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**NARROMINE SHIRE COUNCIL**  
**ORDINARY MEETING BUSINESS PAPER – 12 AUGUST 2020**  
**REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY**

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**1. INVESTMENT REPORT AS AT 31 JULY 2020**

<b>Author</b>	Director Finance & Corporate Strategy
<b>Responsible Officer</b>	Director Finance & Corporate Strategy
<b>Link to Strategic Plans</b>	CSP – 4.3 A financially sound Council that is responsible and sustainable DP - 4.3.1.5 Provide monthly cash balances and detailed quarterly financial reports to Council.

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**Executive Summary**

Council's investments are made in accordance with legislative requirements and are certified as such by the Responsible Accounting Officer.

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**Report**

Under the Local Government Act 1993 and Local Government (General) Regulation 2005, the Responsible Accounting Officer is required to report on Council's Investment portfolio on a monthly basis.

The management of Council's Investments is delegated by the General Manager to the Director of Finance and Corporate Strategy.

Council's current investment portfolio is diversified across a number of investment types and institutions. This includes term deposits, on-call accounts and managed funds. Investments are in accordance with the Office of Local Government's Guidelines and Council's Investment Policy.

The Government Guarantee on aggregated Investments up to \$1 million per account holder per institution expired 1 February 2012 and the new cap is \$250,000.

The investment portfolio decreased **\$1,277,833** during the reporting period. This is due mostly to excess of payments over receipts which was anticipated.

**Financial Implications**

The 2020/21 Budget estimates the total annual Investment Revenue as \$627,956 which represents an estimated return of 2.5% and is split proportionally across General, Water and Sewer Funds and changes on a monthly basis in accordance with cash flow requirements.

The estimated market value of Council's Investments held as at 31 July 2020 is **\$23,062,781**. The full list of investments is in **Attachment No. 1**.

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**1. INVESTMENT REPORT AS AT 31 JULY 2020 (Cont'd)**

***Legal and Regulatory Compliance***

- Local Government Act, 1993 – Section 625
- Local Government (General) Regulation, 2005 – Clause 212
- Council Investment Policy adopted 11 March 2015
- Ministerial Investment Order – 12 January 2011

***Risk Management Issues***

Council's risk management strategy is to diversify the allocation of funds across different financial institutions and government authorities based on credit ratings as per the Investment Policy. The investment portfolio is regularly reviewed in order to maximise investment performance and minimise risk.

**Certification – Responsible Accounting Officer**

I hereby certify that the investments listed in the report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investment Policy.

**Attachments**

- 1 Investments – 31 July 2020 (estimated values)

**RECOMMENDATION**

1. That the report regarding Council's Investment Portfolio be received and noted;
2. That the certification of the Responsible Accounting Officer is noted and the report adopted.

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## **2. CARRY FORWARD WORKS AND RE-VOTES FROM 2019/20**

<b>Author</b>	Director Finance & Corporate Strategy
<b>Responsible Officer</b>	Director Finance & Corporate Strategy
<b>Link to Strategic Plans</b>	4.3.1 Operate and manage Council in a Financially sustainable manner that meets all statutory and regulatory compliance and Council policies

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### **Executive Summary**

This report lists capital works recommended to be carried forward into the 2020/21 financial year.

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### **Report**

A list of started but uncompleted projects is provided as **Attachment 2** for Council's notation. All unspent monies on these projects were placed in reserves at the 30 June 2020 year end and will be brought forward to cover the cost of these projects. These works with their matching reserves and/or unspent grant monies will be carried forward into the 2020/21 financial year under Local Government (General) Regulations.

A list of unstarted projects with their matching reserves and/or unspent grant monies is provided as **Attachment 3**. These works did not fall within clause 211 of Local Government (General) Regulation 2005 and must be adopted as part of the 2020/21 budget by a vote from Council.

Partial Funds received from the Drought Communities Program Extension Grant are included in Attachment 3, this does not reflect the full grant amount.

### **Financial Implications**

All monies for unspent projects from 2019/20 were placed in reserve at year end and/or had unspent grant monies attached, therefore there is no effect on this year's budget.

