AGENDA

ANNUAL GENERAL MEETING

SORELL COUNCIL CHAMBERS

THURSDAY 13 DECEMBER 2012
7 pm.
ANNUAL GENERAL MEETING

Section 72B of the Local Government Act 1993 requires the Council to hold an Annual General Meeting not later than 15 December in each year.

The Annual General Meeting of the Sorell Council will be held at the Sorell Council Chambers on Tuesday, 13 December 2012 commencing at 7.00 pm.

This Agenda includes an outline of the meeting procedures which will apply to this meeting.

KERRY VINCENT
MAYOR
7 December 2012
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1.0 OPENING OF MEETING, WELCOME & INTRODUCTIONS

The Mayor will open the meeting, welcome those in attendance and introduce the Councillors.

2.0 ATTENDANCE

COUNCILLORS

Mayor K Vincent
Deputy Mayor B McDonald
Councillor G Evans
Councillor J Dunbabin
Councillor K Degrassi
Councillor M Purdon
Councillor L White
Councillor R Leach
Councillor Clr R Bunyan

COUNCIL STAFF

Bill Costin, General Manager
Bill Hyndes, Manager Environment & Development
Steve Hodge, Manager Engineering Services
Robyn Watts, Manager HR & Community Services
Sue Charles, Manager Finance and Information
Betty Spaulding, Personal Assistant to the General Manager

ELECTORS
3.0 MEETING PROCEDURES

1. The Annual General Meeting is a meeting of the Council. However, unlike other council meetings, everyone in attendance is able to participate in the meeting. It is therefore important that questions and comments be kept brief and to the point and that common courtesy prevails when other people are speaking.

2. As the minutes of the meeting are recorded, speakers should identify themselves before speaking (i.e. full name and suburb where you reside).

3. All discussion should be addressed through the Chair.

4. Before debating any Motion, the Motion is required to be Moved and Seconded.

5. Only one Motion may be before the Chair at any one time.

6. In accordance with the Local Government Act 1993, voting is by a show of hands, and only electors of the Sorell municipal area are entitled to vote.

7. A motion is passed by one half of the electors plus one voting in favour of it.

8. Any motion passed at the Annual General Meeting will be considered at the first ordinary Council meeting on 15 January 2013.
4.0 ANNUAL REPORT 2011/2012

Copies of the Annual Report will be available at the Annual General Meeting.

4.1 PRESENTATION BY CHIEF FINANCIAL OFFICER (CFO) SUE CHARLES – FINANCIAL STATEMENTS (SEE ATTACHED)
AGENDA
SORELL COUNCIL ANNUAL GENERAL MEETING (AGM)
THURSDAY 13 DECEMBER 2012

Agenda

- Mayor’s Introduction
- General Manager’s Address
- Approval of Financial Statements 2011/12
- Chief Financial Officer’s (CFO) Presentation
- Questions from the public
Mayors Introduction

Opportunities and Threats
- Continued municipal growth
- Government funding
- Climate change
- Public transport
- Water Corporation investment
- Regulatory changes e.g. planning
- Ageing population
- Irrigation scheme
Mayors Introduction

Key Strategic initiatives

- Council merger working party
- Economic development strategy
- SE Irrigation scheme
- Acquisition of tourism site
- Social infrastructure strategy commenced with South East Recreation, Sporting and Cultural Precinct (Pembroke Park)
- Community Administration Centre
- MOU for strategy on East Coast Marine infrastructure
General Manager’s Address

Key initiatives

1. Effective and efficient services aligned with community expectations
2. Continue to focus on sustainability by
   a. Maximising asset service delivery
   b. Managing Council related risks and costs over the life of all municipal assets
3. Long term planning to manage municipal growth by
   a. Integrating Long Term Financial Plan with Asset Management Plans
   b. Maximising external funding opportunities
4. Monitor climate change and its impacts
5. Grow partnerships and Sorell’s profile
6. Strengthen governance arrangements
General Manager’s Address

Key operation successes 2011/12
- Growth in external funding Grants $1.583 million, FAG $0.165 million and RTR $0.075 million
- Strengthen corporate governance
- State funding Park & Ride
- Completed capital works program on time on budget
- New services
  - Sorell Waterways Trail
  - Pembroke Park senior oval lights
  - Dunalley footpath
  - Primrose Sands toilet
  - Community Bus
General Manager’s Address

Key operation successes 2011/12

- Enhanced services
  - Fulham Road pavement
  - Marion Bay Road pavement
  - Carlton Beach Road pavement and kerb and channel
  - Somerville Street pavement
  - Lewisham Highway intersection payment
  - Nugent Road pavement
  - Dog pound
  - Community Administration Centre
  - Shared pathway Fenton Street
  - Stormwater upgrade Dubbs & Co
  - Dodges Ferry Boat Park
  - Bridges Kellevie Road, East Orielton Road and Bryans Rd upgrades
General Manager’s Address

