



BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 24 July 2019
4pm

at

Armidale Council Chambers

Members

Councillor Simon Murray (Mayor)
Councillor Dorothy Robinson (Deputy Mayor)
Councillor Peter Bailey
Councillor Jon Galletly
Councillor Diane Gray
Councillor Libby Martin
Councillor Andrew Murat
Councillor Debra O'Brien
Councillor Margaret O'Connor
Councillor Ian Tiley
Councillor Bradley Widders

AGENDA

INDEX

1	Civic Affirmation and Acknowledgement of Country	
2	Statement in relation to live streaming of Council Meeting	
3	Apologies and applications for leave of absence by Councillors	
4	Disclosures of Interests	
5	Public Forum (Have Your Say)	
6	Confirmation of Minutes <i>Ordinary Council - 26 June 2019</i>	
7	Mayoral Minute	
8	Notices of Motion	
8.1	FOR INFORMATION: Report from General Manager Organisational Development.....	4
9	Reports for Decision - Leadership for the Region	
9.1	FOR DECISION: Local Government NSW Annual Conference 14-16 October 2019	5
10	Reports for Decision - Growth, Prosperity and Economic Development	
11	Reports for Decision - Environment and Infrastructure	
11.1	FOR DECISION: Proposal of walking track/wildlife corridor - Kellys Plains.....	11
12	Reports for Decision - Our People and Community	
12.1	FOR DECISION: Home Support Services Policy	13
13	Reports for Information	
13.1	FOR INFORMATION: Review of Council Committees	15
13.2	FOR INFORMATION: Cash & Investment Report for June 2019	17
13.3	FOR INFORMATION: Monthly Financial Report June 2019.....	21
13.4	FOR INFORMATION: Procurement - Acceptance of Tenders under CEO Delegated Authority as at 30 June 2019	23
13.5	FOR INFORMATION: Summary of Resolutions of Council January 2019 - June 2019	25
13.6	FOR INFORMATION: Quarterly Water Adjustment Report	26
14	Requests for Leave of Absence	
15	Authority to Affix Council Seal	
16	Committee Reports	
16.1	FOR DECISION: Minutes - Regional Growth Advisory Committee - 19 June 2019	28
16.2	FOR DECISION: Minutes - Traffic Advisory Committee - 2 July 2019.....	29

17	Matters of an Urgent Nature	
18	Questions on Notice	
18.1	Questions on Notice - Cr O'Brien	30
19	Confidential Matters (Closed Session)	
20	Close of Ordinary Meeting	

Item: 8.1 **Ref:** AINT/2019/17236
Title: FOR INFORMATION: Report from General Manager Organisational Development **Container:** ARC16/0025
Author: Kim Bryan, General Manager Organisational Development
Attachments: Nil

A notice of motion proposing business to be transacted at this meeting was signed and submitted by Councillors O'Connor, Robinson and O'Brien on 27 June 2019.

Clause 3.20 of the Model Code of Meeting Practice for Local Councils in NSW as adopted by the Council provides as follows:

'The general manager must not include in the agenda for a meeting of the council any business of which due notice has been given if, in the opinion of the general manager, the business is, or the implementation of the business would be, unlawful. The general manager must report, without giving details of the item of business, any such exclusion to the next meeting of the council.'

As the delegate of the General Manager, and in accordance with clause 3.20, I report to the Council, without giving details of the notice of motion, that I determined not to include the notice of motion in the agenda and business papers for this meeting as I formed the opinion that the business proposed by the notice of motion was unlawful.'

Item: 9.1 **Ref:** AINT/2019/17133
Title: FOR DECISION: Local Government NSW Annual Conference 14-16 October 2019 **Container:** ARC16/0144
Author: Jessica Bower, Executive Officer
Attachments: Nil

RECOMMENDATION:

- (a) That Council notes that Cr Martin has declined the nomination to attend the Local Government NSW (LGNSW) Annual Conference, Warwick Farm, from Monday 14 October to Wednesday 16 October 2019;
- (b) That Cr Widders be endorsed as the second voting delegate to attend the Local Government NSW Annual Conference, as Cr Widders received the next highest number of votes at the Ordinary Council Meeting on 26 June 2019;
- (c) That the following Motion submitted by Councillor Bailey on 'Establishment of Regional Marketing Fund' be endorsed for submission to LG NSW:
 - i. That Local Government NSW calls on the NSW Government for the immediate creation of a \$5 million per annum Regional Marketing Fund for 5 years to promote living, working and investing in regional NSW; and
 - ii. That the Fund be administered by a representative body of Councils with membership to be made up of 2 from regional cities (population over 25,001), 2 from coastal cities (population over 25,001), 2 from provincial centres (population from 10,000 to 25,000) and 2 from smaller country communities (population up to 10,000)
- (d) That the following Motion submitted by Councillor Robinson and Councillor O'Brien on 'Emergency Services Levy' be endorsed for submission to LG NSW:
 - i. That LGNSW lobbies the State Government to reverse the increases in the Emergency Services Levy imposed on councils.
- (e) That the following Motion submitted by Councillor Robinson and Councillor O'Brien on 'Council Amalgamations' be endorsed for submission to LG NSW:
 - i. That LGNSW notes the financial information in the March 2019 report: "*Council Amalgamations, a sea of red ink*" and lobbies the NSW Government for financial assistance to enable councils whose finances have suffered since forced amalgamation to meet important commitments in their Delivery Programs.
- (f) That the following Motion submitted by Councillor Robinson and Councillor O'Brien on 'BASIX Standards' be endorsed for submission to LG NSW:
 - i. That LGNSW supports the NSW Government Inquiry into building regulation and uses the opportunity to lobby for effective BASIX standards to improve energy and water efficiency, and the impact of new buildings on the climate, especially in colder areas which suffer from unhealthy particulate pollution in winter and for which current BASIX standards are inadequate. That LGNSW also lobbies for the provision of funds to upgrade existing buildings to a satisfactory standard when the benefits

greatly exceed the cost of upgrading.

