



4 March, 2016

Council Meeting Notice

I hereby give notice that an Extraordinary Meeting of the Murrumbidgee Shire Council is to be held in the Murrumbidgee Shire Council Chambers at Darlington Point on Monday, 7 March, 2016 at 5.30pm.

Phil Pinyon
Interim General Manager

AGENDA

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GENERAL MANAGER'S REPORT

1. FIT FOR THE FUTURE – JERILDERIE PROPOSAL

Extraordinary Council Meeting

7 March, 2016

PP:IGM – Fit for the Future – Jerilderie Proposal

EXECUTIVE SUMMARY

A request for an Extraordinary Council meeting has been lodged by Councillors Wells, Gilbert and Curphey (Attachment A) in accordance with Council's Code of Meeting Practice which calls up Section 366 of the Local Government Act. Section 366 provides that the Mayor must call an extraordinary meeting if a written request signed by at least two Councillors is received by the Mayor. The extraordinary meeting is to be held within 14 days after receipt of the request. The Mayor has agreed to call this meeting.

The purpose of this meeting is to "determine timing and content for the information campaign around the Jerilderie Shire Council proposal to merge the whole of that shire with Murrumbidgee."

RECOMMENDATION

For the determination of Council.

BACKGROUND

In responding to this meeting request, staff have prepared information to assist Councillors in determining the timing and content for an information campaign and have provided some options for consideration.

Guidelines issued by the Office of Local Government under section 23A of the Local Government Act provide direction to Councils who are subject to merger proposals in a number of aspects, including the determination of merger related information campaigns. Subsection (3) of section 23A states that "A council must take any relevant guidelines issued under this section into consideration before exercising any of its functions." The part of the guidelines that apply to merger related information campaigns is as follows:

"Any public information campaigns conducted by councils with respect to merger proposals:

- should be conducted for the purposes of informing the local community about the merger proposal and should be proportionate to this purpose*
- should not involve disproportionate or excessive expenditure or use of council resources*
- should be conducted in an objective, accurate and honest manner and should not be deliberately misleading*
- should not be used to endorse, support or promote councillors, individually or collectively, political parties, community groups or candidates or prospective candidates at any election, Local, State or Federal.*

Merger-related information campaigns should be approved by councils at an open council meeting. Councils should also publicly approve a budget for the campaign at an open council meeting before incurring any expenditure on the campaign.

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Any variations to the budget should also be publicly approved by the council at an open meeting.

Councils should account fully and publicly for the costs of merger-related information campaigns, including staff and contractor costs. This information should be accessible to the community on councils' websites."

As has previously been reported to Council, the Government recommendation for Murrumbidgee was that it extend its boundary to the south to merge with those parts of Jerilderie Shire which lie to the north of Yanco Creek. The remainder of Jerilderie Shire was proposed to merge with Berrigan Shire to the south. Councillors are also aware of a new proposal from Jerilderie Shire Council that has been submitted to the Government to merge the whole of the Shire Councils of Jerilderie and Murrumbidgee. This second proposal has been referred to Mr Tim Stubbs, the Delegate of the Acting Chief Executive Officer of the Office of Local Government. Mr Stubbs has the role of examining and reporting on both proposals.

In considering the timing and content of an information campaign around the Jerilderie Shire Council proposal, it is inevitable that comparisons are drawn and analysis undertaken of that proposal as compared with the Government proposal. Some initial financial assessment has been undertaken to address questions previously put forward by Councillors and to respond to the request in attachment A. This information focuses on the areas of:

- Reserves (Restricted and Unrestricted)
- Liabilities (Eligible Leave Entitlement, loans)
- Depreciation (Financial Statements as at 30th June, 2015)
- Roads & Maritime Services Contracts
- Infrastructure Backlog
- Rating – (Based on information from Office of Local Government data 2013/14)
- Financial Statements

This information is not exhaustive nor has it been contextualised to account for localised factors nor does it take into account details of service levels or social and community factors. However, it does provide a snapshot of the two Council entities as they are at present.