Key operation successes 2011/12

- Positive Ageing Strategy
- Community Engagement Strategy
- Enhanced communication to community
- Relaunched website (facebook page)
- Stormwater management plans
- New rating strategy (capital value)
- Revenue compliance
- Digitalisation of Council records
- Workplace agreement
- Increased organisational capacity via employee training
CFO Presentation

1. Key Sustainability Ratios
2. Income Statement
3. Capital Works
4. Balance Sheet
5. Key success factors
# Key Sustainability Ratios

<table>
<thead>
<tr>
<th>Key Financial Indicators</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<td></td>
<td>$'000</td>
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<tr>
<td>Operating margin &gt; 1</td>
<td>0.96</td>
<td>1.32</td>
<td>1.13</td>
<td>1.06</td>
<td>1.05</td>
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<tr>
<td>Self Financing Ratio %</td>
<td>36%</td>
<td>27%</td>
<td>28%</td>
<td>31%</td>
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<td>Own Source revenue %</td>
<td>88%</td>
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<td>78%</td>
<td>89%</td>
<td>84%</td>
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<td>Liquidty Ratio &gt; 2</td>
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<td>3.5</td>
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<td>Debt Service Ratio</td>
<td>5%</td>
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<td>4%</td>
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<td>3%</td>
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<td>Asset renewal gap ≥ 100%</td>
<td>103%</td>
<td>113%</td>
<td>103%</td>
<td>113%</td>
<td>104%</td>
<td>102%</td>
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<tr>
<td>Asset investment</td>
<td>128%</td>
<td>254%</td>
<td>152%</td>
<td>149%</td>
<td>114%</td>
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<td>Indebtness Ratio</td>
<td>31%</td>
<td>26%</td>
<td>22%</td>
<td>19%</td>
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<td>Rates per capita</td>
<td>$ 710</td>
<td>$ 737</td>
<td>$ 753</td>
<td>$ 780</td>
<td>$ 803</td>
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<td>Rates General per rateable property</td>
<td>$ 897</td>
<td>$ 932</td>
<td>$ 969</td>
<td>$ 1,009</td>
<td>$ 1,045</td>
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<td>Operating costs per rateable property</td>
<td>$ 1,689</td>
<td>$ 1,670</td>
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<td>Population</td>
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<td>14,963</td>
<td>14,781</td>
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<td>Number of rateable properties</td>
<td>8,534</td>
<td>8,575</td>
<td>8,951</td>
<td>8,781</td>
<td>8,846</td>
<td>8,531</td>
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Income Statement - Overview

- Surplus $2.633 million, above budget $1.525 million
- $1.485 million additional grant revenue
- $79,000 increase in Copping Tip share of profit
- $170,000 increase in wages and salaries
- $330,000 increase in materials and contracts
- $204,000 increase in depreciation
- $336,000 increase in developer contributions
- $88,000 increase in impairment expenses
Income Statement - Revenue

- Rates and charges 68% of revenue
- General rate represents 91% of the above
- Residential sector 83% of the General Rate
- Approx. 1,550 pensioners provided assistance through State remission $515,000
- Average interest rate on cash and investments 6.5%, average RBA cash rate 3.5%
Income Statement - Expenditure

- Shift between internal labour and contractors
- Increase in service level increased cost in maintenance
- Depreciation in line with budget reached target of 100%
- Other expenses in-line with budget
- Increase in labour costs due to increased service levels and greater skill level
Infrastructure capitalised during the year included:

- Somerville Street footpath, kerb and guttering, $0.250m
- Fulham Road sealed road, $0.292m
- Lewisham Road and culvert, $0.212m
- Nugent Road to Janey's Rocks Construction, $0.172m
- Carlton Road kerb and gutter, $0.193m
Balance Sheet - Overview

- Net increase in Cash $1.94 million (borrowings $1.5m)
- Capital expenditure $5,122 million  128% spend on depreciation with renewals 103%, balance new assets
- Increase in total assets $7.5 million
  - Infrastructure $4.2 million increase in value due to revaluation
  - Cash and investments increased
- Trade creditors decrease more timely payment
- Loans increase by $1.5 million new building
- Total increase in equity $7.5 million
Key Future Success Factors

- Long term financial plan - on track
- Twenty year asset management funding plan for all major infrastructure
- Investment in organisational capacity through training
- Leverage from technology to increase efficiencies
- Sustainable service delivery to match growing and changing demands
- Effective financial gearing - intergenerational borrowings
- Meet the current and future Community Strategic Plans
Other Matters

• Motion to accept
4.2 MOTION – APPROVAL OF ANNUAL REPORT 2011/2012

“That Council approve the Annual Report 2011/2012, which includes the Financial Statements.”

5.0 SUBMISSIONS FOR ISSUES TO BE DISCUSSED

No submissions were received.

6.0 QUESTIONS

7.0 CLOSE OF MEETING