### **Legal and Regulatory Compliance**

Local Government (General) Regulation 2005 (clause 211) – Authorisation of expenditure

### **Risk Management Issues**

Nil

**2. CARRY FORWARD WORKS AND RE-VOTES FROM 2019/20 (Cont'd)**

***Internal/External Consultation***

Nil

Attachments

- 2 Projects Commenced But Not Yet Completed as at 30 June 2020
- 3 2019/20 Projects Not Commenced as at 30 June 2020

**RECOMMENDATION**

- 1. That the list of carry forward works which were commenced in 2019/2020 but not completed (as shown in Attachment 2) be noted.
- 2. That the list of carry forward works which did not fall within clause 211 of Local Government (General) Regulation 2005 (as shown in Attachment 3), be adopted as part of the 2020/21 budget.

John Sevil  
**Director Finance & Corporate Strategy**  
**Responsible Accounting Officer**

Attachment 1 **Investments – 31 July 2020**

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
<b>Cash &amp; At Call</b>							
CBA	AA-	Business Online Saver - at call	A-1+	1.00%	N/A	5,211,677.06	S&P Short Term
<b>TOTAL</b>						<b>5,211,677.06</b>	
<b>Percentage Exposure of Total Portfolio</b>						<b>22.60%</b>	
<b>Average Investment Yield (annualised)</b>						<b>1.00%</b>	
<b>Pooled Managed Investments</b>							
				<b>Mth %</b>	<b>FYTD%</b>	<b>Market Value</b>	
TCorp	AAA	T-CorpIM Long Term Growth Fund		1.42%	1.42%	11,791,141	
TCorp	AAA	T-CorpIM Cash Fund		0.08%	0.08%	6,059,964	
<b>TOTAL</b>						<b>17,851,105</b>	
<b>Percentage Exposure of Total Portfolio</b>						<b>77.40%</b>	
<b>Total Investments and Cash</b>						<b><u>23,062,782</u></b>	

## Attachment 2 Projects Commenced But Not Yet Completed as at 30 June 2020

Fund	Desc	Funded By	Total
General	Narromine Wetlands Extension	General Fund Reserves	582,213
	SCC Round 3 - Dundas Park Playground Upgrade	Grant	246,600
	SCC Round 3 - Trangie Sporting Precinct - Playground Upgrade	Grant	200,000
	Skypark Construction	General Fund Reserves	158,090
	Quarry - Extractive Mining (Quarries) Approval Process	General Fund Reserves	142,000
	Trangie Drainage - Improve Channel	General Fund Reserves	139,597
	NSW Club Grant - Narromine Netball Facility Courts - Cale Oval Community Sport Facility Grant	Grant	130,000
	Narromine Pool Splash Park - Stronger Communities Grant R2	General Fund Reserves	115,292
	Grant - NSW Showgrounds Stimulus Program Phase One- Trangie Showground Upgrade	General Fund Reserves	91,160
	SCC Round 3 - Cale Oval South End Development	Grant	90,172
	End of Drought - Weed Spraying	General Fund Reserves	78,147
	IT Optical Fibre Main Office to Depot	General Fund Reserves	68,508
	Fowler Engine Restoration	General Fund Reserves	64,988
	Cale Oval Clubhouse - Design Work	General Fund Reserves	60,000
	Drought Communities Extension Programme - Narromine Aero Club Auditorium Upgrade	General Fund Reserves	50,000
	Cale Oval Clubhouse Design - Preliminary Work	General Fund Reserves	50,000
	Main Street Trangie Enhancements - Stronger Communities Grant R2	General Fund Reserves	32,571
	SCC Swimming Pools Upgrade - NME	General Fund Reserves	30,369
	Landcare Program NSWLP-006 - Landcare Co-Ordinator 2019-2023	General Fund Reserves	22,589
	Parks & Reserves - Rotary Park Masterplan	General Fund Reserves	21,700
	SCC Round 3 - Tomingley Streetscape - Eric Woods Upgrade	Grant	20,000
	Narromine Sports Centre Replace Gym Equipment Capital Replacement	General Fund Reserves	15,358
	Engineering Management Operations Consultants	General Fund Reserves	14,636
	Narromine Sports Centre Roof and Gutter Repairs Capital Upgrade	General Fund Reserves	14,019
	Council Crown Land Management - Plans of Management Funding Support Program	General Fund Reserves	7,658
	Aerodrome Airside Maintenance	General Fund Reserves	5,700
	<b>Total</b>		
Sewer	Sewer - Main Replacement/Rehab	Sewer Fund Reserves	810,707
	Narromine Pumpstation & Rising Mains - Aerodrome	Sewer Fund Reserves	500,000
	Narromine Aerodrome Sewer - Hangar Industrial	Sewer Fund Reserves	183,791
	Sewer Treatment Plant Capital Upgrade - Trangie	Sewer Fund Reserves	183,733
<b>Total</b>			<b>1,678,231</b>
Water	Water Cap Works - Emergency Drought Works	Water Fund Reserves	239,079
	Water - Redevelopment of Bores	Water Fund Reserves	234,309
	Water Telemetry Capital Upgrade	Water Fund Reserves	176,745
	Water Tomingley Treatment Plant Capital	Water Fund Reserves	120,143
	Water - Redundant Bore Remediation	Water Fund Reserves	72,220
	Narromine Aerodrome - Water Hangar Industrial	Water Fund Reserves	21,064
	Water Meter Reading	Water Fund Reserves	20,000
Development Servicing Plan - Water	Water Fund Reserves	2,955	
<b>Total</b>			<b>886,514</b>
<b>Grand Total</b>			<b>5,016,113</b>

