



Reference: AF11/877 MJT/TLG
Enquiries to: Mr Grant Humphries

**MAYOR
MEMBERS**

NOTICE is hereby given that the Mayor, Mr Andrew Lee has called a Special Meeting of the Council to be held at the Council Chamber, Civic Centre, 10 Watson Terrace, Mount Gambier on the following date and time:

Tuesday 30th June, 2015 Council Chamber – Civic Centre (commencing at 5.30 p.m.) for the purpose of making recommendations for the adoption of the 2015/2016 Business Plan and Budget.

An agenda for the meeting to be held on the 30th June, 2015 is attached hereto.

Mark McSHANE
CHIEF EXECUTIVE OFFICER

25th June, 2015

Civic Centre
10 Watson Terrace
Mount Gambier SA 5290

P 08 8721 2555
F 08 8724 9791
city@mountgambier.sa.gov.au
www.mountgambier.sa.gov.au

City of Mount Gambier

CITY OF MOUNT GAMBIER

Special Meeting of Council to be held Tuesday 30th of June, 2015 at 5.30 p.m.

AGENDA

PRESENT Mayor A Lee, Cr Christian Greco, Cr Mark Lovett, Cr Josh Lynagh, Cr Sonya Meziniec, Cr Frank Morello, Cr Steve Perryman, Cr Hanna Persello, Cr Penny Richardson, Cr Ian Von Stanke

APOLOGIES: moved that the apology(ies) from Cr Des Mutton be received.
seconded

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR INDIGENOUS PEOPLES HAVE WITH THIS LAND.

1. DRAFT 2015/2016 BUSINESS PLAN AND BUDGET OVERVIEW - Ref. AF14/427

The Director - Corporate Services reported:

(a) The draft 2015/2016 Business Plan and Budget issued for public consultation provides for the following estimates of income and expenditure:

	<u>Draft</u>	<u>Revised</u>
Required Rates	17,956,000	17,956,000
Operating Revenue	6,368,000	6,368,000
Less Operating Expenditure	<u>24,302,000</u>	<u>24,258,000</u>
Operating Surplus / (-Deficit)	(Surplus) 22,000	(Surplus) 66,000
Plus Non-Operating Revenue	6,890,000	6,890,000
Less Non-Operating Expenditure	874,000	874,000
Less Capital Expenditure	6,088,000	6,088,000
Budget Cash Surplus / (-Deficit) as at 30 th June 2016	(50)	(Deficit) (6)

Increase in gross rate revenue of 4.5% (including growth) would be required.

moved that the report be received for information.

seconded

2. DRAFT 2015/2016 BUSINESS PLAN AND BUDGET PROGRAM - Ref. AF14/427

The Director - Corporate Services reported:

Council at its meeting held on 17th February, 2015 resolved:

(a) *In accordance with Section 123 of the Local Government Act 1999, the following Program leading up to the adoption of Annual Business Plan and Budget for 2015/2016 is proposed (actual dates to be confirmed):*

Date (2015)	Description	Completed
March/April	Members Budget Workshops/Briefing(s) (actual dates to be confirmed).	Yes
by 30 th April	Draft Business Plan and Budget released for public comment.	Yes
by 31 st May	Public submissions on draft Business Plan and Budget close.	Yes

Agenda for Special Meeting of Council, Tuesday 30th June, 2015 cont'd...

Date (2015)	Description	Completed
early June	<i>First Special (public) Meeting to hear any public submissions and to discuss the draft Business Plan and Budget.</i>	Yes
mid June	<i>Second Special (public) Meeting to be held to discuss/finalise the draft Business Plan and Budget (if required).</i>	Yes
late June/July	<i>Special Council meeting to be held to finalise and endorse draft Business Plan and Budget (if required).</i>	Yes
24 th July	<i>Last date for finalisation/distribution of first quarterly rate notice and distribution of summary Annual Business Plan.</i>	
11 th September	<i>First quarterly rate installment final payment due.</i>	

moved that the report be received for information.

seconded

3. ADOPTION OF 2015/16 ANNUAL BUSINESS PLAN - AF14/427

moved that pursuant to the provisions of 123(6) of the Local Government Act, 1999 and Regulation 6 of the Local Government (Financial Management) Regulations 2011, Council;

