

137-139 Oberon Street
PO Box 84
Oberon NSW 2787

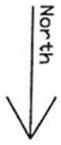
Telephone: (02) 6329 8100
Fax: (02) 6329 8142
Email: council@oberon.nsw.gov.au



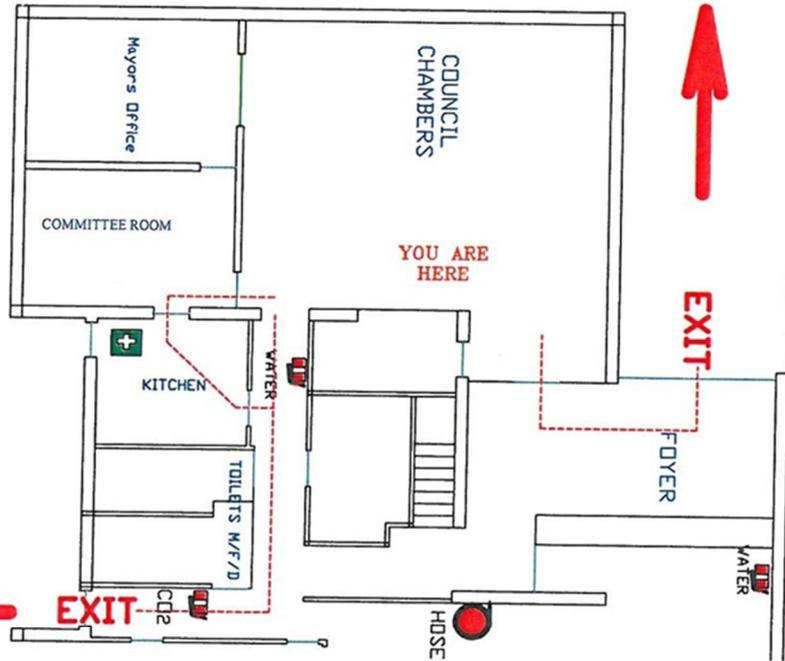
AGENDA AND BUSINESS PAPERS

Oberon Council Extraordinary Meeting
Friday 4 November 2016

Commencing at 12.00pm
at the Oberon Council Chambers



OBERON STREET



**ASSEMBLY AREA
in rear Car Park
behind Chemist**

**YOU ARE
HERE**

-  **CD2** Carbon Dioxide- to be used for paint, oil electrical and other liquid fires.
-  **WATER** Water- to be used for wood paper and rubbish only
-  **HOSE**
-  **FIRST AID KIT**

Council Floor Plan-Ground Floor

Tallys Lane

IN EMERGENCY Phone 0 000

Agenda Items	page
1. OPENING OF MEETING	4
2. ACKNOWLEDGEMENT OF COUNTRY	4
3. RECORD OF ATTENDANCE	4
4. DECLARATIONS OF INTEREST	5
5. REPORTS FOR DECISION	6
05.01 2015/16 FINANCIAL STATEMENTS	6
6. URGENT BUSINESS	7
7. CLOSED SESSION / CONFIDENTIAL REPORTS	8
8. CLOSURE OF MEETING.....	8

1. OPENING OF MEETING

The Deputy Mayor will welcome members and declared the meeting open.

2. ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges that this meeting is being held on the traditional lands of the Wiradjuri and Gundungurra People, and respects the history and culture of the elders both past and present.

3. RECORD OF ATTENDANCE

Members Deputy Mayor Kerry Gibbons (in the Chair)
 Clr Neil Francis
 Clr Sam Lord
 Clr Clive McCarthy
 Clr John Morgan
 Clr Jill Evans

Staff Gary Wallace, Acting General Manager
 Chris Schumacher, Works and Engineering Director
 Lynette Safranek, Finance and Community Services Director
 Sharon Swannell, Executive Coordinator

Apologies Mayor Kathy Sajowitz
 Clr Ian Doney

4. DECLARATIONS OF INTEREST

File No: Governance/Councillors/Declarations of Interest

A GUIDE TO ETHICAL DECISION-MAKING (Provided by the Independent Commission Against Corruption)

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and code of conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

A conflict of interest is a clash between private interest and public duty. There are two types of conflict:

- Pecuniary – regulated by the Local Government Act and Department of Local Government
- Non-pecuniary – regulated by codes of conduct and policy. ICAC, Ombudsman, Department of Local Government (advice only)

The test for conflict of interest:

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of "corruption" – using public office for private gain
- Important to consider public perceptions of whether you have a conflict of interest

Identifying problems

- 1st Do I have private interests affected by a matter I am officially involved in?
- 2nd Is my official role one of influence or perceived influence over the matter?
- 3rd Do my private interests conflict with my official role?

Whilst seeking advice is generally useful, the ultimate decision rests with the person concerned.

When making a Declaration of Interest the reason for making the declaration should be clearly stated. Pecuniary and Non-Pecuniary Significant Interests should be managed by leaving the room while the matter is considered.

Pecuniary -
Non-Pecuniary -
Significant
Non-Pecuniary -
Less than
Significant

5. REPORTS FOR DECISION

05.01 2015/16 FINANCIAL STATEMENTS

File No: Governance/Meetings/Special Meetings

Author: Lynette Safranek, Finance & Community Services Director

Summary

The 2015/16 Financial Statements is showing a surplus of \$3.985 million, inclusive of Capital Grants. We capitalised \$7m; which is made up in part of \$4.8m roads, \$1.4m plant, and \$200k swimming pool. This capitalisation was funded by the above surplus of \$3.985m. The Statement of Cash Flows on page 8 of the Financial Statements shows the movement in Cash and Cash Equivalents leading to a surplus of \$114k.