- (g) **That the following Motion submitted by Councillor Robinson and Councillor O'Brien on 'Breaches of National Standards' be endorsed for submission to LG NSW:**

- i. **That when official monitoring shows serious breaches of National Standards (e.g. the 31 exceedances of National Air Quality standards in Armidale), LGNSW lobbies the NSW Government to provide the necessary resources and assistance to councils to enable them to meet national standards as soon as practicable.**

Background:

The LGNSW Conference is an annual policy-making event for NSW general-purpose councils. It is the pre-eminent event of the Local Government year where local councillors come together to share ideas and debate issues that shape the way we are governed. Business is conducted at the Conference by way of consideration of motions put to the Conference by member councils or the Executive. Motions passed at Conference become Resolutions, which LGNSW takes forward on our behalf, as part of their sector's advocacy agenda.

Participating councils who are financial members are able to nominate their delegates who are to have voting rights in the elections, as well as delegates who may represent the Council in other voting during the business sessions at the Conference.

As 2019 is a Board election year, voting for the LGNSW President and Director positions will also take place at this year's Conference.

The deadline for Council to submit Motions is Monday 19 August 2019 to allow printing and distribution of the Business Paper before the Conference.

Further information about the conference is available on the Annual Conference page of the LGNSW website.

Integrated Planning and Reporting Framework

Community Strategic Plan – Leadership for the Region

L4 - Council has the strategic capacity to understand the key issues for the region both now and in the future

L4.2 – Council initiates and fosters strong partnerships with all levels of government, peak bodies and agencies and the community

Stakeholder Engagement

LGNSW is asking for any motions to be submitted by 19 August 2019. As such, Councillors were invited to provide proposed Motions for the Conference to the Chief Executive Officer by 12 July 2019, to allow the Motion to be included in the Ordinary Meeting Business Paper.

LGNSW have advised that proposed Motions should be strategic, affect members state-wide and introduce new or emerging policy issues and actions. Members are encouraged to review the Action Report of resolutions from the 2018 Conference before submitting Motions for the 2019 Conference.

Five motions were received from Councillors, as outlined below.

Motion 1

Cr Bailey submitted a motion, which is that resolution 247/18 of Armidale Regional Council as shown below be submitted, with Armidale Regional Council replaced with “Local Government NSW”.

8.1 FOR DECISION: Establishment of Regional Marketing Fund

Ref: AINT/2018/24056 (ARC16/0025)

247/18 **Moved Cr Bailey** **Seconded Cr Galletly**

- a) **That Armidale Regional Council calls on the NSW Government for the immediate creation of a \$5 million per annum Regional Marketing Fund for 5 years to promote living, working and investing in regional NSW; and**
- b) **That the Fund be administered by a representative body of Councils with membership to be made up of 2 from regional cities (population over 25,001), 2 from coastal cities (population over 25,001), 2 from provincial centres (population from 10,000 to 25,000) and 2 from smaller country communities (population up to 10,000).**

The Motion on being put to the vote was CARRIED.

Motion 2

Cr Robinson and Cr O’Brien submitted the following motion:

- i. **That LGNSW lobbies the State Government to reverse the increases in the Emergency Services Levy imposed on councils.**

Background: Local Government NSW President Linda Scott said in October 2018: “Cost shifting is one of the most significant problems faced by councils in NSW and our research shows it is increasing at an accelerated rate” and “cost shifting is increasingly undermining the financial stability of local government and its ability to deliver the services and infrastructure communities need.” The financial difficulties councils face are compounded by rate pegging. An increased Emergency Services Levy is yet another example of cost shifting that LGNSW should oppose.

Motion 3

Cr Robinson and Cr O’Brien submitted the following motion:

- i. **That LGNSW notes the financial information in the March 2019 report: “*Council Amalgamations, a sea of red ink*” and lobbies the NSW Government for financial assistance to enable councils whose finances have suffered since forced amalgamation to meet important commitments in their Delivery Programs.**

Background: Snowy Valleys’ Mayor James Hayes said in relation to forced amalgamations: “*The government has left us with something that’s difficult to manage ... and they haven’t provided us with the necessary resources to fund what they’ve created.*” ... “*Politicians made decisions sitting back in a chair in Macquarie St. without really understanding the difficulties. I don’t think they properly investigated what the pitfalls would be.*”

A report by accountant and finance professional Brian Halstead in March 2019 compared data for councils in rural and regional areas for 2014/15 (the last full FY before amalgamation) with

projections for 2018/19. Total projected deficits for the consolidated funds of the 11 councils in 2018/19 were \$47.5 million worse than in 2014/15.

Table 1: Non-Metro councils operating results before capital grants from the March 2019 report: "Council Amalgamations, a sea of red ink"

Merged Councils	Total Govt Grants	Proposal Savings Per annum	General Fund	Consolidated Fund
	\$000	\$000	\$000	\$000
Armidale Regional	15,000	700	(3,458)	(3,804)
Cootamundra – Gundagai	15,000	400	(6,725)	(2,527)
Snowy Valleys	15,000	600	(3,794)	(1,309)
Snowy Monaro	20,000	1,200	(8,311)	892
Dubbo	15,000	1,500	1,543	2,466
Edward River	15,000	500	(1,915)	(3,064)
Federation	15,000	300e	(825)	(419)
Hilltops	20,000	1,000	(2,740)	(2,502)
Murrumbidgee	15,000	300e	(995)	(7)
Murray River	15,000	500	(1,681)	(4,378)
Queanbeyan-Palerang	15,000	1800e	1,851	2,779
Central Coast	20,000	10,000	(4,853)	23, 306)
Mid Coast	20,000	4000e	(16,423)	(12,339)
Total	215,000	16,400	(48,326)	(47,518)

The same report examined the financial positions of NSW Metro councils before and after merger. Four of the five councils with comparable pre- and post- amalgamation data had surpluses in 2014-15 compared to projected deficits in 2018/19 – see Table below: ‘Metro councils operating results before capital grants’. The only exception is Bayside Council, which sought \$17 million from the State Government in February 2018 to recompense ratepayers for costs related from the misappropriation of funds by employees of the former Botany Bay Council.

In some cases, the situation is getting worse. In its 2019/20 budget, Sydney’s Inner West Council faces an \$18 million deficit (excluding capital grants and contributions), compared to the \$3 million in the table below for the previous financial year.

