

Business Paper

LATE REPORTS ORDINARY COUNCIL MEETING

COUNCIL CHAMBERS, GUNDAGAI

6:00PM, TUESDAY 26th May, 2020

Administration Centres: 1300 459 689

LATE REPORTS

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8 GENERAL MANAGER'S REPORT

8.2 FINANCE

8.2.4 MONTHLY FINANCE REPORT FOR APRIL, 2020 - LATE REPORT

DOCUMENT NUMBER	327689
REPORTING OFFICER	Tim Swan, Manager Finance and Customer Service
AUTHORISING OFFICER	Phillip McMurray, General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	4. Good governance: an actively engaged community and strong leadership team 4.1 Decision-making is based on collaborative, transparent and accountable leadership
FINANCIAL IMPLICATIONS	Regular monitoring of Council's finances will ensure that any issues are identified in a timely manner.
LEGISLATIVE IMPLICATIONS	There are no Legislative implications associated with this report.
POLICY IMPLICATIONS	There are no Policy implications associated with this report.
ATTACHMENTS	1. Finance Report April 2020

RECOMMENDATION

The Monthly Finance Report for April, 2020, attached to the report, be received and noted.

Introduction

The Monthly Finance Report provides Councillors with an update on the current budget status.

Discussion

Overall expenditure remains on budget. Income is under budget, and the invoicing of capital grants will be vital over coming weeks.

Several adjustments have been made in the March Quarterly Budget Review, which will be reflected in next month's report.