- (a) having considered submissions made during the public consultation period and having regard to all relevant information in the possession of the Council, hereby adopts for the year ending 30th June, 2016 the Annual Business Plan, and;
- (b) the Chief Executive Officer be authorised to make any necessary alterations and amendments to the text of the Annual Business Plan (principally accommodating amendments made at Budget meetings) prior to formal publication.

seconded

4. ADOPTION OF 2015/16 BUDGET - Ref. AF14/427

moved:

- (a) Council adopt the following estimates of income and expenditure as provided for in the 2015/2016 Business Plan and Budget incorporating an overall increase in rate revenue of 4.5%:

	\$
Required Rates	17,956,000
Operating Revenue	6,368,000
Less Operating Expenditure	<u>24,258,000</u>
Operating Surplus / (-Deficit)	(Surplus) 66,000
Plus Non-Operating Revenue	6,890,000
Less Non-Operating Expenditure	874,000
Less Capital Expenditure	6,088,000
Budget Cash Surplus / (-Deficit) as at 30 th June 2016	(Deficit) (6,000)

- (b) Council adopts the Budget for the 2015/16 financial year, which includes the following documents pursuant to Section 123(7) of the Local Government Act 1999 and Regulation 7 of the Local Government (Financial Management) Regulations 2011.
 - (i) Budgeted Operating Statement/Budgeted Income Statement

Agenda for Special Meeting of Council, Tuesday 30th June, 2015 cont'd...

- (ii) Budgeted Statement of Financial Position
- (iii) Budgeted Statement of Changes in Equity
- (iv) Budgeted Statement of Cash Flows
- (v) Budgeted Balance Sheet

seconded

5. ADOPTION OF CAPITAL VALUATIONS - Ref. AF15/252

moved that pursuant to Section 167(2) of the Local Government Act, 1999 the Council adopts for rating purposes for the 2015/2016 financial year, the Valuer General's most recent valuations of the CAPITAL VALUES applicable to land within the area of the Council, totalling \$3,456,903,740 and that the date of adoption of the valuations is the 30th day of June 2015.

seconded

6. DECLARATION OF THE ATTRIBUTION OF LAND USES AND CODES – Ref. AF15/230

moved that in exercise of the powers contained in Chapter 10 of the Local Government Act 1999, the attribution of the land uses in the Assessment Record for the 2015/2016 financial year will be in accordance with the categories of land use prescribed by Regulation 14 of the Local Government (General) Regulations 2013.

seconded

7. DECLARATION OF RATES – Ref. AF15/230

moved that pursuant to Sections 152(1)(c), 153(1)(b) and 156(1)(a) of the Local Government Act 1999 and in order to raise rates in the amount of \$17,956,000 the Council hereby declares that differential general rates will apply and will vary according to the use of the land and declares the differential general rates for rateable land within the Council area for the 2015/16 financial year will be as follows:

1. .22631 of a cent per dollar of assessed capital value on rateable land of category (a) (Residential) use;
2. .611037 of a cent per dollar of assessed capital value on rateable land of category (b) (Commercial-Shop) category (c) (Commercial-Office), category (d) (Commercial-Other) use;
3. .611037 of a cent per dollar of assessed capital value on rateable land of category (e) (Industry-Light) and category (f) (Industry-Other) use;
4. .22631 of a cent per dollar of assessed capital value on rateable land of category (g) (Primary Production) use;
5. .611037 of a cent per dollar of assessed capital value on rateable land of category (h) (Vacant Land) use;
6. .22631 of a cent per dollar of assessed capital value on rateable land of category (i) (Other) use;

Agenda for Special Meeting of Council, Tuesday 30th June, 2015 cont'd...

seconded

8. DECLARATION OF A FIXED CHARGE – Ref. AF15/230

moved that pursuant to Section 152(1)(c)(ii) of the Local Government Act, 1999 the Council declares in respect of the 2015/16 financial year a fixed charge on rateable land within the Council area in the sum of \$585.80 .

seconded

9. DECLARATION OF SEPARATE RATE - Ref. AF15/230

moved that in exercise of the powers contained in Section 95 of the Natural Resources Management Act, 2004 and Section 154 of the Local Government Act, 1999 and in order to reimburse to the Council the amount contributed to the South East Natural Resources Management Board being a net \$578,276 (after write offs), a separate rate of \$42.00 per assessment be declared based on a fixed charge of the same amount on all rateable land in the Councils area and in the area of the said Board for the 2015/16 financial year.