The 2018 LGNSW Conference gave solidarity with the people of Tumbarumba and Gundagai in seeking to demerge from their forceably amalgamated councils and similarly supported any other communities seeking to demerge from a forceably amalgamated council. This motion asks LGNSW to support and lobby for financial assistance for councils whose finances have suffered since amalgamation.

Table 2: Metro councils operating results before capital grants from the March 2019 report: "Council Amalgamations, a sea of red ink"

Merged Councils	Council Operational Plan 18/19	State Govt Proposal 18/19	Variation of plan from Govt Proposal	Old Councils Actual Result 14/15	Variation 18/19 Plan from 14/15
	\$000	\$000	\$000	\$000	\$000
Bayside	3,437	3,800	(363)	(2,099)	5,536
Canterbury Bankstown	(12,352)	15,000	(27,352)	3,244	(15,596)
Georges River	(10,732)	5,500	(16,232)	2,570	(13,302)
Inner West	(3,053)	22,000	(25,053)	366	(3,419)
Northern Beaches	8,739	16,107	(7,368)	14,174	(5,435)
City of Parramatta	1,932	17,500	(15,568)		
Cumberland	1,422	24,000	(22,578)		
Total Metro	(10,607)	103,907	(114,514)	18,255	(32,216)

Motion 4

Cr Robinson and Cr O'Brien submitted the following motion:

- i. **That LGNSW supports the NSW Government Inquiry into building regulation and uses the opportunity to lobby for effective BASIX standards to improve energy and water efficiency, and the impact of new buildings on the climate, especially in colder areas which suffer from unhealthy particulate pollution in winter and for which current BASIX standards are inadequate. That LGNSW also lobbies for the provision of funds to upgrade existing buildings to a satisfactory standard when the benefits greatly exceed the cost of upgrading.**

Background: Several NSW councils have expressed concerns about global warming or even declared a climate emergency. One way to mitigate and adapt to global warming is to make new buildings energy and water efficient. This will make them more comfortable and reduce the cost to the occupants of heating, cooling and water, especially in regional areas currently affected by droughts, and those with higher heating or cooling costs than the Sydney Metropolitan Area.

Better building standards and regulation will also improve community health in areas where poor building design and inadequate insulation has increased the need for wintertime heating, including wood heating. A/Prof Fay Johnston reported an analysis for Tasmania that estimated the health costs of wood heating at \$5,800 per wood heater per year. Similar costs are expected for regional towns in NSW that are affected by a build-up of wood smoke pollution. The NSW Government Air Quality Monitoring Station in Armidale recorded 31 exceedances of National Air Quality Standards from May to August 2018.

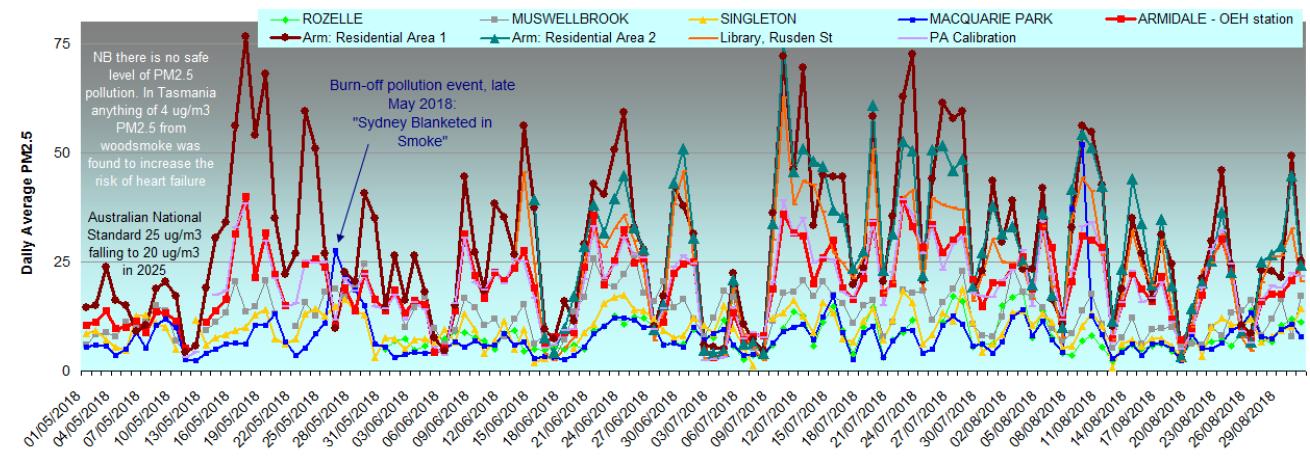
Motion 5

Cr Robinson and Cr O'Brien submitted the following motion:

- i. **That when official monitoring shows serious breaches of National Standards (e.g. the 31 exceedances of National Air Quality standards in Armidale), LGNSW lobbies the NSW Government to provide the necessary resources and assistance to councils to enable them to meet national standards as soon as practicable.**

Background: The graph below show the National Air Quality Standard for PM2.5 pollution of 25 ug/m3 compared to official NSW Government measurements in Rozelle and Macquarie Park

(Sydney), Muswellbrook and Singleton (Hunter Valley), the NSW Government station in Armidale, as well as measurements from low-cost monitors in residential areas that were calibrated to read the same as the official NSW Government monitoring equipment.



Financial Implications

The Councillor Expenses and Facilities Policy Clause 6.32 provides for Councillors to attend the LGNSW Annual Conference at Council's expense. Funds are available in the 2019-2020 with a total budget of \$19,500 for travel and expenses for all Councillors. This Operational Budget will cover registration fees, accommodation, travel and other reasonable expenses incurred by Councillors.

Next Steps

Motions are to be submitted to LGNSW by 19 August 2019. Members are required to advise LGNSW of the names of their voting delegates who will vote on motions and voting in the Board election by 16 September 2019.