Attachment 3 **2019/20 Projects Not Commenced as at 30 June 2020**  
**– Grant amount received and from General Fund**

<b>Fund</b>	<b>Desc</b>	<b>Funded By</b>	<b>Total</b>
<b>General</b>	Grant - Drought Stimulus - Timbrebongie House	Grant received	100,000
	Drought Communities Extension Programme - Facilities Maintenance Grant	Grant received	100,000
	Drought Communities Extension Programme - Trangie Footpaths and Ramps	Grant received	75,000
	Drought Communities Extension Programme - Trangie Sporting Precinct Playground Equipment	Grant received	70,000
	Drought Communities Extension Programme - Trangie Showground Irrigation	Grant received	41,000
	Drought Communities Extension Programme - Social Events Assorted	Grant received	35,000
	Tourism - Town Entrance Signs Upgrade	General Fund Reserves	32,210
	Drought Communities Extension Programme - Rotary Park Dog Agility Equipment	Grant received	30,000
	Depot Sand - Gravel Bunkers	General Fund Reserves	25,860
	Drought Communities Extension Programme - Trangie Sporting Precinct Playground Footpath to Carpark	Grant received	16,500
	Drought Communities Extension Programme - Dolly Parton Festival	Grant received	15,000
	Drought Communities Extension Programme - Aerodrome Fuel Lighting	Grant received	12,500
	Sporting Facilities Upgrade	General Fund Reserves	12,199
	Drought Communities Extension Programme - Riverbus - Roadside Pick Up	Grant received	10,000
	Drought Stimulus - Regional School Holiday Activities - Swimming Pools	Grant received	10,000
	Trangie Memorial Hall - Community War Memorials Fund Grant	Grant received	10,000
	Trangie Showground Seal Area Road Behind Bar	General Fund Reserves	7,316
	Disability Inclusion Plan - Trangie Library Amenities	General Fund Reserves	6,000
	Narromine Pound Grant - Solar Lighting and Boundary Fence Upgrade	Grant received	4,000
<b>Total</b>			<b>612,585</b>
<b>Water</b>	Water - Capital Works Extend Narromine Rising Main	Water Fund Reserves	120,000
	Water - Temporary Pumping & Power Equipment	Water Fund Reserves	120,000
	Water Telemetry Capital Upgrade	Water Fund Reserves	120,000
	IWCM - Integrated Water Cycle Management Plan - Water,Sewer,Stormwater 33:33:33	Water Fund Reserves	80,000
<b>Total</b>			<b>440,000</b>
<b>Grand Total</b>			<b>1,052,585</b>