined net cost of these functions has been budgeted to be over \$368,000 and includes the provision of a shared ranger service.

Community Engagement and Events

Council aims to be an attractive environment for business, tourism and industry and will continue to promote Uralla Shire and the region as a place to live, work, visit and invest. Numerous operations are aligned to these strategies including Council's libraries, visitor information centre and community development and engagement services. The combined net cost of these functions is budgeted to be over \$705,000.

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Water and Sewer

These components of the Delivery Program include securing a sustainable and environmentally sound water-cycle infrastructure and the services required to maintain and renew the sewerage network infrastructure to ensure the provision of efficient and environmentally-sound sewerage services. Surpluses from these activities must be transferred to water and sewer reserves and can only be spent on water or sewer activities respectively. This year the Water Fund will incur a loss resulting in a draw-down of past reserves whilst the Sewer Fund is expected to make a small surplus despite no charges being levied on Bundarra residents.

McMaugh Gardens

Council will continue to operate and maintain the McMaugh Gardens Aged Care Facility which is budgeted to incur a small loss of under \$21,000 before including a capital grant for the upgrade of resident bathrooms.

Tablelands Community Support and Tablelands Community Transport

Council will also continue to provide quality community care, ageing and disability services through Tablelands Community Support and Tablelands Community Transport. These services are budgeted to deliver surpluses to Council of over \$170,000 whilst also providing critical aging and disability services to the community.

Draft Statement of Revenue Policy

The draft Operational Plan 2019-20 includes a statement of Council's revenue policy (Statement of Revenue Policy), as required under section 405(5)(2) of the Act. The draft Statement of Revenue Policy includes separable parts detailing the proposed draft Fees and Charges and draft Budget for 2019-20.

The draft Statement of Revenue Policy has been prepared to conform to the requirements as prescribed within the Regulations and embodies all the rates, special rates, annual charges, interest on unpaid accounts and proposed fees and charges to be applied by Council during 2019-20. The General Fund Rate increase is based on the IPART approved 2.7 per cent increase for 2019-20.

COUNCIL IMPLICATIONS:

1. Community Engagement/ Communication (per engagement strategy)

Community engagement and consultation occurred in the preparation of the Community Strategic Plan 2017-27 and Delivery Program 2017-21 which has informed the development of the combined draft Delivery Program 2017-21 and Operational Plan 2019-20.

2. Policy and Regulation

- NSW Local Government Act 1993.
- NSW Local Government Regulation (General) 2005.

3. Financial (LTFP)

The combined draft Delivery Program 2017-21 and Operational Plan 2019-20 forms part of, and informs, the 2019-29 Long Term Financial Plan.

4. Asset Management (AMS)

The combined draft Delivery Program 2017-21 and Operational Plan 2019-20 includes integration of the Transport Asset Management Plan, 2014 Plant and Equipment Asset Management Plan and the Buildings Asset Management Plan.

5. Workforce (WMS)

The combined draft Delivery Program 2017-21 and Operational Plan 2019-20 includes Workforce Management Plan strategies.

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6. Legal and Risk Management

Section 405(5) of the Act provides:

- (1) A council must have a plan (its Operational Plan) that is adopted before the beginning of each year and details the activities to be engaged in by the council during the year as part of the delivery program covering that year.*
- (2) An Operational Plan must include a statement of the council's revenue policy for the year covered by the Operational Plan. The statement of revenue policy must include the statements and particulars required by the regulations.*
- (3) A council must prepare a draft operational plan and give public notice of the draft indicating that submissions may be made to the council at any time during the period (not less than 28 days) that the draft is to be on public exhibition. The council must publicly exhibit the draft Operational Plan in accordance with the notice.*
- (4) During the period of public exhibition, the council must have for inspection at its office (and at such other places as it may determine) a map that shows those parts of its area to which each category and sub-category of the ordinary rate and each special rate included in the draft operational plan applies.*
- (5) In deciding on the final operational plan to be adopted, a council must consider any submissions that have been made concerning the draft plan.*
- (6) The council must post a copy of its Operational Plan on the council's website within 28 days after the plan is adopted.*

7. Performance Measures

The combined draft Delivery Program 2017-21 and Operational Plan 2019-20 includes a performance measure matrix comprising measures and targets. Council's progress in delivering the Operational Plan 2019-20 will be reported to Council each quarter.

8. Project Management

Nil

Prepared by staff member:	Simon Paul, Chief Financial Officer
TRIM Reference Number:	UINT/19/2737
Approved/Reviewed by Manager:	Andrew Hopkins
Department:	General Manager
Attachments:	Attachment A – Combined draft Delivery Program 2017-21 and Operational Plan 2019-20 (Issued under separate cover)

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7. CLOSE OF MEETING

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