Item: 11.1 **Ref:** AINT/2019/16724
Title: FOR DECISION: Proposal of walking track/wildlife corridor - Kellys Plains **Container:** ARC16/0864
Author: Sally Thorsteinsson, Sustainability Officer
Attachments: Nil

RECOMMENDATION:

- (a) **That Council support the proposal for a walking track and future wildlife corridor in southern Armidale between Ross Street and Imbandja Lane.**
- (b) **That Council applies to Crown Lands to convert the current Crown Road reserves to be gazetted as unformed council road.**

Background:

Council has received a proposal from Helen Stokes (coordinator Angophora Bushland Reserve), for a creation of a vegetated walking track between Ross Street and Imbandia Lane south of Armidale. This reserve would be used by residents to enjoy recreation, to improve biodiversity and to support wildlife moving from the gorge country to the Duval mountains to the north of Armidale.

Helen's plan involves planting trees and wildlife habitat plants along little-used Crown and Council roads- from Ross Street, south along Judith Street and Gentles Road to Translator Road, then along Imbandja Lane to the Post Way subdivision. She has generously offered to organise and finance plantings herself and would link with landholder plantings in the Heathersleigh area which are supported by Southern New England Landcare and the Armidale Tree Group.

Helen has consulted with Ruth Tremont and David Carr about her proposal, and has the in-principle support of Southern New England Landcare, the Armidale Tree Group, and the SLA Habitat group. Helen has also asked Ruth to "ground truth" the corridor, and Ruth has provided Helen with some notes and suggestions.

The corridor currently has some vegetation, both native and non-native trees, shrubs and herbaceous groundcover. The northern section has wonderful views over Armidale to the north, and from the top of the hill, views of the plains to the south.

Richard Morsley, Program Leader Parks and Facilities, Mark Burgess, Acting Service Leader- Roads Maintenance, Parks & Facilities, are enthusiastic and supportive of Helen's proposal. In addition, reviews of current planning approvals indicate that no extra road upgrades allowing access to land parcels are necessary at this time. It will be important to protect the corridor in future, and to look at Council planning options to assist with widening the corridor and protecting biodiversity.

The purpose of this report to Council, in order to achieve support for the project, including a recommendation that Council applies to Crown Lands for transfer of the current Crown Roads to an unformed Council Roads to secure the corridor. Mr Rodney O'Brien, Crown Lands Office, has been consulted about the proposal and indicates that the gazetting of the affected roads would be straightforward, upon receipt of a letter from Council.

In addition, Council may include track-making, similar to the black-top track along Kellys Plains Road, in the Future Works Plan. Until it is able to be improved, the current informal dirt track would remain, but planting could begin in the meantime.

Key Issues and Risks

It is important to retain and enhance wildlife corridors and walking paths through urban and peri-urban areas as development increases.

Integrated Planning and Reporting Framework

Community Strategic Plan 2017-2027:

E2 – The community can participate in initiatives which contribute to a sustainable lifestyle.

Stakeholder Engagement

This proposal includes a range of stakeholder engagements, including local ecologists, environment groups, revegetation experts and neighbouring and local residents.

Financial Implications

The proposal has no cost to Council in the gazetting or planting of the corridor.

Next Steps

Council applies to Crown Lands for the current Crown Roads to be gazetted as Council Roads.
Advise Helen Stokes of the Council decision.

Item: 12.1 **Ref:** AINT/2019/16312
Title: FOR DECISION: Home Support Services Policy **Container:** ARC18/2501
Author: Wendy Warner, Guyra HACC Coordinator
Attachments: 1. Draft Home Support Services Policy

RECOMMENDATION:

- (a) That the Draft Home Support Services Policy be endorsed;**
- (b) That the Draft Home Support Services Policy be placed on public exhibition for a period of no less than 28 days, from Wednesday 31st July 2019 to Wednesday 28th August 2019;**
- (c) That a further report be provided to the 25th September 2019 Council meeting for consideration of any submissions received; and**
- (d) That if no submissions are made within the submission period, then the Home Support Services Policy be adopted retrospectively.**

Background:

Guyra Home Support Services Policy required revision and updating to bring inline with the new Aged Care Quality Standards which commence on 1 July 2019. Aged care quality Standards now include eight standards

1. Consumer choice and dignity
2. Ongoing assessment and planning with consumers
3. Personal Care and Clinical care
4. Services and Supports of Daily Living
5. Organisations service Environment
6. Feedback and Complaints
7. Human Resources
8. Organisational Governance

Key Issues and Risks

Non compliance to the Aged Care Quality Standards in both Policy and Procedures of the organisation will result in a non compliant status in the Aged Care Quality review and possible suspension or withdrawal of funding by the Department of Health

Integrated Planning and Reporting Framework

Delivery Program 2018-2021

P3.1 Aged – provide services and access to support home based elderly residents and operate an aged care facility in Guyra for residents who can no longer remain in their own home.

Operation Plan 2018-2019

P1.1 - Develop a Disability Action Plan and Pedestrian and Mobility Plan to improve access to services and infrastructure for people living with a disability and the aged

P1.4 - Lobby and advocate for improved health services across the region, to support an ageing population

Stakeholder Engagement

The policy gives guidance to the organisation on the legislation that is followed to comply with the Aged Care Quality Standards 2019. Engagement with the community will include consulting with all existing clients of the service and completion of a new care plan and service consumer's rights statement.

Community engagement will also include the holding of a Wellness forum in Guyra and Tingha townships. Home Support Services is funded through the local health areas not LGA's so is contracted to continue to deliver services in the Old Guyra LGA area until 2022.

Financial Implications

Non compliance to the Aged Care Quality Standards may result in withdrawal or withholding of the Department of Health contribution to service.

Next Steps

Public display of the policy

Acknowledgement of the new policy in the Home Support Services newsletter

Inclusion for evidence in Aged Care Quality review.

Item: 13.1 **Ref:** AINT/2019/16117
Title: FOR INFORMATION: Review of Council Committees **Container:** ARC16/0759
Author: Jessica Bower, Executive Officer
Attachments: Nil

RECOMMENDATION:

- (a) **That Council notes that the report on the Review of Council Committees is being re-examined and will be provided to a future Ordinary Council meeting for consideration.**

Background:

At the Ordinary Council Meeting of 26 June 2019, Council resolved (124/19) that item 9.5 FOR DECISION: Review of Council Committees be deferred to the July 2019 Ordinary Council Meeting.

Staff are currently re-examining the report and it will be provided to a future Ordinary Council meeting for consideration.

