

CORPORATE SERVICES REPORTS
PRESENTED TO THE BLAYNEY SHIRE COUNCIL
MEETING HELD ON MONDAY, 9TH MARCH 2009



01) REPORT OF COUNCIL INVESTMENTS AS AT 31st JANUARY 2009
(Manager Financial Services)

RECOMMENDED:

1. That the Report indicating Council's Investment position as at 31 January 2009 be received and noted.
2. That the Certification of the Responsible Accounting Officer be noted and the Report, be adopted.

REPORT

This report provides details of Council's Investment Portfolio as at 31 January 2009.

Council's total Investment and Cash position as at 31 January 2009 is \$5,225,206.49. Investments earned interest of \$16,665.04 for the month of December 2008.

Council's monthly net return annualised for January 2009 of 5.56% outperformed the 90 day Bank Bill Swap Rate of 3.74%.

Council's financial year to date return at January 2009 of 6.96% outperforms the 90 day Bank Bill Swap Rate average for financial year to date of 5.92%.

BUDGET IMPLICATIONS

A good investment strategy optimises Council's return on investments.

POLICY CONSIDERATIONS

Nil effect.

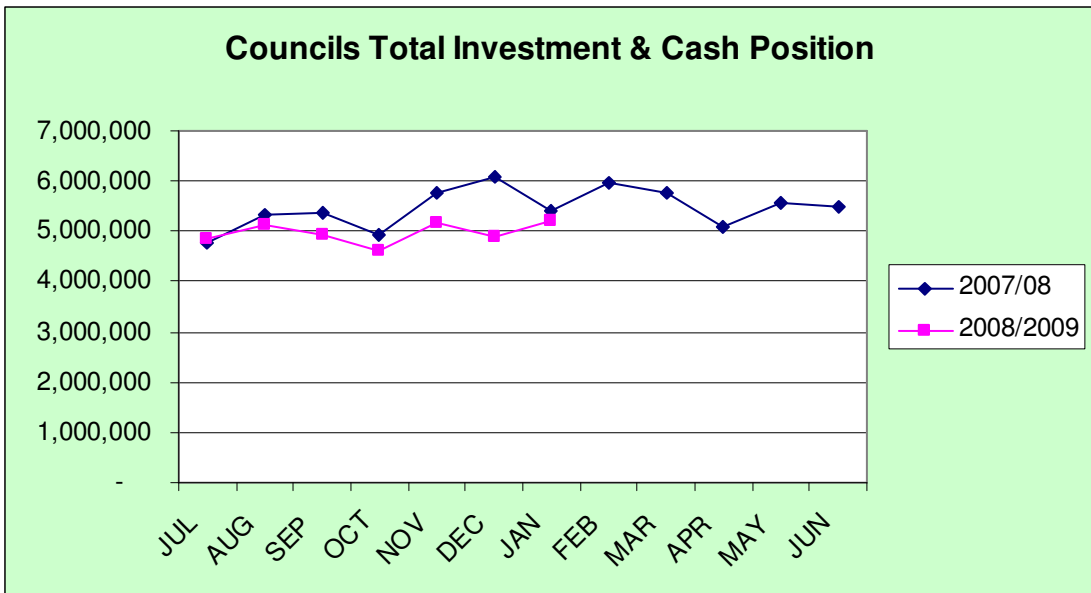
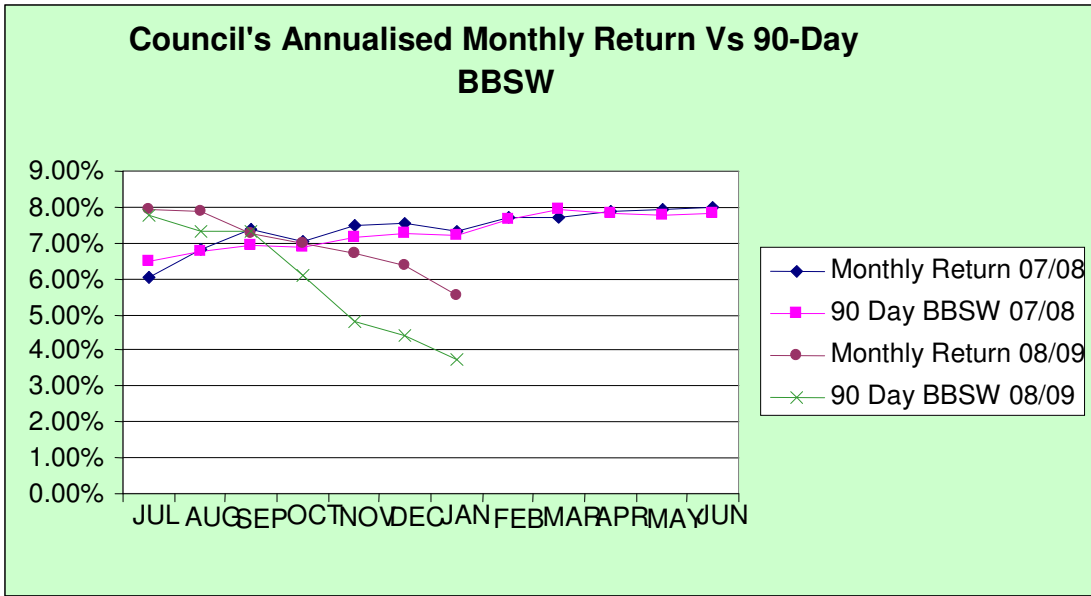
CERTIFICATION – RESPONSIBLE ACCOUNTING OFFICER