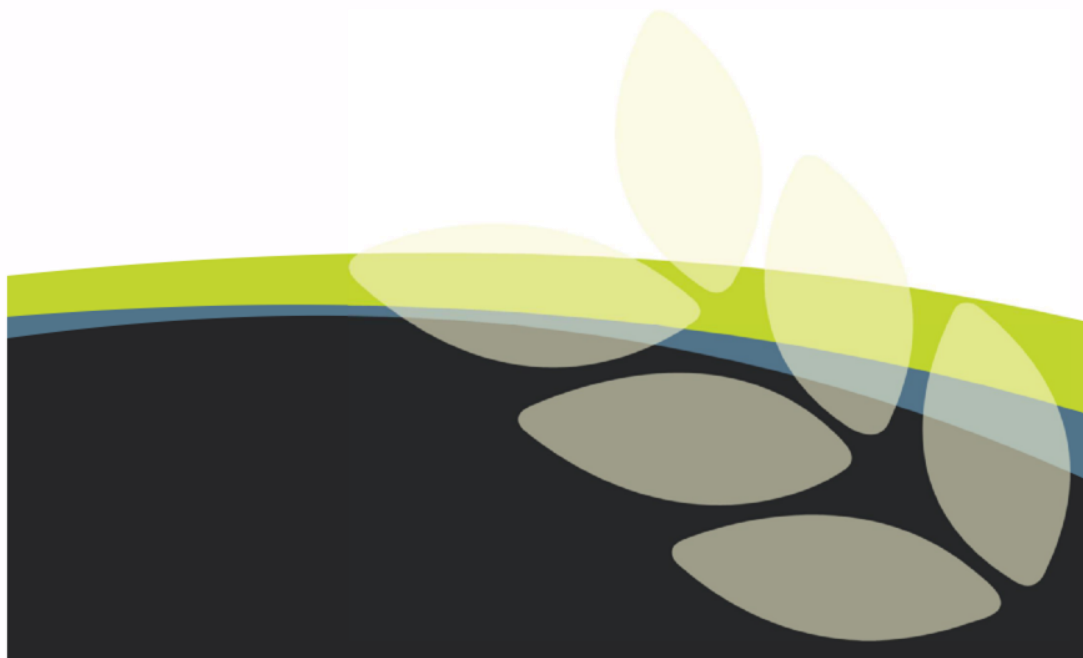


**COOTAMUNDRA-
GUNDAGAI** REGIONAL
COUNCIL

April 2020

Financial reporting pack

Monthly operational analysis



Monthly budget variance report
Consolidated
Period ended 30 April



Year to date actual					Consolidated total	Consolidated budget	Balance remaining	% of annual budget	Comments
General	Waste	Water	Sewer						
Revenue									
Rates and annual charges	7,362,233	2,091,551	1,185,955	1,511,433	12,151,173	13,020,211	869,038	93.33%	
User charges and fees	4,176,796	219,755	2,042,006	436,375	6,874,931	8,280,772	1,405,841	83.02%	
Interest and investment revenues	310,201	6,945	22,818	9,821	349,784	497,517	147,733	70.31%	
Other revenues	535,220	-	5,089	-	540,308	519,740	20,568	103.96%	
Operating grants and contributions	4,564,060	69,406	53,677	51,539	4,738,682	8,079,205	3,340,523	58.65%	
Capital grants and contributions	448,371	-	-	-	448,371	15,859,165	15,410,794	2.83%	Adjustment planned for March QBR for STP grant income deferral
Internal Plant hire	2,477,096	-	-	-	2,477,096	3,420,000	942,904	72.43%	
Internal Overheads	-	-	-	-	-	2,278,576	2,278,576	0.00%	
Internal Easements	-	-	-	-	-	1,464,950	1,464,950	0.00%	
Total revenue	19,873,977	2,387,657	3,309,545	2,009,167	27,580,346	53,420,136	25,839,790	51.63%	
Expenditure									
Employee costs	8,983,547	384,881	537,846	422,794	10,329,068	12,279,857	1,950,789	84.11%	
Borrowing costs	46,304	-	-	-	46,304	183,823	137,519	25.19%	
Materials and contracts	9,379,417	1,209,919	2,061,287	288,289	12,938,912	12,782,221	156,691	101.23%	
Plant hire	1,498,442	161,977	74,716	55,969	1,791,104	2,686,202	895,098	66.68%	
Other expenses	3,133,561	6,237	140,965	161,158	3,441,921	3,588,112	146,192	95.93%	Includes annual expenses such as insurance, rates, subscriptions.
Internal Overheads	-	-	-	-	-	2,278,576	2,278,576	0.00%	
Internal Easements	-	-	-	-	-	1,464,950	1,464,950	0.00%	
Total expenses	23,041,270	1,763,014	2,814,814	928,210	28,547,308	35,263,741	6,716,433	80.95%	
Net result	(3,167,293)	624,643	494,731	1,080,957	(966,963)	18,156,395	19,123,358		

Business Unit Summary - Operating

Period ended 30 April



	Income				Expenditure				Comments
	Actual	Budget	Variance	%	Actual	Budget	Variance	%	
Development, Building and Compliance	270,033	384,120	114,087	70.30%	885,495	1,315,066	429,571	67.33%	OK
Regulatory Services	483,275	644,190	160,915	75.02%	875,305	1,099,122	223,817	79.64%	OK
Community and Culture	278,176	267,041	(11,135)	104.17%	1,327,237	1,392,227	64,990	95.33%	Adjustments in QBR for \$109,135.
Business Services	24,965	12,280	(12,685)	203.30%	1,812,662	2,125,847	313,185	85.27%	OK
Finance and Customer Services	9,531,189	16,556,739	7,025,550	57.57%	1,276,903	2,086,194	809,291	61.21%	FAG to be received
Executive Office	(171,623)	10,000	181,623	-1716.23%	2,564,169	3,372,456	808,287	76.03%	Overlap between Operations Mgt, Works & Tech. Services. Fully separated for 2020/21.
Operations Management	2,526,401	5,568,349	3,041,948	45.37%	2,348,105	1,175,322	(1,172,783)	199.78%	See executive. Grants invoice being prepared.
Facilities	295,493	252,940	(42,553)	116.82%	1,032,586	1,383,492	350,906	74.64%	OK
Recreation	313,744	187,392	(126,352)	167.43%	1,821,873	1,720,677	(101,196)	105.88%	Budget exceeded - QBR adjustment.
Technical Services	425,199	515,991	90,792	82.40%	1,455,055	2,079,033	623,978	69.99%	OK
Civil Works	2,965,888	3,366,180	400,292	88.11%	4,555,190	5,547,993	992,803	82.11%	OK
Asset Management	2,931,237	3,795,080	863,843	77.24%	3,086,690	3,300,691	214,001	93.52%	Expenditure includes termination payment that skews percentage. Plant income a concern.
Waste Services	2,387,657	2,458,338	70,681	97.12%	1,763,014	2,092,687	329,673	84.25%	Budget exceeded - QBR adjustment.
Water	3,309,545	4,224,467	914,922	78.34%	2,814,814	4,073,219	1,258,405	69.11%	Expenditure being reviewed for potential capital expenditure.
Sewer	2,009,167	15,177,029	13,167,862	13.24%	928,210	2,499,715	1,571,505	37.13%	Adjustment in QBR to defer STP grant income of \$9,782,000.
Total	27,580,346	53,420,136	25,839,790	51.63%	28,547,308	35,263,741	6,716,433	80.95%	