The Review of Council Committees was instigated following the December 2018 Ordinary Council Meeting, where Council resolved the following (Minute Number 284/18):

- (a) *That Council request the CEO to undertake a review of the current Committee Structure, including the number of committees, composition and the Terms of Reference.*
- (b) *That Councillors note that the Armidale Regional Sports Council was omitted from the list included in the report and will be included as part of the review.*

Key Issues and Risks

There are no identified issues or risks associated with the report not being considered at the 24 July 2019 Ordinary Council Meeting.

Integrated Planning and Reporting Framework

Community Strategic Plan 2017-2027: Leadership for the Region

L3 – Council demonstrates sound organisational health and has a culture which promotes action, accountability and transparency.

Delivery Program 2018-2021

L3.4 – Ensure the organisation is well led and managed through implementation of the Good Governance Framework.

Operational Plan 2018-2019

L3.4.1 – Provide governance services to the organisation to ensure we are meeting our legislative requirements.

Stakeholder Engagement

Chairs of the committees were invited to answer a questionnaire and to attend a face to face interview as part of the Review of Council Committees. Members of the Governance section and Chief Executive Officer were also invited to discuss issues relating to the review of the committees. A briefing was provided to the Senior Leadership Team on 11 June 2019 and Councillors on 12 June 2019.

Financial Implications

Staff resources are being used to re-consider the report.

Next Steps

That a report be submitted to a future Council meeting for consideration.

Item: 13.2 **Ref:** AINT/2019/16269
Title: FOR INFORMATION: Cash & Investment Report for June 2019
Container: ARC16/0001-4
Author: Deborah Walls, Accountant
Attachments: 1. Reporting Pack - 2019-06-30
2. ARC Dashboard Reporting 18-19 June

RECOMMENDATION:

That Council note the Cash and Investment Report, as at 30 June 2019, reporting investments held of **\$68,128,072.53** and cash of **\$13,446.91** excluding the Trust Fund.

Background:

Cash and Investments particulars for the period 30 June 2019. At the end of the June period, Council held **\$68,128,072.53** in investments and cash of **\$13,446.91** excluding the Trust Fund. Note that from 31 January 2019 a daily sweep occurs to clear the balance of the General bank account to a \$nil balance, with all excess funds deposited into a High Interest Earning account. This account is included in the calculations for the total of the Investments. \$13,446.91 remained in the Preschool Bank Account due to the end of month falling on the weekend. This account has since been cleared to the High Interest Account.

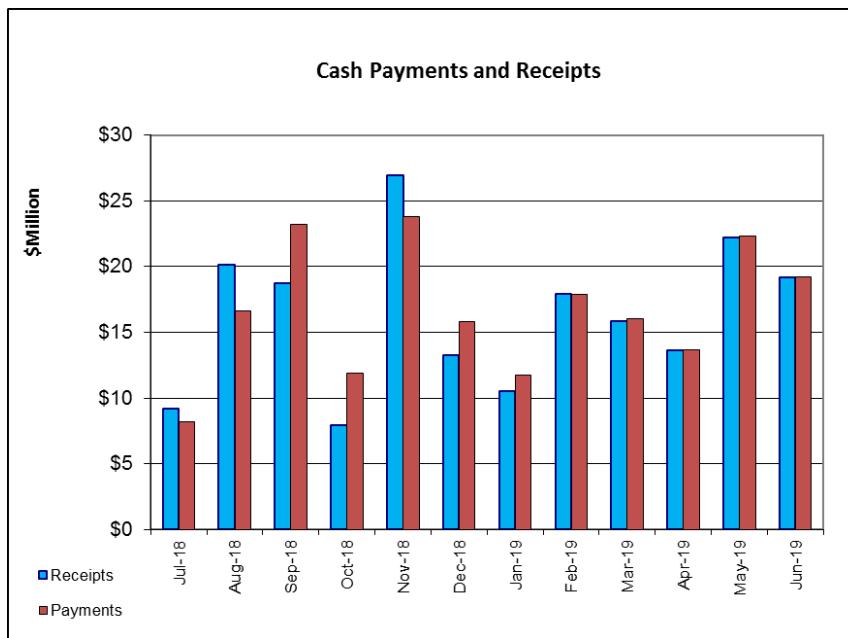
Cash

Council's bank account balance as per bank statements at the end of the period 30 June 2019 are as follows:

Bank Account	June 2019	May 2019	Movement comparative
Cash at Bank			
General Fund	\$13,446.91	\$0.00	\$13,446.91
Trust Fund	\$1,459,073.33	\$1,457,290.65	\$1,782.68
Total	\$1,472,520.24	\$1,457,290.65	\$15,229.59
High Interest Savings and IM Funds			
High Interest Account	\$9,891,680.81	\$10,442,181.36	(\$532,321.91)
TCorp	\$ 5,236,391.72	\$5,227,661.61	\$8,730.11
Total	\$15,128,072.53	\$15,669,872.97	(\$523,591.80)

During the month the following cash flows occurred. Please note this also includes the transfers to and from the High Interest Account for the daily sweep.

	June 2019	May 2019 Comparative
Receipts	\$19,183,538.62	\$22,226.132.94
Payments	\$19,186,487.67	\$22,286,216.80
Net	(\$2,949.05)	(\$60,083.86)



The daily sweep for the general account commenced from 31 January 2019. This allows all excess funds to be redirected to a higher earning interest account, whilst still allowing immediate access to the cash if/when required. This also eliminates the need for manually transferring funds between these accounts and reduces the risk of the accounts being in deficit and occurring additional bank fees.

Additional cash was held in the NAB High Interest Account due to the expected high number of invoices to be paid in June. However, the amount of invoices actually processed by the end of June was lower than predicted. Once invoices are paid any excess cash will be deposited into a Term Deposit.

Investments

At 30 June 2019 Council held **\$68,128,072.53** in investments. This is a net decrease of **\$523,591.80** from 31 May 2019, as a result of some large payments falling due.