I, Chris Hodge, certify that the investments listed in this report have been made in accordance with Section 625 of the Local Government Act 1993, the Local Government (General) Regulation 2005 and Council Policy.

REGISTER OF INVESTMENT AND CASH AS AT 31ST JANUARY 2009

Institution	Amount \$	Monthly Net Return Annualised
<u>Term Deposits</u>		
Suncorp	500,000.00	5.28%
ACCU (Australian Central Credit Union)	500,000.00	5.31%
SGE Credit Union	500,000.00	7.06%
Comminvest	500,000.00	5.35%
Australian Defence Credit Union	500,000.00	5.60%
Maitland Mutual Building Society	500,000.00	5.20%
Total	3,000,000.00	5.72%
<u>Collateralised Debt Obligation (CDO's)</u>		
ANZ Custodian (Kakadu, BBSW + 100 points)	500,000.00	5.25%
ANZ Custodian (Flinders, BBSW + 150 points)	500,000.00	5.75%
Total	1,000,000.00	5.50%
<u>Principal Protected Growth Products</u>		
ANZ Custodian (Credit Suisse)	500,000.00	0.00%
Total	500,000.00	0.00%
Total Investments	4,500,000.00	4.95%
Benchmark: BBSW 90 Day Index		3.74%
Commonwealth Bank Balance	725,206.49	
TOTAL INVESTMENTS & CASH	5,225,206.49	

Summary of Investment movements - January			
Financial Institution	Fund Rating	Invst/(Recall) Amount \$	Commentary
<u>Term Deposits</u>			
Adelaide Bank		(509,308.22)	Maturity of Term Deposit 05/01/2009
Australian Defence Credit Union		(503,550.68)	Maturity of Term Deposit 12/01/2009
Suncorp		(509,847.95)	Maturity of Term Deposit 19/01/2009
Comminvest		500,000.00	Investment Term Deposit 05/01/2009
Australian Defence Credit Union		500,000.00	Investment Term Deposit 12/01/2009
Suncorp		509,847.95	Investment Term Deposit 19/01/2009



02) COMMUNITY CENTRE PROJECT UPDATE

(General Manager)

RECOMMENDED:

1. That the report providing an update on the Community Centre Project be received and noted.

REPORT

This report has been prepared to provide Councillors with an indication of the process which Council must follow should Council resolve to proceed with a project other than the already approved redevelopment of the Blayney Community Centre.