COMMENT

Council has several options regarding the timing and content for the information campaign. These have been listed below and each will bring with it a set of challenges and issues for consideration. The reform agenda for local government is commanding a great deal of Councils' resources. The decision on the preferred approach for the timing and content of an information campaign is with the elected members of Council and staff have tried to assist that decision process by presenting relevant information together with options. The shortage of time has precluded the preparation of more comprehensive information on what a new entity would look like for the consideration of Council at this stage, however this is currently in train and will be available for Council at the Ordinary Meeting scheduled for 16 March 2016.

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Community Consultation Methods:

	Method	Benefit	Considerations
Information Distribution	Online – webpage/Facebook	Community members to review at their own discretion.	Not all members of the community access information online.
	Murrumbidgee Matters	Controlled distribution of information delivered directly to residents.	Time consuming with delivery times unpredictable.
	Public meetings	Opportunity for a large number of community members and for Councillors to be present.	Time constraints for organisation and promotion. Not all members of the community will be able to attend.
	Media Release	Information distributed to all local media outlets.	No guarantee information will be used or utilised in its entirety. Not all members of the community access information via the media.
	Advertising	Information distributed through a specific medium eg. Newspaper.	Restricted distribution to circulation of the publication.
	Radio/TV	Information distributed through a specific medium eg. Electronic media.	No guarantee information will be heard by all community members.

	Method	Benefit	Considerations
Community Input	Public Meeting/s	Opportunity for a large number of community members and for Councillors to be present. Can also provide a venue for paper-based surveys and comment forms to be distributed/collected.	Council has limited time in promoting Public Meeting/s ahead of March 16. The public inquiry is scheduled to be held on March 17. Holding public meeting/s within the same week as this could lead to a reduced participation in either or both.
	Comment Forms	These are an opportunity for the less vocal community members to share their views.	Results are not necessarily representative of the whole community. Potential for multiple submissions from one source.
	Surveys - paper	These are an opportunity for the less	Results are not necessarily representative of

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		vocal community members to share their views.	the whole community. Also requires additional staff involvement to input information.
	Surveys - online	These are an opportunity for the less vocal community members to share their views and information can be quickly collated.	Results are not necessarily representative of the whole community. Potential for multiple submissions from one source.
	Surveys - phone polling	These are an opportunity for the less vocal or engaged community members to share their views. Results, due to the pool being drawn at random, are more representative and statistically valid. Such polling has been used extensively to inform Council positions in other areas.	Significant costs (for a survey of between 300-400 people). Information received from one service provider is that a phone poll could be conducted and a full report produced in time for Council's meeting on March 16 while another indicated that the information available at that time would be limited to high level data only.
	Direct feedback	Community members can contact Councillors directly to voice their opinions.	Information may not be readily accessible to all Councillors and as such, it may not be a transparent process.

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Options

Option One:

- Information distribution: via web page, email, newsletter, Facebook, letterboxing, advertising from Tuesday, March 8.
- Public meeting/s: to be scheduled ahead of Council's Ordinary meeting on 16 March, 2016 which will inform Council's comments to the inquiry on 17 March, 2016.
- Community feedback: Paper-based/online survey or comment forms promoted with information distribution and/or telephone poll of between 300-400 randomly selected residents. Survey to close Tuesday, 15 March, 2016.

Method	Action	Timing	Challenge	Benefit
Information Distribution	via web page, email, newsletter, Facebook, newspaper, advertising, letterboxing	From Tuesday, March 8	<ul style="list-style-type: none">• The information being presented will be limited in its nature.• Council has limited time in promoting Public Meeting/s ahead of March 16. The public inquiry is scheduled to be held on March 17. Holding public meeting/s within the same week as this could lead to a reduced participation in either or both.• Undertaking the survey, particularly if there is insufficient information distributed to the community, will produce results that may not be truly representative of community sentiment	Council will receive feedback from the community in time for it to make a determination on whether it supports the full merger with Jerilderie Shire or not ahead of the Public Inquiry on March 17. This feedback and presentations to the Public Inquiry will help formulate Council's written submission to the Council Boundary Review.
Public meeting/s	Meeting/s to be held ahead of Council's Ordinary Meeting	Before March 16		
Survey	Paper-based/online/phone	Before March 16		
Further considerations: With this option, Council will have community feedback ahead of determining its position but this feedback will be based on limited information.				

