
NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 8 AUGUST 2018
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

1. INVESTMENT REPORT AS AT 31 JULY 2018

Author	Director Finance & Corporate Strategy
Responsible Officer	Director Finance & Corporate Strategy
Link to Strategic Plans	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.

Executive Summary

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

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 **\$1,692,906** during the reporting period. This decrease is due mostly to an excess of Capital and Operational Payments over Receipts which was anticipated.

Financial Implications

The 2018/19 Budget estimates the total annual Investment Revenue as \$504,687 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 market value of Council's Investments held as at **31 July 2018** is **\$22,695,342**. The full list of investments is in **Attachment No. 1**.

1. INVESTMENT REPORT AS AT 31 JULY 2018 (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

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.

2. EXTRAORDINARY COUNCIL MEETING

Author	Director Finance and Corporate Strategy
Responsible Officer	Director Finance and Corporate Strategy
Link to Strategic Plans	CSP – 4.3 A financially sound Council that is responsible and sustainable

Executive Summary

This report sets the Extraordinary Council Meeting date to refer the Draft 2017/18 Financial Statements to audit.

Report

Section 413(1) of the Local Government Act stipulates that Council must prepare financial reports for each year, and must refer them for audit as soon as practical after the end of that year. In addition, Council's financial reports must be audited within 4 months after the end of the year concerned.

The Statement of Councillors and Management made pursuant Section 413(2)(c) of the Local Government Act and the Local Government Code of Accounting Practice and Financial Reporting must be in the approved format and be signed in accordance with a resolution of Council.

Council's auditors will be in attendance from 22 August 2018 to undertake the financial statement audit. As such, an Extraordinary Council Meeting referring the draft financial reports to audit, will need to be held prior to the Auditor's scheduled attendance.

It is therefore proposed that an Extraordinary Council Meeting is held on Tuesday 21 August 2018 at 5:30 pm.

Financial Implications

Operational Plan and Budget 2017/2018

Legal and Regulatory Compliance

Local Government Act 1993 – Section 413

Local Government Code of Accounting Practice and Financial Reporting – April 2018

Risk Management Issues

Compliance with legislative and regulatory obligations

Internal/External Consultation

NSW Audit Office – Client Service Plan

2. EXTRAORDINARY COUNCIL MEETING (Cont'd)

Attachments

Nil

RECOMMENDATION

That an Extraordinary Meeting of Council be held on Tuesday 21 August 2018, commencing at 5.30 pm to refer the draft 2017/18 Financial Statements to audit.

3. CARRY FORWARD WORKS AND RE-VOTES FROM 2017/18

Author	Director Finance and Corporate Strategy
Responsible Officer	Director Finance and Corporate Strategy
Link to Strategic Plans	CSP – 4.3 A financially sound Council that is responsible and sustainable

Executive Summary

This report lists capital works to be carried forward into the 2018/19 financial year.

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 2018 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 2018/19 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 2018/19 budget by a vote from Council.

Financial Implications

All monies for unspent projects from 2017/18 were placed in reserve at year end and/or had unspent grant monies attached, therefore there is no effect on this year's budget.

3. CARRY FORWARD WORKS AND RE-VOTES FROM 2017/18 (Cont'd)

Legal and Regulatory Compliance

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

Risk Management Issues

Nil

Internal/External Consultation

Nil

Attachments

- 2 Projects Commenced But Not Yet Completed as at 30 June 2018
- 3 2017/18 Projects Not Commenced as at 30 June 2018

RECOMMENDATION

1. That the list of carry forward works which were commenced in 2017/18 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 2018/19 budget.

John Sevil
Director Finance & Corporate Strategy
Responsible Accounting Officer

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REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