Councillors are aware that Council obtained approval to apply a special variation effective 1 July 2008, to fund the redevelopment of the Community Centre. The instrument issued by the Minister for Council's special variation requires that the revenue collected from the special variation must be used *"for costs associated with the Blayney Community Centre, as defined by the Council."*

In applying for the special variation Council was required to complete and submit a Capital Expenditure Review for the redevelopment project.

"As a minimum requirement a capital expenditure review would need to:

- (1) justify the need for additional facilities based on firm estimates of future demands.*
- (2) prioritise the project in relation to existing capital commitments and future works.*
- (3) consider the full range of project alternatives including;*
 - alternative service delivery:- centralise/decentralise; external provision of services etc.*
 - alternative methods of acquisition:- rent; renovate; construct; purchase existing building etc.*
- (4) consider all financial implications such as;*
 - sources of funds*
 - the cost of funds and the effect on debt servicing (including internal reserves)*
 - consequential recurrent costs:- maintenance, debt servicing, staffing*
 - loan repayment details including cash flow analysis*
 - in the case of business undertakings costing should apply full competitive neutrality pricing requirements.*
- (5) report on the public consultation process including responses to the draft management plan.*

These guidelines are primarily issued to ensure councils adequately consider the major financial aspects of building proposals. However, where a council is seeking to fund the proposal either partially or fully through:

- a new money borrowing allocation; or*
- a special rating variation,*

a copy of council's capital expenditure review must be forwarded to the Department prior to any determination of funding being made." (DLG Circular 97/55).

A letter has been forwarded to the Department of Local Government seeking confirmation that the following steps must be taken by Council, should Council resolve to use the revenue collected from the special variation for a project other than the redevelopment project. At the time of producing this report, a response from the Department had not been received.

1. Write to the Minister for Local Government to ascertain whether Council would be permitted to change the project for which the special variation was approved, subject to the completion of the following processes.
2. Community Consultation – As the community supported the redevelopment of the Community Centre, it will be necessary for Council to obtain the support of the community for an alternative project. This process would require the co-ordination of a number of community consultation sessions, similar to that which was completed for the redevelopment project, as well as sufficient advertising across the Shire to ensure that every member of the community is afforded the opportunity to make a submission.
3. Capital Expenditure Review – As the capital expenditure review which was submitted with Council's special variation application was based on the redevelopment project, a new capital expenditure review will be required to be completed for the alternative project.
4. Submit an application to the Minister, including the results of the community consultation and the completed capital expenditure review, for approval to use the revenue collected from the special variation for an alternative project.

Should the Minister approve Council's application as outlined at step 4, it will be necessary for Council to commence the appropriate tender process, in accordance with Section 55 of the Local Government Act 1993, and the accompanying regulations. A report outlining the tender processes will be provided to Council should Council be successful in obtaining the Minister's approval.

Upon receipt of the written confirmation of the abovementioned steps from the Department, a letter will be immediately forwarded to the Minister as outlined in step 1. In the event that the Department's advice is materially different to that presented above, a further report will be submitted for Councillor's notation.

BUDGET IMPLICATIONS

Nil effect.

POLICY CONSIDERATIONS

Nil effect.

03) BLAYNEY SHIRE ACCESS COMMITTEE CHARTER
(Director Corporate Services)

RECOMMENDED:

1. That the Blayney Shire Access Committee Charter be adopted;
2. That Council appoint two (2) representatives to the Committee and nominate a Chairperson;
3. That Council invite members of the Community to fill the Community Representative positions (3).

REPORT

Council has an obligation to address issues raised in its pedestrian and mobility plan.

To meet this it is proposed that Council form an Access Committee whose responsibility will be to address matters including those associated with development approvals and those that arise from the pedestrian and access mobility plan.