Opening Balance 01.06.2019	\$ 68,651,664.33
Redemptions of Investments	\$ (5,000,000.00)
Reinvestments of funds	\$ 5,000,000.00
Net transfer to High Interest Account	\$ 547,317.75
Increased principle due to maturities	\$ 23,725.95
Closing Balance	\$ 68,128,072.53

Over the past 12 months, the amount invested has increased by \$8.7 million. This has been due to a large number of grants being received for numerous projects. Some of these projects have not commenced and therefore the funding has not been spent. Council is currently working with the funding bodies to determine if these funds will need to be returned or if they can be carried forward.

As per the attached investment register (refer Attachment 1 section 2), the investments are diversified across a range of institutions, with no one institution exceeding 45% of average annual funds invested to ensure the portfolio is in line with the investment policy (adopted 27 July 2016). The new investment policy has passed public exhibition and was adopted by Council.

Over the next 12 months as the investments mature, the investments will align with the new policy.

Investment Yield

The Council has invested in Term Deposits which have rates of return higher than the 30 Day BBSW Index. By investing in High Interest Savings Accounts this reduces the average yield across the entire portfolio to be more in line with the 30 day BBSW index.

Armidale Regional Council has out performed the RBA Cash rate, the 3 month BBSW and the AusBond Bank Bill Index, for all terms up to 12 months during June 2019 (refer Attachment 1 Section 5).

After interest rates remaining steady for a number of years, the RBA decreased rates in June to 1.25%, with the expectation the RBA Board would lower the cash rate by another 0.25 basis points in July. This prediction came true, with the RBA lowering the cash rate again 2 July 2019 to 1.00%. This decision was made to support employment growth and provide greater confidence that inflation will be consistent with the medium-term target. Forecasters are predicting another drop in the cash rate later in the year.

Key Issues and Risks

The new Investment Policy has been adopted. The current Institution Rating split will require additional attention as the investments fall due. This is due to, the amount invested with any one Institution, based on their S&P rating, has been reduced to restrict single exposure. This will impact the return on investments, as typically the lower credit rating investments have a higher return. It should also be noted that some high term credit rating investments (such as AMP) have set limits on how much we can invest with them. This adds an additional hurdle when investing.

Additional payments are expected to occur in early July to finalise invoices and statements from the 2019 financial year. To allow for the additional payments, additional cash will need to be held at the bank, rather than invested in Term Deposits. Any excess cash held towards the end of July will be deposited into Term Deposits where available. With the interest rates decreasing this will not have a significant impact on investment income for the additional funds held at the bank rather than in a term deposit. The current interest rate for the High Interest Saving Account is 1.55%.

2 new Term Deposits settled in June with Defence Bank for a total of \$2 million. ARC has not previously invested with this institution. The Director of Interest Rate Markets and ARC Curve Relationship Manager researched and negotiated the terms with Defence Bank. Defence Bank offered a higher return for the period we required. Defence Bank has a long term credit rating of A2 and suits the ARC Investment Policy.

Integrated Planning and Reporting Framework

Community Strategic Plan – Leadership for the Region

L2 – Council exceeds community expectations when managing its budget and operations.

L2.1 – Financial sustainability is maintained through effective short and long term financial management

L2.1.3 – Develop effective financial management systems

Stakeholder Engagement

The monthly report provides the community with a snapshot of Council's cash and investment particulars for the period 1 June 2019 – 30 June 2019

All of Council's investments for the period ending 30 June 2019 are in accordance with:

- Council Investment Policy
- Local Government Act 1993 – Section 625.
- Local Government Act 1993 – Order of the Minister dated 12 January 2011.
- The Local Government (General) Regulation 2005 – Reg 212.

Financial Implications

The investment of surplus funds must remain in line with Council's Investment Policy (adopted 28 Feb 2019). This will ensure sufficient working capital is retained and restrictions are supported by Cash. Cash management complies with the NSW Local Government (General) Regulation 2005.

Next Steps

Continue to monitor the financial position of Armidale Regional Council cash and investments and ensure sufficient working capital is retained and restrictions are supported by cash.

Item: 13.3 **Ref:** AINT/2019/16871
Title: FOR INFORMATION: Monthly Financial Report June 2019 **Container:**
ARC16/0001-4
Author: Michael Chalmers, Management Accountant
Attachments: 1. Monthly Financial Report June 2019

RECOMMENDATION:

That Council note the Monthly Financial Report for June 2019.

Background:

Council has requested the provision of a monthly financial report so that regular review can occur of actual expenditure to budget.

The monthly financial report has been revised based on Councillor feedback and an “Income Statement” report is provided for the following funds:

- General Fund
- Water Supply Fund
- Sewer Supply Fund
- Consolidated

More detailed operating and capital budget reports are also provided.

General Fund

The General Fund is forecast to make an operating deficit of \$317k at 30 June 2019. The revised forecast is an improvement to the original budget, which had forecast an operating deficit of \$3.5m. As at 30 June 2019, Council had an operating surplus of \$2m but this result will be impacted by further supplier payments and revenues that will be accrued back to the 2018/19 financial year. Additionally, processing of assets including the calculation of depreciation is still to be finalised and this may also impact the operating result. It is expected that the operating result will reduce to a position closer to the forecast deficit of \$317k as a result.

The net budget position represents the forecast cash impact of Council’s operating and capital results for the year. Council’s revised budget contains a forecast for a positive cash impact in 2018/19 to assist with reducing cashflow risk and improving the level of unrestricted cash, which was at a minimal level at 30 June 2018. The actual net cash position is showing a deficit but the finalisation of transactions for the 2018/19 financial year and subsequent calculation of reserve movements should see this result improve.

Water Supply Fund

The Water Supply Fund is forecast to make an operating surplus of \$431k at 30 June 2019. This forecast is an improvement to the original budget, which had forecast an operating deficit of \$208k. As at 30 June 2019, Council had an operating surplus of \$1.7m and the Water Supply Fund will likely exceed the current budget forecast although actual depreciation results are still to be determined and end of year processing will change the result as well.

Council has budgeted for a negative cash impact in 2018-19 of \$1.6m due to the requirement to undertake capital works. These works will be funded from the water supply reserve fund.

Sewer Supply Fund

The Sewer Supply Fund is forecast to make an operating surplus of \$136k at 30 June 2019. This forecast is an improvement to the original budget, which had forecast an operating deficit of \$162k. As at 30 June 2019, Council had an operating surplus of \$791k but this figure will change due to end of year processing.