Attachment 1 **Investments**

Financial Institution	Bank Rating	Investment Type/Maturity Date	Investment Rating	Current Rate	Term	Amount (\$)	Comment
Cash & At Call							
CBA	AA-	Business Online Saver - at call	A-1+	1.10%	N/A	704,896.72	S&P Short Term
CBA	AA-	Business Online Saver - at call	A-1+	1.10%	N/A	95,441.63	S&P Short Term
TOTAL						800,338.35	
Percentage Exposure of Total Portfolio						3.53%	
Average Investment Yield (annualised)						1.10%	
Term Deposits							
CBA	AA-	Term Deposit - 17/08/2018	A-1+	2.55%	271 Days	1,000,000.00	S&P Short Term
CBA	AA-	Term Deposit - 21/08/2018	A-1+	2.56%	274 Days	1,000,000.00	S&P Short Term
CBA	AA-	Term Deposit - 06/09/2018	A-1+	2.58%	273 Days	1,000,000.00	S&P Short Term
AMP Bank	A	Term Deposit - 12/09/2018	A-1	2.40%	279 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 12/09/2018	A-1+	2.55%	180 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 03/10/2018	A-1+	2.70%	177 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 10/10/2018	A-1+	2.65%	183 Days	1,000,000.00	S&P Short Term
Bankwest	AA-	Term Deposit - 24/10/2018	A-1+	2.80%	124 Days	1,000,000.00	S&P Short Term
AMP Bank	A	Term Deposit - 14/11/2018	A-1	2.75%	182 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 21/11/2018	A-1+	2.75%	182 Days	1,000,000.00	S&P Short Term
AMP Bank	A	Term Deposit - 28/11/2018	A-1	2.75%	181 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 05/12/2018	A-1+	2.75%	196 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 12/12/2018	A-1+	2.75%	188 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 12/12/2018	A-1+	2.76%	182 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 19/12/2018	A-1+	2.75%	195 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 16/01/2019	A-1+	2.81%	208 Days	1,000,000.00	S&P Short Term
NAB	AA-	Term Deposit - 23/01/2019	A-1+	2.85%	210 Days	750,000.00	S&P Short Term
TOTAL						16,750,000.00	
Percentage Exposure of Total Portfolio						73.80%	
Average Investment Yield (annualised)						2.69%	
Pooled Managed Investments							
TCorp	AAA	T-CorpIM Long Term Growth Fund				5,145,004	<u>Balance from 2017/2018</u> 5,070,102
Percentage Exposure of Total Portfolio						22.67%	
Average Investment Yield MTH						1.48%	
Average Investment Yield FYTD						1.48%	
Total Investment Portfolio						22,695,342	

Back to report

NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 8 AUGUST 2018
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

Attachment 2

PROJECTS COMMENCED BUT NOT YET COMPLETED AS AT 30 JUNE 2018

Fund	Works	\$	Funded By
General Fund			
	2017 - 2018 Tom Perry Drive Roadworks	207,228	General Fund - Reserves
	2017-2018 Narromine Footpath Cycleway Derribong Ave - Stage 1 Skypark Construction	99,325	General Fund - Reserves
	2017-2018 Main Street Narromine Beautification Capital Upgrade	98,200	General Fund - Reserves
	91207000 Fowler Engine Restoration	95,052	General Fund - Reserves
	2017 -2018 Trangie Drainage - Drainage Strategy	64,988	General Fund - Reserves
	2017-2018 Narromine Drainage - Meringo Street Narromine	60,000	General Fund - Reserves
	2017-2018 Workshop Doors Replace Capital	48,374	General Fund - Reserves
	2017 -2018 Narromine Drainage - Meryula St	36,885	General Fund - Reserves
	2017-2018 Dappo Road Development	32,930	General Fund - Reserves
	Project Management Software	30,868	General Fund - Reserves
	2017-2018 Narromine Aerodrome Gravel Skypark Taxiways - Reform & Grade	26,500	General Fund - Reserves
	2017-2018 Project Management - Trangie - Burns Oval	25,190	General Fund - Reserves
	2017-2018 Trangie Library Upgrade Capital	22,038	General Fund - Reserves
	2017-2018 Council Offices - Replace Carpet Customer Service & Payment Centre	18,591	General Fund - Reserves
	91170000 Medical Facilities - Narromine - Building	14,000	General Fund - Reserves
	2017-2018 Council Offices - Council Chambers Upgrade	7,000	General Fund - Reserves
	2017-2018 Cemeteries Narromine Boxed Gardens Capital	5,566	General Fund - Reserves
	2017-2018 Narromine Sports Centre Upgrade Surveillance Capital Upgrade	5,133	General Fund - Reserves
	2017-2018 Council Offices - Council Customer Services Centre Upgrade	4,957	General Fund - Reserves
	2017-2018 Narromine Aerodrome Office Store	4,497	General Fund - Reserves
	2017-2018 Cemeteries Narromine Irrigation System Capital	2,777	General Fund - Reserves
	2017-2018 Fixing Country Truck Washes Grant - Narromine	2,356	General Fund - Reserves
	2017-2018 R2R - Belgrove St Trangie	80,702	Fixing Country Truckwashes
	2017-2018 Stronger Communities Grant Project - Swimming Pool Trangie	109,450	Roads to Recovery Grant
	2017-2018 Stronger Communities Grant Project - Swimming Pool Narromine	265,587	Stronger Country Communities R1
	2017-2018 Stronger Communities Grant Project - Tomingley Hall	104,264	Stronger Country Communities R1
	2017-2018 Stronger Communities Grant Project - Trangie Showground	61,868	Stronger Country Communities R1
		41,364	Stronger Country Communities R1
		-	
General Fund Total		1,575,690	
Water Fund Reserves			
	2017-2018 Reservoir Rehabilitation Duffy Street	460,267	Water Fund Reserves
	2017-2018 Water Telemetry Capital Upgrade	310,268	Water Fund Reserves
	2017-2018-2019 Water Narromine Disinfection System	196,631	Water Fund Reserves
	2017-2018 Water Tomingley Treatment Plant	191,333	Water Fund Reserves
	2017-2018 Water Replace House Services	141,661	Water Fund Reserves
	2017-2018 Water Switchboard Replacement	116,380	Water Fund Reserves
	92100601 Water Pumps Replacement/Rehab	86,359	Water Fund Reserves
	92100606 Water - Meter Replacement Program	84,965	Water Fund Reserves
	2017-2018 Water Valve Replacement	8,444	Water Fund Reserves
		-	
Water Fund Reserves Total		1,596,307	
Sewer Fund Reserves			
	93100200 Tge - Treatment Plant Upgrade	500,332	Sewer Fund Reserves
	93100603 Narromine Sewer - Sewer Treatment Plan Upgrade	365,867	Sewer Fund Reserves
	93100601 Sewer - Pump Replacement - Nme	174,149	Sewer Fund Reserves
	2017-2018 Sewer - Manhole Upgrades	147,520	Sewer Fund Reserves
		-	
Sewer Fund Reserves Total		1,187,867	
Grand Total		4,359,864	