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Option Two:

- Information distribution: via web page, email, newsletter, Facebook, letterboxing from Thursday, March 17.
- Public meeting: to be scheduled for after Council has reviewed the information presented at the 16 March Ordinary Meeting.
- Community feedback: Paper-based/online survey or comment forms promoted with information distribution and/or telephone poll of random selection of between 300-400 residents. Community feedback to close March 30.

Method	Action	Timing	Challenge	Benefit
Information Distribution	via web page, email, newsletter, Facebook, newspaper	From Thursday, March 17.	Managing negative public perception as to Murrumbidgee Shire's position on the Jerilderie proposal.	Council will have an opportunity to receive feedback from the community in time for it to make a determination on whether it supports the full merger with Jerilderie Shire or not ahead of the close of submissions on April 8, 2016.
Public meeting/s	Meeting to be held after Council has met on 16 March.	Proposed dates: <u>Coleambally:</u> Monday, March 21 <u>Darlington Point:</u> Wednesday, March 23		
Survey	Paper-based/online/phone	From Thursday, March 17.		
Further considerations: With this option, Council will have community feedback based on detailed analysis. This feedback can be incorporated into Council's written submission to be lodged ahead of April 8, 2016. However, there may be a requirement for Council to hold additional meetings between March 16 and April 8 to assess the information and endorse the written submission.				

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Option Three:

- Information distribution 1: To advise community of consultation and feedback process – distributed via web page, email, media release, Facebook from March 8.
- Information distribution 2: via web page, email, newsletter, Facebook, letterboxing from Wednesday, March 16.
- Public meeting: Coleambally: Monday, March 21 Darlington Point: Wednesday, March 23 - scheduled for after Council has reviewed the information presented at the 16 March Ordinary Meeting.
- Community feedback: Paper-based/online survey or comment forms promoted with Information Distribution 2 - survey to close March 30. Telephone poll of random selection of between 300-400 residents. Phone poll to be conducted between March 21 and March 30.

Method	Action	Timing	Challenge	Benefit
Information Distribution 1	via web page, email, newsletter, Facebook, newspaper	From Tuesday, March 8.	Managing negative public perception as to Murrumbidgee Shire's position on the Jerilderie proposal.	Council will have an opportunity to receive feedback from the community in time for it to make a determination on whether it supports the full merger with Jerilderie Shire or not ahead of the close of submissions on April 8, 2016.
Information Distribution 2	via web page, email, newsletter, Facebook, newspaper	From Wednesday, March 16.		
Public meeting/s	Meeting to be held after Council has met on 16 March.	Proposed dates: <u>Coleambally:</u> Monday, March 21 <u>Darlington Point:</u> Wednesday, March 23		
Survey	Paper-based/online/phone	Until March 30		
Further considerations: With this option, Council will have community feedback based on detailed analysis. This feedback can be incorporated into Council's written submission to be lodged ahead of April 8, 2016. However, there may be a requirement for Council to hold additional meetings between March 16 and April 8 to assess the information and endorse the written submission.				

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CONSIDERATIONS (Statutory Compliance/Policy, Financial, Integrated Plan, Risk Management)

STATUTORY COMPLIANCE/POLICY

Local Government Act 1993 – Sect 23A

Local Government Act 1993 – Sect 366

FINANCIAL

The costs associated with conducting the information campaign will depend on the chosen option but will be between \$5,000 and \$13,000. Indicative costs are below while detailed estimates are included in Confidential Attachment B:

Advertising:	\$3,000
Surveys:	\$1,500-\$8,500*
Newsletters:	\$2,000

(*note that this includes staff and contractor costs)

In addition to the above figures will be costs associated with preparing the detailed assessment of the two merger options for presentation to Council on March 16. These costs will be further detailed in the report to the Ordinary Meeting of Council.

Council currently has an unspent allocation of funds within its economic development budget. It is envisaged that these funds may be reallocated to assist defray costs associated with this Fit for the Future process.