seconded

10. DECLARATION OF RESIDENTIAL RATE CAP - Ref. AF15/230

moved that pursuant to section 153(3) of the Local Government Act 1999 and for the financial year ending 30th June 2016 but subject to the criteria set out in the Annual Business Plan 2015/2016 being met, the Council fixes a maximum increase to the general rate of 15% in respect of any rateable land that constitutes the principal place of residence of a principal ratepayer and determines that any amount in excess of the 15% be remitted.

seconded

11. PAYMENT OF COUNCIL RATES - Quarterly Billing - Ref AF15/230

moved that that pursuant to Section 181(2) of the Local Government Act, 1999 the Council declares that quarterly payment of rates and charges in respect of the 2015/16 financial year be payable on or before:

- Friday, 11th September 2015
- Friday, 11th December 2015
- Friday, 11th March 2016
- Friday, 10th June 2016

seconded

Meeting closed at _____ p.m.
MJT/FM

CITY OF MOUNT GAMBIER
BUDGET 2015/16

Statement of Comprehensive Income

ACTUAL 2013/14 \$ '000	INCOME	ORIG 2015/16 \$ '000
16,826	Rates	17,845
378	Statutory Charges	425
3,530	User Charges	2,578
1,278	Grants Subsidies and Contributions	3,377
32	Investment Income	10
229	Reimbursements	89
467	Other	0
0	Share of profit - joint ventures and associates	0
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22,740	TOTAL REVENUES	24,324
	EXPENSES	
8,772	Wages and Salaries	9,051
8,467	Materials, contracts & other expenses	8,737
262	Finance Costs	374
5,907	Depreciation, amortisation & impairment	6,096
0	Share of loss - joint ventures & associates	0
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23,408	Total Expenses	24,258
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-668	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	66
-3,227	Net gain (loss) on disposal or revaluation of assets	0
3,064	Amounts specifically for new or upgraded assets	0
0	Physical resources received free of charge	0
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-831	NET SURPLUS/(DEFICIT)	66
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CITY OF MOUNT GAMBIER
BUDGET 2015/16

Cash Flow Statement

ACTUAL 2013/14 \$ '000		ORIG 2015/16 \$ '000 Inflows (Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES	
	RECEIPTS	
25,583	Operating Receipts	24,314
69	Investment Receipts	10
	PAYMENTS	
-18,654	Operating payments to suppliers & employees	-17,788
-230	Finance Payments	-374
6,768	Net Cash provided by (or used in) Operating Activities	6,162
	CASH FLOWS FROM INVESTING ACTIVITIES	
	RECEIPTS	
3,064	Grants specifically for new or upgraded assets	0
276	Sale of Assets	142
126	Repayments of loans by community groups	43
	PAYMENTS	
0	Loans made to community groups	-10
-6,574	Expenditure on renewal / replacement of assets	-4,961
-3,969	Expenditure on new / upgraded assets	-1,127
-7,077	Net Cash provided by (or used in) Investing Activities	-5,913
	CASH FLOWS FROM FINANCING ACTIVITIES	
	RECEIPTS	
1,163	Proceeds from Borrowings	0
	PAYMENTS	
-356	Repayment of Borrowings	-638
807	NET CASH USED IN FINANCING ACTIVITIES	-638
498	NET INCREASE (DECREASE) IN CASH HELD	-389
675	CASH AT BEGINNING OF YEAR	1,173
1,173	CASH AT END OF YEAR	784