The Committee is to comprise two (2) Councillors; three (3) Community representatives and the General Manager (or his delegate) with administrative support provided through Council.

It is proposed that the Committee meet on a needs basis as matters arise. Reports of recommendations from the Committee will be provided to ordinary meetings of Council for consideration.

BUDGET IMPLICATIONS

Nil effect

POLICY CONSIDERATIONS

Nil effect

04) PROVISION OF POWER TO CARAPARK CAFÉ AT HERITAGE PARK
(General Manager)

RECOMMENDED:

That:

1. Council not make electricity available to Carapark Café at Heritage Park; and
2. An appropriate fee structure for the provision of electricity at, and the hire of, the facilities at Heritage Park for events.

REPORT

At Council's February Ordinary meeting, Cr Radburn requested Council to give consideration to providing power to the Carapark Café business at Heritage Park. This report has been submitted to Council in response to this request.

Council's officers have inspected Heritage Park, and have observed the operations and pedestrian traffic generated by the Carapark Café business, and maintain that it is inappropriate for Council to provide electricity to a commercial, "for-profit" business on an ongoing basis.

Apart from the initial concern of Council providing a specific service to a commercial operator, whose sole purpose is to obtain a profit, the current infrastructure at Heritage Park does not allow for the safe provision of electricity to any of the existing car parking sites at Heritage Park.

In addition matters such as the absence of an appropriate fee structure, the development of an appropriate Council policy, the establishment of appropriate insurance and liability protection for Council and the Operator, and the additional reporting and management obligations introduced by a new competitive Council Business all preclude Council from providing electricity on an ongoing basis to the Carapark Café at Heritage Park.

Infrastructure Issues

Currently at Heritage Park power points have been affixed to the existing picnic table shelters and to the wall at the rear of the amphitheatre. To provide power to any of the car parking facilities would require the use of an extension lead which would need to be placed across the park's footpaths and therefore present a trip hazard to the users of the park.

It should be noted, that at present all power points currently installed on the picnic table shelters operate off the one circuit. Hence it is not possible, with the current infrastructure, to activate one power point without making all power points active.

In order to ensure the "safe" provision of power to one of the car parking bays would require the installation of a separate, stand-alone power box immediately adjacent to the required or nominated car parking bay. The power would also be required to be locked at all times and on its own circuit. In addition, consideration would also need to be given, depending on the fee structure established, on whether a separate meter should also be installed. As the installation of this infrastructure is to suit the

needs of one business operator, and the likelihood of it being accessed by other operators is minimal, it would be appropriate that the cost of acquiring and installing the power box etc should be borne by the business operator.

The placement of this power box may affect the visual amenity of at the main entrance to Heritage Park.

Fee Structure

In accordance with the provisions of the Local Government Act 1993 (the Act), Council can only charge those fees which have been adopted by Council and detailed in Council's Fees & Charges Schedule as contained within Council's Management Plan.

Currently Council does not have a fee structure in place for the provision of electricity at Heritage Park for one-off users, events or ongoing commercial operators.

In determining a fee, Council must have regard for the cost to Council in providing the service, the suggested price for that service by any relevant industry body, the importance of the service to the community, and any other factors specified by the Regulations or the Department of Local Government.

Section 610F of the Act requires that Council must give at least 28 days public notice of a new fee(s) before they can be adopted and implemented by Council.

In determining the structure of the fee consideration would need to be given as to whether the fee would be of a flat fee, metered fee, or a coin operated type.

- a) Flat Fee – This fee would be on an amount per day basis and would also include a refundable security deposit of some form.
- b) Metered Fee – The amount of this fee would be determined by the amount of electricity consumed multiplied by an adopted rate. In addition the costs incurred by a Council staff member in reading the meter would also be recouped through this fee.
- c) Coin Operated – This fee would require the user to insert coins into an appropriate mechanism to obtain power. The installation of this type of system would attract vandalism and would require the frequent emptying of Council staff. A cost which would need to be taken into account when determining this fee.