Back to report

NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 8 AUGUST 2018
REPORTS TO COUNCIL – FINANCE & CORPORATE STRATEGY

Attachment 3 2017/18 PROJECTS NOT COMMENCED AS AT 30 JUNE 2018

Fund	Job	\$	Funded By
General Fund			
	2017-2018 Narromine Footpath Cycleway Burroway St - Stage 3 - New Capital Works	100,000	General Fund - Reserves
	CCTV Project - Council Contribution	44,772	General Fund - Reserves
	2017-2018 Narromine Sports Centre Flooring Upgrade Capital Upgrade	41,375	General Fund - Reserves
	2017-2018 Narromine Sports Centre Toilet Change Room Facilities Capital Upgrade	35,540	General Fund - Reserves
	2017-2018 Narromine Sports Centre Roof and Gutter Repairs Capital Upgrade	27,583	General Fund - Reserves
	2017-2018 Narromine Aerodrome Illuminated Wind Indicator Runway 11 Capital Exp	26,523	General Fund - Reserves
	2017-2018 Narromine Dundas Oval Outer Area Irrigation	25,992	General Fund - Reserves
	2017-2018 Trangie Pool Additional Shade Structure	16,974	General Fund - Reserves
	91454027 Narromine Drainage - Improve Channel	16,272	General Fund - Reserves
	2017-2018 Narromine Rotary Park West - Softfall	15,914	General Fund - Reserves
	2017-2018 Public Amenities - Swimming Pool Toilets	10,927	General Fund - Reserves
	91500014 Street Tree Planting Program	10,783	General Fund - Reserves
	2017-2018 Narromine Sports Centre Awnings Front and Rear	8,487	General Fund - Reserves
	91445000 Street Lighting Improvements	8,487	General Fund - Reserves
	2017-2018 Narromine Aerodrome Advertising & Signage	7,802	General Fund - Reserves
	2017-2018 Narromine Sports Centre Replace Gym Equipment Capital Replacement	5,305	General Fund - Reserves
	2017-2018 Narromine Sports Centre Upgrade External Toilets Facilities Capital Upgrade	5,150	General Fund - Reserves
	2017-2018 MVFDC Building - Install Electrical Safety Switches	5,000	General Fund - Reserves
	2017-2018 Trangie Library Upgrade Fit Security Screens Capital	4,631	General Fund - Reserves
	2017-2018 Narromine Library Capital Upgrade - Exit Door	3,713	General Fund - Reserves
	2017-2018 Narromine Library Capital Upgrade - Vinyl In Toilets	2,652	General Fund - Reserves
	2017-2018 Trangie Pool Additional Furniture in Grounds Capital Upgrade	2,122	General Fund - Reserves
	2017-2018 Swimming Pool Trangie Re-Paint Pool Surface	2,000	General Fund - Reserves
	2017-2018 Tomingley Hall Capital Asbestos Removal	24,995	Stronger Country Communities R1
	2017-2018 Tomingley Hall Cap Upgrade Exterior Fencing	23,976	Stronger Country Communities R1
	2017-2018 Tomingley Hall Capital Exterior Cladding	12,188	Stronger Country Communities R1
	2017-2018 Tomingley Hall Capital Electrical Upgrade	5,000	Stronger Country Communities R1
		-	
General Fund Total		494,163	
Water Fund Reserves			
	92100403 Water - Backflow prevention devices	144,114	Water Fund Reserves
	2017-2018 Water Electronic Water Meter Reading Equipment	51,250	Water Fund Reserves
	92100019 Trge - Operational Improvements	12,864	Water Fund Reserves
		-	
Water Fund Reserves Total		208,228	
Sewer Fund Reserves			
	93100608 Narromine Sewer - Pump Stations Upgrades/Relining	431,476	Sewer Fund Reserves
		-	
Sewer Fund Reserves Total		431,476	
Grand Total		1,133,867	

Back to report