Recommendation:

That:

1. In accordance with Section 413 (3) the annual financial report:
 - is in accordance with the Local Government Act 1993 (as amended) and the Regulations made there under; the Australian Accounting Standards and professional pronouncements; and the Local government Code of Accounting Practice and Financial Reporting.
 - presents fairly the Council's operating result and financial position for the year, and accords with Council's accounting and other records; and
 - Council is not aware of any matter that would render this report false or misleading in any way.
2. That the Financial Statements for the year ended 30 June 2015 be noted, be made available for submission to the Office of Local Government.

Background

A copy of the Financial Statements is included as a separate ATTACHMENT.

The table below is a summary of the 2015/16 Financial Statements (\$000's):

	2016	2015
Income Statement		
Total Income from Continuing Operations	17,579	14,114
Total Expenses from Continuing Operations	<u>13,594</u>	<u>13,287</u>
Operating Result from Continuing Operations	3,985	827
Statement of Financial Position		
Total Current Assets	13,687	10,165
Total Current Liabilities	(2,473)	(2,229)
Total Non Current Assets	278,122	274,580
Total Non Current Liabilities	<u>(4,481)</u>	<u>(1,709)</u>
Total Equity	284,856	280,807

Other Financial Information

Unrestricted Current Ratio (times)	3.33x	3.86x
Operating Performance Ratio (%)	20.55%	-0.3%
Debt Service Cover Ratio (times)	12.49x	24.06x
Rates & Annual Charges Outstanding Ratio (%)	6.29%	7.5%
Building, Infrastructure & Other Structures Renewals Ratio (%)	214.45%	165.9%
Infrastructure Backlog Ratio (%)	4.32%	3.6%
Own Source Operating Revenue Ratio (%)	61.99%	64.0%
Cash Expense Cover Ratio (months)	12.57mths	9.2mths

Council's own source operating revenue ratio of 61.99% is above the benchmark of 60%. This indicates Council is not reliant on government grants and contributions to provide services to the community. Council has dropped slightly during 2015/16 due to its ability to obtain extra project funding from the RMS, as well as the second LIRS loan of \$3.6m for road infrastructure backlog.

Note 16 on pages 60-61 of the Financial Statements are showing two unfavourable budget variations.

- The Capital Grants and Contributions indicate that Grants of around \$1m have been classed as capital but were operational.
- Employee Benefits and On-Costs is due to the budget in 2014/15 only indicating the operational expense, where actual on Financial Statements includes operational and capital. Therefore, the 2015/16 budget is incorrect as it too takes into account only operational.

Total Restricted Funds came to \$8.3m. This is made up of \$4.1m external restrictions and \$4.2m internal restrictions. Refer to pages 40 and 41 of the Financial Statements for details.

The Auditors *Report on the Conduct of the Audit* in the Financial Statements will be presented by Crowe Horwath at the Ordinary Council Meeting on 15 November 2016.

Acting General Manager's Comment

Please note the guidelines issued under Section 23A of the Local Government Act "Council decision making during merger proposal periods". Oberon Council must consider the guidelines in relation to each decision they make during the proposal period. It is considered it complies with the guidelines. The Section 23A Guidelines state: *"In particular, councils and council officials should not make decisions during a merger proposal period... to prevent or disrupt the consideration of merger proposals by the Chief Executive of the Office of Local Government or his delegate, the Boundaries Commission or the Minister for Local Government other than through the legitimate exercise of legal rights of review or appeal."*

6. URGENT BUSINESS**Summary**

In accordance with Clause 241 of the Local Government (General) Regulations 2005 business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. However, this can happen only if:

- a) A motion is passed to have the business transacted at the meeting: and

- b) The business proposed to be brought forward is ruled by the Chairperson to be of great urgency.
-

Recommendation:

That Council consider the following matters as they are considered to be of an urgent nature requiring immediate consideration by Council

7. CLOSED SESSION / CONFIDENTIAL REPORTS

Summary

In accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005, in the opinion of the General Manager, the following business is of a kind as referred to in Section 10A(2) of the Act, and should be dealt with in a part of the meeting closed to the media and public.

Set out below is Section 10A(2) of the *Local Government Act 1993* in relation to matters which can be dealt with in the closed part of a meeting.

The matters and information are the following:

- (a) Personnel matters concerning particular individuals (other than Councillors)
 - (b) The personal hardship of any resident or ratepayer
 - (c) Information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business
 - (d) Commercial information of a confidential nature that would, if disclosed:
 - (i) Prejudice the commercial position of the person who supplied it, or
 - (ii) Confer a commercial advantage on a competitor of the Council, or
 - (iii) Reveal a trade secret
 - (e) Information that would, if disclosed, prejudice the maintenance of law
 - (f) Matters affecting the security of the Council, Councillors, Council staff or Council property
 - (g) Advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege
 - (h) Information concerning the nature and location of a place or an item of Aboriginal significance on community land.
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8. CLOSURE OF MEETING

The Deputy Mayor will declare the meeting closed.