In determining a new fee and structure, Council needs to be careful in ensuring that the new fee is not discriminatory or exclusive. Consideration will need to be given to ensure that competing demands and/or operators are managed fairly and equitably, and that other users have an equal opportunity to access this service.

Council Policy

Presently Council does not have an appropriate policy which administers the provision of electricity to users at Heritage Park. Should Council resolve to provide such a service, it will be necessary for a policy developed so as to satisfy Council's insurance requirements, and to provide assistance to staff in administering the delivery of this service.

Insurance and Liability Requirements

As the provision of electricity, on an ongoing basis, is not a core business of Council, appropriate amendments would need to be made to Council's existing insurance policies to ensure Council is adequately protected from any future potential liability claims.

In addition, an appropriate waiver will need to be established protecting Council from any future potential liability claims which may arise from the actions of the operators of the Carapark Café.

New Council Competitive Business

The provision of electricity, on an ongoing basis, to commercial operators may expose Council to additional reporting and management requirements in accordance with the provisions of the National Competition Policy.

The provision of electricity may be classed as a Category 2 business, and as such additional reporting requirements pertaining to the income and expenditure for the delivery of this service will need to be included and audited in Council's Annual Financial Statements and Annual Report.

Other Concerns

As mentioned above, in determining a new fee and structure, Council needs to be careful in ensuring that the new fee is not discriminatory or exclusive. For example, Council would need to consider how a request from a traveller in a motor home or caravan seeking access to the power at Heritage Park would be administered. Care needs to be given to ensure that Council is not introducing a competitive service to that which is offered by the recently re-opened Blayney Caravan Park.

A solution could be that electricity can only be accessed during specific hours, determined by Council, during the day, and that no overnight access will be provided. However, this does not preclude a motor home wishing to stop over for a couple of hours during the day.

One-Off Functions or Events

Events such as the Australia Day Awards ceremony and the NSW Bike Week activities have already been held at Heritage park. Both of these events were co-ordinated by Council and as such were covered by Council's risk management processes and insurance requirements.

Due to the increasing popularity of Heritage Park, and in particular the amphitheatre, Council needs to give consideration to establishing an appropriate fee for future hirers who will be seeking the exclusive use of some or all of Heritage Park's facilities for one-off type events. For example film festivals, performances, presentations, other community events, or family functions.

It is envisaged that an appropriate fee and structure will be developed in conjunction with the preparation of Council's Draft 2009/2010 Management Plan. Users who do not require the exclusive use, such as tourists, families or other visitors, will continue to enjoy free access to Heritage Park, except in situations where the facilities have been hired by other users.

Survey of NSW Councils

An email was sent to all NSW Councils seeking their input into how they manage the provision of power to commercial operators from their reserves or parks.

Of the sixteen (16) Councils that responded, only one provided access to power on an ongoing basis to commercial operators. The fee structure charged by this Council was made up of three components:

- a) \$25.00 per day access fee; plus
- b) \$120.00 per reading, meter reading fee (meter is read before commencement of operations, and after cessation of operations e.g.: Friday noon and Monday noon); plus
- c) Electricity consumption charge at cost.

One Council indicated that they are in the process of removing all access to electricity from all of their parks and reserves due to increasing costs of maintenance arising from repeated vandalism.

All other Councils indicated that they only provide access to electricity to one-off events.

Modification of Consent

Any changes to the consent issued by Council to the Carapark Café can only be considered by Council following receipt of a Section 96 application from the applicant. Accordingly, Council does not have the power to modify this consent until the applicant submits a Section 96 modification application.

BUDGET IMPLICATIONS

There are presently no available funds within Council's current budget to facilitate the safe provision of electricity to the Carapark Café.

POLICY CONSIDERATIONS

Nil effect.

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