CITY OF MOUNT GAMBIER
BUDGET 2015/16

Balance Sheet

ACTUAL 2013/14 \$ '000		ORIG 2015/16 \$ '000
	ASSETS	
	CURRENT ASSETS	
1,173	Cash and cash equivalents	784
1,132	Trade & other receivables	1,132
37	Inventories	37
<u>0</u>	Other Financial Assets	<u>0</u>
2,342		1,953
<u>0</u>	Non-Current Assets held for Sale	<u>0</u>
2,342	TOTAL CURRENT ASSETS	1,953
	NON-CURRENT ASSETS	
154	Financial Assets	121
0	Equity accounted investments in Council businesses	0
0	Investment Property	0
195,144	Infrastructure, Property, Plant & Equipment	194,994
<u>0</u>	Other Non-current Assets	<u>0</u>
195,298	TOTAL NON-CURRENT ASSETS	195,115
<u>197,640</u>	TOTAL ASSETS	<u>197,068</u>
	LIABILITIES	
	CURRENT LIABILITIES	
2,643	Trade & Other Payables	2,643
243	Borrowings	243
1,742	Short-term Provisions	1,742
<u>0</u>	Other Current Liabilities	<u>0</u>
4,628		4,628
<u>0</u>	Liabilities relating to Non-current Assets held for Sale	<u>0</u>
4,628	TOTAL CURRENT LIABILITIES	4,628
	NON-CURRENT LIABILITIES	
0	Trade & Other Payables	0
4,538	Long-term Borrowings	3,900
252	Long-term Provisions	252
<u>0</u>	Other Non-current Liabilities	<u>0</u>
4,790	TOTAL NON-CURRENT LIABILITIES	4,152
<u>9,418</u>	TOTAL LIABILITIES	<u>8,780</u>
188,222	NET ASSETS	188,288
	EQUITY	
46,307	Accumulated Surplus	46,599
131,574	Asset Revaluation	131,574
10,341	Other Reserves	10,115
<u>188,222</u>	TOTAL EQUITY	<u>188,288</u>

CITY OF MOUNT GAMBIER
BUDGET 2015/16

Statement of Changes in Equity

ACTUAL 2013/14 \$ '000		ORIG 2015/16 \$ '000
	ACCUMULATED SURPLUS	
48,060	Balance at end of previous reporting period	46,307
-831	Net Result for Year	66
3,537	Transfer From Reserves	226
<u>-4,459</u>	Transfer To Reserves	<u>0</u>
46,307	BALANCE AT END OF PERIOD	46,599
	ASSET REVALUATION RESERVE	
131,574	Balance at end of previous reporting period	131,574
0	Gain on revaluation of infrastructure, property, plant & equipment	0
0	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	<u>0</u>
<u>131,574</u>	BALANCE AT END OF PERIOD	<u>131,574</u>
	LONG SERVICE LEAVE	
724	Balance at end of previous reporting period	724
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	<u>-121</u>
<u>724</u>	BALANCE AT END OF PERIOD	<u>603</u>
	OFF STREET CAR PARK	
267	Balance at end of previous reporting period	267
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	<u>0</u>
<u>267</u>	BALANCE AT END OF PERIOD	<u>267</u>
	PLANT REPLACEMENT	
1,561	Balance at end of previous reporting period	1,561
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	<u>0</u>
<u>1,561</u>	BALANCE AT END OF PERIOD	<u>1,561</u>
	LADY NELSON PARK REDEVELOPMENT	
6	Balance at end of previous reporting period	6
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	<u>0</u>
<u>6</u>	BALANCE AT END OF PERIOD	<u>6</u>
	ASSET REPLACEMENT	
1,296	Balance at end of previous reporting period	1,296
0	Transfer to reserve from accumulated surplus	0
0	Transfer from reserve to accumulated surplus	<u>0</u>
<u>1,296</u>	BALANCE AT END OF PERIOD	<u>1,296</u>