Council has budgeted for a negative cash impact in 2018-19 of \$1.5m due to the requirement to undertake capital works. These works will be funded from the sewer supply reserve fund.

Consolidated

The Consolidated forecast is to make an operating surplus of \$250k at 30 June 2019. This forecast is a significant improvement to the original budget, which had forecast an operating deficit of \$3.8m. As at 30 June 2019, Council had an operating surplus of \$4.6m but for the reasons outlined above this result will undergo further changes and will likely move closer to the forecast operating surplus of \$250k.

Council's revised budget is for a positive cash impact of \$1.3m in 2018/19. This is a significant improvement to the original budget, which had forecast a negative cash impact of \$7.3m.

Key Issues and Risks

Monitoring of YTD actual performance to budget is important to ensure that expenditure remains within available financial resources.

Integrated Planning and Reporting Framework

Community Strategic Plan – Leadership for the Region

L2 – Council exceeds community expectations when managing its budget and operations.

L2.1 – Financial sustainability is maintained through effective short and long term financial management

L2.1.3 – Develop effective financial management systems

Stakeholder Engagement

The monthly financial report provides information on Council's actual to budget performance.

Financial Implications

The adopted budget does not have provision for overspends or for initiatives not included in the original budget and, as a result, must be closely monitored to ensure that actual expenditure remains within available financial resources. Introduction of any new initiatives requiring expenditure or overspends will require us to make adjustments to either the quantum or quality of projects and services to accommodate. Any overspends or new initiatives identified outside of the original budget must have an accompanying funding source.

Next Steps

Continue to monitor the financial position of Armidale Regional Council and ensure that sound financial management practices are employed to ensure expenditure remains within available financial resources.

Item: 13.4 **Ref:** AINT/2019/16330
Title: FOR INFORMATION: Procurement - Acceptance of Tenders under CEO
Delegated Authority as at 30 June 2019 **Container:** ARC17/2016
Author: Cindy Garrahy, Program Leader Procurement, Contracts and Leases
Attachments: Nil

RECOMMENDATION:

That Council note the report on the acceptance of tenders, under the CEO delegated authority to accept tenders with a contract value of up to \$500,000, up to 30 June 2019

Background:

The introduction of the Local Government Amendment (Governance and Planning) Bill 2016, resulted in changes to Section 377 of the Local Government Act 1993 (the Act) regarding the general power of the council to delegate. The Act now provides the Council with the ability to delegate acceptance of most types of tenders to the CEO.

Council subsequently resolved that the CEO be delegated the acceptance of tenders, up to the value of \$500,000, where all other tender requirements of the Act and Local Government (General) Regulation 2005 (the Regulation) are met.

Key Issues and Risks

Section 55 of the Act and Part 7 of the Regulation sets out all of the statutory requirements for a Council to procure goods and services through Tendering. Previously Section 377 of the Act expressly denied delegation of acceptance of tenders:

General power of the council to delegate

(1) A council may, by resolution, delegate to the general manager or any other person or body (not including another employee of the council) any of the functions of the council, other than the following:

(i) the acceptance of tenders which are required under this Act to be invited by the council.

The changes to the Act that were introduced through the Local Government Amendment (Governance and Planning) Bill 2016 have resulted in the following replacement Section:

General power of the council to delegate

(1) A council may, by resolution, delegate to the general manager or any other person or body (not including another employee of the council) any of the functions of the council, other than the following:

(i) the acceptance of tenders to provide services currently provided by members of staff of the council.

It should be noted that the delegation excludes acceptance of tenders for services currently provided by members of staff of the council (which could therefore result in a reduction of staff positions, or increase operational resourcing), and the Regulation still requires a Council resolution where tenders for a proposed contract are not accepted and an alternate option is required, as per Regulation 178.

Integrated Planning and Reporting Framework
Community Strategic Plan – Leadership for the Region

L3 Organisational Health - Council demonstrates sound organisational health and has a culture which promotes action, accountability and transparency.

L3.4 – Ensure the organisation is well led and managed through implementation of the Good Governance Framework.

L3.4.1 – Provide governance services to the organisation to ensure we are meeting our legislative requirements.

Stakeholder Engagement

The Executive Leadership Team (ELT) considers all tenders and minutes the CEO determinations and all tenders approved under delegation will be reported to council quarterly.

Financial Implications

The delegated authority has reduced the amount of tendering reports that are required to go to Council for a resolution, and has also resulted in a faster procurement process. This assists service providers and operational activities, by ensuring a more efficient process, where appropriate.

Tenders approved under delegated authority between April and June 2019 are:

Environmental Monitoring former Armidale Gasworks	Cavvanba Consulting	\$ 89,908.50
Malpas Dam Power Upgrade	Curry Power	\$ 227,969.00
Sales Agent Business Park Lots	Armidale First National	\$1650 and 3.3% comm per lot
Repeater Panel Design Construction & Installation	Electro Motives Pty Ltd	\$ 195,093.00
Electrical Supply and Street Light Installation Shand Drive & RFS Depot	Hofman Electrical Group	\$ 152,451.55

Next Steps

The quarterly report for September 2019 will be submitted to the October 2019 Council meeting for information.

Item: 13.5 **Ref:** AINT/2019/16854
Title: FOR INFORMATION: Summary of Resolutions of Council January 2019 - June 2019 **Container:** ARC16/0001-4
Author: Jessica Bower, Executive Officer
Attachments: 1. Resolutions of Armidale Regional Council - January 2019 to June 2019

RECOMMENDATION:

That the report outlining resolutions of Council from January 2019 to June 2019 and actions carried out, be noted.

Background:

The attached document is a progress report on the implementation of resolutions of Council.

Key Issues and Risks

The key issues and risks of each of the resolutions are varied and were outlined in the original reports to Council.

Integrated Planning and Reporting Framework

Community Strategic Plan – Leadership for the Region; Environment and Infrastructure; Growth, Prosperity and Economic Development; Our People and Community

Stakeholder Engagement

The resolutions outlined in the attachment have been previously adopted by Council.

Financial Implications

The financial implications of each of the resolutions are varied.