INTEGRATED PLANS

D1.1 – Council leads the community by example demonstrating a high level of leadership and accountability

RISK MANAGEMENT

N/A

CONSULTATION / ENGAGEMENT

Murrumbidgee community
Murrumbidgee Shire Council
Executive Leadership Team

OPTIONS

Three options have been detailed within the body of the report. Council may, choose one of these or determine another course of action.

ATTACHMENTS

Attachment A: Request for Extraordinary Meeting

Attachment B: Initial Financial assessment to address Councillor Questions

Attachment C (CONFIDENTIAL): Detailed costings for Information Process

Phil Pinyon

INTERIM GENERAL MANAGER

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Attachment A: Request for Extraordinary Meeting

29 February, 2016

COR-MAN-5
161623903.

Cr Austin Evans
Mayor
Murrumbidgee Shire Council
21 Carrington St
Darlington Point NSW 2706

Dear Mayor Evans

We the undersigned respectfully request that an extraordinary meeting of Murrumbidgee Shire Council be held as soon as practicable, in accordance with Section 366 of the Local Government Act and Council's endorsed Code of Meeting Practice, to determine timing and content for the information campaign around the Jerilderie Shire Council proposal to merge the whole of that shire with Murrumbidgee.

Yours truly

Cr Phillip Wells
Deputy Mayor



Cr Gavin Gilbert



Cr Robert Curphey



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Attachment B: Initial Financial assessment to address Councillor Questions

1. Reserves as at 30 th June, 2015	MSC	JSC
Untied		
Employee's Leave Reserve	400,000	760,000
Plant Replacement	800,000	658,000
Infrastructure Replacement	5,951,000	327,000
Carryover Works		398,000
Coleambally Town Imp Fund	432,000	
Other Reserves	35,000	
Unrestricted Funds	351,000	1,148,000
Total Reserves/Unrestricted Funds	7,969,000	3,291,000

Tied	MSC	JSC
Unexpended Grants	98,000	31,000
Water Supplies	1,093,000	929,000
Sewerage Services	1,596,000	1,955,000
Domestic Waste Management	0	102,000
Included in Liabilities	0	6,000
Total Restricted Reserves	2,787,000	3,023,000

The level and composition of Jerilderie Shire's Reserves has been affected by Council's resolution relating to the Quarterly Budget Review at the January 2016 meeting. The decisions included not to proceed with plant replacements amounting to \$824,193, increasing expenditure on land development by \$860,000 and not transferring a budgeted amount of \$110,000 to Reserves.

The Council's February, 2016 Statement of Bank Balances and Scheduled Investments states that the following Unrestricted (Untied) Reserves are held by Council:

Employee's Leave Entitlement Reserve	730,139
Plant Reserve	0
Infrastructure Reserve	279,503
Unrestricted Funds	2,402,499
Total	3,412,141

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Jerilderie Shire has resolved to defer plant replacements in the current year. Given that the Plant Reserve has now been exhausted it is assumed that the Plant Reserve and other funding for such purpose is being used to part fund residential land development in Jerilderie.

2. Liabilities as at 30th June, 2015

Loans	MSC	JSC
External Loan - Streetscape	0	508,305
Internal Loan – Library	0	106,875
Internal Loan – Land Development	0	218,748
Total Loans	0	833,928

Employee Leave Entitlements	MSC	JSC
Accrued Leave Entitlements	739,000	2,018,000
Less Reserve for ELE	400,000	760,000
Unfunded Leave Accruals	339,000	1,258,000

Murrumbidgee Shire

An analysis of staff has revealed that 3 employees (including 2 part time) are 61 to 65 years of age and will likely retire in the next five years. There are 8 employees between the ages of 56-60 years. The majority of employees in this age group are not long serving employees.

The likely annual impact on Council's Employee Leave Entitlement Reserve will not be significant with the largest amount payable to an employee being 12.5% of the Reserve. This can be significantly reduced if the employee exhausts his annual leave accrual prior to retirement.

Jerilderie Shire

Information provided by Jerilderie Shire reveals that 4 staff members are over the age of 65 and 7 between 61-65 years. In the age group of 56-60 years there are 10 employees.