CITY OF MOUNT GAMBIER
BUDGET 2015/16

Statement of Changes in Equity

ACTUAL 2013/14 \$ '000		ORIG 2015/16 \$ '000
	LAND DIVISION - OUTSTANDING WORK	
232	Balance at end of previous reporting period	232
0	Transfer to reserve from accumulated surplus	0
<u>0</u>	Transfer from reserve to accumulated surplus	<u>0</u>
232	BALANCE AT END OF PERIOD	<u>232</u>
	DOWNSTREAM DRAINAGE	
116	Balance at end of previous reporting period	171
55	Transfer to reserve from accumulated surplus	0
<u>0</u>	Transfer from reserve to accumulated surplus	<u>-105</u>
171	BALANCE AT END OF PERIOD	<u>66</u>
	WORK IN PROGRESS	
3,537	Balance at end of previous reporting period	4,385
4,385	Transfer to reserve from accumulated surplus	0
<u>-3,537</u>	Transfer from reserve to accumulated surplus	<u>0</u>
4,385	BALANCE AT END OF PERIOD	<u>4,385</u>
	CITY CENTRE IMPROVEMENT	
688	Balance at end of previous reporting period	688
0	Transfer to reserve from accumulated surplus	0
<u>0</u>	Transfer from reserve to accumulated surplus	<u>0</u>
688	BALANCE AT END OF PERIOD	<u>688</u>
	MAJOR CAPITAL WORKS	
482	Balance at end of previous reporting period	482
0	Transfer to reserve from accumulated surplus	0
<u>0</u>	Transfer from reserve to accumulated surplus	<u>0</u>
482	BALANCE AT END OF PERIOD	<u>482</u>
	RESERVE FUNDS TOTAL	
0	Balance at end of previous reporting period	0
0	Transfer to reserve from accumulated surplus	0
<u>0</u>	Transfer from reserve to accumulated surplus	<u>0</u>
0	BALANCE AT END OF PERIOD	<u>0</u>
	MOUNT GAMBIER CEMETERY TRUST	
466	Balance at end of previous reporting period	478
12	Transfer to reserve from accumulated surplus	0
<u>0</u>	Transfer from reserve to accumulated surplus	<u>0</u>
478	BALANCE AT END OF PERIOD	<u>478</u>
	JUNIOR SPORTING FUND	
44	Balance at end of previous reporting period	51
7	Transfer to reserve from accumulated surplus	0
<u>0</u>	Transfer from reserve to accumulated surplus	<u>0</u>
51	BALANCE AT END OF PERIOD	<u>51</u>
<u><u>188,222</u></u>	TOTAL EQUITY AT END OF REPORTING PERIOD	<u><u>188,288</u></u>

CITY OF MOUNT GAMBIER
BUDGET 2015/16

Uniform Presentation of Finances

ACTUAL 2013/14 \$ '000		ORIG 2015/16 \$ '000
22,740	Operating Revenues	24,324
<u>-23,408</u>	<i>less Operating Expenses</i>	<u>-24,258</u>
-668	Operating Surplus / (Deficit) before Capital Amounts	66
	Less Net Outlays in Existing Assets	
6,574	Capital Expenditure on renewal and replacement of Existing Assets	4,861
<u>-5,907</u>	<i>less Depreciation, Amortisation and Impairment</i>	<u>-6,096</u>
-276	<i>less Proceeds from Sale of Replaced Assets</i>	<u>-142</u>
391		-1,377
	Less Net Outlays on New and Upgraded Assets	
3,969	Capital Expenditure on New and Upgraded Assets	1,227
<u>-3,064</u>	<i>less Amounts received specifically for New and Upgraded Assets</i>	0
0	<i>less Proceeds from Sale of Surplus Assets</i>	0
<u>905</u>		<u>1,227</u>
-1,964	Net Lending / (Borrowing) for Financial Year	216

CITY OF MOUNT GAMBIER
BUDGET 2015/16

ACTUAL 2013/14	FINANCIAL INDICATORS	ORIG 2015/16
<p>These Financial Indicators have been calculated in accordance with <i>Information Paper 9 - Local Government Financial Indicators</i> prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements</p>		
-668	<p>Operating Surplus (\$'000) <i>Being the operating surplus (deficit) before capital amounts</i></p>	66
(4%)	<p>Operating Surplus Ratio <u>Operating Surplus</u> Rates - general & other less NRM levy <i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy</i></p>	0%
6,959	<p>Net Financial Liabilities (\$'000) <i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses)</i></p>	6,743
31%	<p>Net Financial Liabilities Ratio <u>Net Financial Liabilities</u> Total Operating Revenue less NRM levy</p>	28%
1%	<p>Interest Cover Ratio <u>Net Interest Expense</u> Total Operating Revenue less NRM levy less Investment Income</p>	2%
<p>Asset Sustainability Ratio</p>		
107%	<p>Net Asset Renewals <u>Net Asset Renewals</u> Depreciation Expense <i>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets</i></p>	77%
65%	<p>Asset Consumption Ratio <u>Carrying value of depreciable assets</u> Gross value of depreciable assets <i>Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation</i></p>	86%