Capital expenditure



	YTD	Budget	Variance	%	Comments
Capital income					
Proceeds from sale of plant	450,405	696,500	(246,095)	64.67%	
Proceeds from sale of property	215,582	-	215,582	0.00%	
Sports facilities capital income			-	0.00%	
Stormwater capital income			-	0.00%	
Roads capital income			-	0.00%	
Water capital income			-	0.00%	
Sewer capital income			-	0.00%	
Waste capital income			-	0.00%	
Other capital income			-	0.00%	
Total Income	665,987	696,500	(30,513)	95.62%	
Capital expenditure					
Plant and equipment	1,680,743	2,484,000	(803,257)	67.66%	
Office equipment	33,393	40,000	(6,607)	83.48%	
Buildings	345,263	210,000	135,263	164.41%	Adjustment in QBR totalling \$139,824.
Land improvements	164,443	25,000	139,443	657.77%	Adjustment in QBR for Bangas Pit purchase.
Major projects	5,447,109	5,920,226	(473,117)	92.01%	
Roads, bridges and footpaths	3,229,361	4,290,000	(1,060,639)	75.28%	
Stormwater drainage	529,674	-	529,674	0.00%	
Recreation assets	98,507	-	98,507	0.00%	Adjustment in QBR for Pool backwash. Balance relates to a major project.
Parks and Gardens	98,828	-	98,828	0.00%	Adjustment in QBR for works at Carberry Park funded from TID.
Waste Services	24,460	-	24,460	0.00%	
Water supply network	4,097,909	4,000,000	97,909	102.45%	Adjustment in QBR.
Sewerage network	4,152,917	12,856,000	(8,703,083)	32.30%	Adjustment in QBR for STP deferral.
Other assets	-	-	-	0.00%	
Total Expenses	19,902,607	29,825,226	(9,922,619)	66.73%	
Net capital expenditure	19,236,620	29,128,726	(9,892,106)		

1 REGULATORY SERVICES

1.1 GUNDAGAI SALEYARD'S OPERATIONS REVIEW

DOCUMENT NUMBER	327788
REPORTING OFFICER	Marianne McInerney, Personal Assistant to the General Manager
AUTHORISING OFFICER	Phillip McMurray, General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	2. A prosperous and resilient economy: we are innovative and 'open for business' 2.1 The local economy is strong and diverse
FINANCIAL IMPLICATIONS	There are no Financial implications associated with this report.
LEGISLATIVE IMPLICATIONS	There are no Legislative implications associated with this report.
POLICY IMPLICATIONS	There are no Policy implications associated with this report.
ATTACHMENTS	Nil

RECOMMENDATION

1. The fees to sell cattle and sheep at both the Cootamundra and Gundagai Saleyards be amended to reflect the same fees and charges.
2. The fee to sell cattle at both Cootamundra and Gundagai Saleyards be set at \$8.00 per head.
3. A commission of the agent's gross sale of 0.295% be included in the Gundagai Saleyards fees and charges.
4. To provide a consistent operational model across Cootamundra-Gundagai Regional Council, and to assist with continuity of management at both saleyards, management of the Gundagai Saleyards be formalised.
5. The Saleyard truck wash fee be adjusted to \$0.85 per minute.
6. A holding/transit fee of \$5.00 per head for cattle and \$1.50 per head for sheep management be introduced.

Introduction

Gundagai agents are proposing to hold a cattle sale at Gundagai on 5th June, 2020. Although social distancing restrictions will be observed due to COVID-19 the agents are confident of holding the sale albeit on a smaller scale than normally would be expected. Council's Regulatory staff met with Mr Jim Saunderson and Mr Ross Tout from Elders, Gundagai on site this week to discuss the proposed sale and the operations of the yards.

Discussion

While the yards are currently in very good condition Mr Saunderson has requested that 4 large trees be removed from the yards. This has been requested as the trees pose a risk of falling and interfere with the lighting at the yards by way of casting shadows over the pens. A Request For Quotation has been called for to estimate the cost of the tree removal, however, at the writing of this report none have been received. Council staff estimate that removal of the trees could cost up to \$5,000.00. Council's Arborist/Horticulturalist will inspect the subject trees and undertake an assessment of the condition of the trees.

Prior to amalgamation there was an agreement between the former Gundagai Shire Council and The Associated agents which enabled the Agents to manage the yards, operate the cattle sales and pay a nominated fee (at the present time it is \$6.45 per head no weigh) to Council for the use of the yards. This agreement has expired although the spirit of the agreement continues between Council and the agents.

Council currently pays all expenses for the saleyards including rates, water, electricity, insurance and maintenance. Both saleyards are utilised by agents and transport companies as transit or drop off points. It is apparent that this is occurring on a regular basis. Currently, Council does not charge for a holding fee for this privilege, as such, the proposal is to implement a fee of \$5.00 per head for cattle and \$1.50 per head for sheep for this convenience. This charge would be an appropriate addition to saleyard fees and charges and would contribute to maintenance required due to this particular informal use of the yards.

Adjacent to the Gundagai Saleyards is a Truckwash facility. In the 2018/19 financial year the expenditure on the saleyards was \$23,109.32 whilst the income, \$9,159.09 from the 2019 weaner sale and revenue of \$11,262.70 from truckwash use, reduced Council's expenditure to \$2,687.53.