Next Steps

This report will be provided on a monthly basis for the previous six months.

Item: 13.6 **Ref:** AINT/2019/16883
Title: FOR INFORMATION: Quarterly Water Adjustment Report **Container:**
ARC16/0193
Author: Robyn Shanahan, Revenue Officer
Attachments: Nil

RECOMMENDATION:

That Council note the report detailing water adjustments, made under the provisions of the Water Account Adjustment Management Policy, for the March/June quarters, totalling \$25123.14.

Background:

It is a requirement of Council's Water Account Adjustment Management Policy 238 that quarterly reports detailing adjustments made to water assessments in the quarter under the provisions of Policy are provided to Council for notation.

This report provides details of the adjustments made to water assessments for the third and fourth quarters of the 2018-2019 Financial Year.

Adjustments determined under the provisions of the Policy for the third and fourth quarters, January 2019 to June 2019 were:

Assessment	Amount	Reason
3636-8	\$287.82	Water Meter Fault
23028-4	\$639.40	Burst Pipe Underground
25175-1	\$193.01	Burst Pipe Underground
53649-0	\$890.79	Undetectable Leak
3152-6	\$1731.80	Underground Leak
23576-2	\$1656.07	Burst Pipe Underground
29346-4	\$338.35	Burst Pipe Underground
24198-4	\$891.65	Undetectable Leak
26823-5	\$1919.80	Burst Pipe Underground
28032-1	\$1636.35	Underground Leak
26518-1	\$324.90	Leaking Pipe
3426-4	\$817.50	Underground Leak
24958-1	\$258.20	Undetectable Leak
23270-2	\$1210.24	Undetectable Leak
4656-5	\$242.75	Bush Fire Adjustment
4582-3	\$172.20	Bush Fire Adjustment
54971-7	\$2153.05	Meter Allocation Adjust
31299-1	\$279.45	Undetectable Leak
31161-3	\$664.15	Underground Leak
25819-4	\$1837.10	Underground Leak
24198-4	\$891.65	Leaking Pipe
26546-2	\$113.17	Burst Pipe Underground
23102-7	\$3186.70	Underground Leak

25206-4	\$964.62	Undetectable Leak
26831-8	\$1822.42	Underground Leak
Total	\$25123.14	

Key Issues and Risks

The Policy governs the way in which requests are managed.

Integrated Planning and Reporting Framework

Community Strategic Plan – Leadership for the Region

L2 – Council exceeds community expectations when managing its budget and operations

L2.1 – Financial sustainability is maintained through effective short and long term financial management

L2.1.3 – Develop effective financial management systems.

Stakeholder Engagement

Adjustments to consumption determined in accordance with the policy.

Financial Implications

Reduction in Council water billing charges of \$25123.14.

Next Steps

The third/fourth quarter report will be submitted to the July 2019 Council meeting.

Item: 16.1 **Ref:** AINT/2019/16445
Title: FOR DECISION: Minutes - Regional Growth Advisory Committee - 19
June 2019 **Container:** ARC16/0169
Author: Greg Lawrence, Service Leader Economic Development and Marketing
Attachments: 1. Minutes - Regional Growth Advisory Committee - 19 June 2019

RECOMMENDATION:

- a) **That the Minutes of the Regional Growth Advisory Committee meeting held on 19 June 2019 be noted.**

Item: 16.2 **Ref:** AINT/2019/16444
Title: FOR DECISION: Minutes - Traffic Advisory Committee - 2 July 2019
Container: ARC16/0168
Author: Belinda Ackling, Personal Assistant
Attachments: 1. Minutes - Traffic Advisory Committee - 02 July 2019

RECOMMENDATION:

- a) That the Minutes of the Traffic Advisory Committee meeting held on 2 July 2019 be noted and following recommendations endorsed.
 - i. That approval be provided for the temporary road closures of Dangar Street between Rusden and Moore Street for the 'Christmas in the Mall 2019', Thursday, 21 November from 12noon until 9pm.
 - ii. That approval be provided for the requested road closures of Taylor Street from Dumaresq Street to Donnelly Street and Kirkwood Street between Taylor Street and Douglas Street from 7.30am until 6pm on Sunday 11th August, for the 2019 Armidale and District Football Carnival.
 - iii. That the regularity "No Stopping" zones be highlighted by pavement marking in Taylor Street at the Oliver Ave and Beardy Street intersections.
 - iv. That Council hatch the driveway at 158 Miller Street at the cost of the business owner.
 - v. That line marking be installed from Fosters Road for the length of 1.5km, east towards the Blue Hole.
 - vi. That the Traffic Advisory Committee give conceptual approval for the continued investigations into the Traffic Management Plan for stage two of the Autonomous Bus.
 - vii. That the Transport NSW Centre of Road Safety be requested to provide the signage designs for stage two of the Autonomous Bus.

Item: 18.1 **Ref:** AINT/2019/17106
Title: Questions on Notice - Cr O'Brien **Container:** ARC16/0025
Author: Deb O'Brien, Councillor
Attachments: Nil

RECOMMENDATION:

Question on Notice 1. (Cr O'Brien)

What was Armidale Regional Council's Fire and Emergency Service's Levy contribution for 2017/18?

Question on Notice 2. (Cr O'Brien)

What is the additional cost to Council in light of the state government shifting further FESL costs to council on 1 July?

Question on Notice 3. (Cr O'Brien)

What projects or services could Council have funded with the extra FESL charges?

Question on Notice 1

Answer:

The Fire and Emergency Services Levy (FESL) was deferred and Council did not contribute anything in 2017/18 but presumably this question relates to the Emergency Services Levy (ESL). The 2017/18 contribution was \$734,757 and the 2018/19 contribution was \$709,158.

Question on Notice 2

Answer:

The additional cost for the 2019/20 year is a 11.7% increase across all NSW councils for workers compensation reforms. Council's contribution for 2019/20 is \$862,190, an increase of \$153,032 or 22% from the 2018/19 contribution level.

Question on Notice 3

Answer:

A range of projects or services could be funded but would need consideration in the context of Delivery and Operational Plan priorities. There are projects in Council's capital program that have had to be deferred due to insufficient funding.