The Council expects 10 employees to retire over the next five years. Payments to these employees will have a significant impact on the Employee Leave Entitlement Reserve as the two senior staff with many years of service and other workers with 42, 44 and 46 years of service are among those retiring in this period.

3. Depreciation (Financial Statements as at 30th June, 2015)

	MSC	JSC
Roads/Bridges	729,000	1,676,000
Footpaths/ Stormwater	71,000	69,000

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Plant & Equipment	489,000	524,000
Office Equipment/Furniture	56,000	42,000
Buildings – Non Specialised	127,000	17,000
Buildings – Specialised	203,000	107,000
Land Improvements	192,000	44,000
Recreation Facilities		49,000
Other		2,000
Library Books	18,000	9,000
Water Supply Network	123,000	125,000
Sewerage Network	124,000	98,000
Total Depreciation	2,132,000	2,756,000
Less Capitalised/Distributed Costs	0	174,000
“Net” Depreciation	2,132,000	2,582,000

Murrumbidgee Shire Council does not distribute Capitalised employee costs against depreciation. The actual class of asset that the capitalised costs have been offset against cannot be determined from the Jerilderie Financial Statements.

4. Roads & Maritime Services Contracts

	MSC	JSC
Actual 2014/15 Financial Statements	223,000	776,000
*Operational Plan Average next 3 Years		
Newell/Kidman Way Maintenance		
Kidman Way Maintenance	290,000	180,000
State Roads – Heavy Patch	120,000	380,000
State Roads – Resealing		0 300,000
Total Anticipated Funding	300,000	970,000

* Note the actual funding each Council will receive is determined annually by the RMS and generally varies each year. Some years ago Murrumbidgee Shire decided not to undertake reseals on the Kidman Way due to the perceived risk with contracting such works not being outweighed by the potential benefits.

5. Infrastructure Backlog

	MSC	JSC
Amenities/Toilets	55,000	
Sporting Facilities	255,000	
Shelters and Park Assets	8,000	
Sealed Road Surfaces		509,000
Sealed Roads Structures	428,000	100,000
Unsealed Roads Structure	63,000	
Swimming Pools		900,000

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Total Backlog 809,000 1,509,000

Murrumbidgee Shire has an Infrastructure Replacement Reserve of \$5,951,000 that can fund the backlog. Jerilderie Shire has a Reserve of \$327,000 and would need to utilise the majority of Unrestricted Funds and source loan funds to fund the backlog.

6. Rating (Based on information from Office of Local Government data 2013/14)

	MSC	JSC
<i>Residential</i>		
Number of Assessments	708	408
Annual Income	190,000	92,000
Average Rate	264.62	225.49
<i>Farmland</i>		
Number of Assessments	521	539
Annual Income	1,597,000	1,462,000
Average Rate	3,065.26	2,712.43
<i>Business</i>		
Number of Assessments	93	150
Annual Income	27,000	49,000
Average Rate	290.32	326.67
<i>Domestic Waste</i>	224.23	134.80
(Note: Murrumbidgee Shire's charge includes recycling collections. Jerilderie Shire does not provide such a collection.)		
<i>Typical Water & Sewer Charge</i>	679.00	1,996.00

7. Financial Statements

Net Operating Result before Grants and Contributions Provided for Capital Purposes. (\$,000)

Murrumbidgee Shire Council	2012/13	2013/14	2014/15
General Fund	-585	-984	124
Water Supply	22	-28	42
Sewerage Services	-34	-38	-34
Total Operating Result	-597	-1,050	132
 Jerilderie Shire Council	 2012/13	 2013/14	 2014/15
General Fund	-1,441	-1,967	-888
Water Supply	-39	9	-56
Sewerage Services	45	92	8

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Total Operating Result	-1,435	-1866	-936
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It should be noted that only 50% of the Financial Assistance Grant was received in 2013/14 and this impacted on the result for that year. In the case of Murrumbidgee Shire this impact was approximately \$800,000.

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Attachment C (CONFIDENTIAL): Details costings for Information Process

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