In 2019/20 financial year the expenditure on the saleyards, by Council, to date is \$20,732.20 and no income from a sale or private weigh, however, as stated above, a sale is planned for 5th June, 2020. The current income for the truckwash is \$15,932.80. At this time, the financial burden is \$4,799.40.

As evidenced should the truckwash revenue be taken into consideration the cost of the saleyards to Council is minimal, however, if the truckwash is not taken into consideration and the proposed cattle sale does not go ahead on 5th June, 2020 the impact on the budget will be more significant.

To align the fees and charges for both saleyards it is proposed to raise the cattle fee to \$8.00 per head and add the Agents Commission being percentage of agent's gross sale of 0.295%. The current price per head of cattle that is sold at Wagga Wagga saleyards for between \$1000 and \$1200 is \$9.52 per head, in addition to associated yard costs, and for cattle sold between \$1200 and \$1400 it is \$10.54 plus associated yard costs. The cost to sell cattle at Yass saleyards, if the value of the cattle is over \$100 the cost is \$11.75 per head plus associated yard costs.

As an example if an agent sold 1000 head at an average price of \$1200 at today's costing Council would receive \$6450. The same sale with the proposed fee increase would see Council receive \$11540. A comparative sale at Yass would return \$11750 in addition to associated yard costs.

Another proposal for Council to consider, is to raise the cost per minute for use of both truck washes in Council's local government area. Currently the cost per minute is \$0.60 per minute, and it is proposed that the fee be increased to \$0.85 per minute. This fee has not been increased since October, 2017. As a comparison Wagga Wagga's truckwash usage fee is \$0.81 per minute, Yass is \$1.00 per minute, Crookwell's is \$1.00 per minute, West Wyalong's is \$1.63 per minute, and Harden's \$0.79 cents per minute. It is anticipated that all will rise at 30th June, 2020.

8.10 WASTE, PARKS AND RECREATION

8.10.3 COUNCIL CO-CONTRIBUTION FOR THE ALBERT PARK PLAY SPACE PROJECT

DOCUMENT NUMBER	326202
REPORTING OFFICER	Marianne McInerney, Personal Assistant to the General Manager
AUTHORISING OFFICER	Phillip McMurray, General Manager
RELEVANCE TO COMMUNITY STRATEGIC PLAN	<p>4. Good governance: an actively engaged community and strong leadership team</p> <p>4.2 Active participation and engagement in local decision-making</p> <p>1. A vibrant and supportive community: all members of our community are valued</p> <p>1.1 Our Community is inclusive and connected</p>
FINANCIAL IMPLICATIONS	\$200,000 grant funding subject to a \$200,000 co-contribution to be funded from the sale of Council's Southern Phone share.
LEGISLATIVE IMPLICATIONS	There are no Legislative implications associated with this report.
POLICY IMPLICATIONS	There are no Policy implications associated with this report.
ATTACHMENTS	Nil

RECOMMENDATION

- 1. Council authorise the General Manager to accept the grant funding of \$200,000 and approve the amount of \$200,000 required for the \$1 for \$1 co-contribution for the Albert Park Playspace in accordance with the successful application submitted through the Department of Planning, Industry and Environment's Everyone Can Play Grant Round 2.**
- 2. The co-contribution amount of \$200,000 referred to in 1 above be resourced from the sale of Council's Southern Phone share.**

Introduction

Albert Park (the park) is located on Hovell Street, Cootamundra (the heavy vehicle bypass route). It is used by motor home and caravan tourists, provides ample parking, and is only two blocks from the central business district. It is also well used by locals for picnics and gatherings, local schools for athletic carnivals, and hosts many local and visiting cricket events. The play equipment at the park is nearing the end of its useful life.

Discussion

The NSW Government's Department of Planning, Industry and Environment (DPIE) has made funding available to support councils in creating new and upgrading playspaces to ensure people of all ages and abilities and cultural backgrounds can play. The provision of 'inclusive' playspaces or upgrades to existing playspaces to improve inclusions is key to this grants program.

The play equipment currently at the park is old and is due for replacement. Designs for the new play area will be funded through the grant money and the cost estimated for this project is \$400,000.

Council has been successful in applying for a grant of \$200,000, through Round 2 of this program. The proposed playspace has been designed to include equipment with access and inclusion features. There is no alternate park in Cootamundra that has equipment suitable for special needs.

However, the successful application is conditional on \$1 for \$1 funding from Council as a co-contributor. A contribution of \$200,000 is therefore required by Council. The Department can withdraw the payment, in part or whole, if any of the mutual obligations, as set out in the agreement, are not met. It is proposed that Council's contribution of \$200,000 be sourced from the sale of its Southern Phone share.