

The meeting commenced at 9.00am.

**PRESENT**

Chairperson C Manchester, Cr G Armstrong, Cr B Callow, Cr D McCann, Cr L McGlynn, Cr K Morris (arrived 9.05am), Cr M Stadtmiller, Cr D Palmer, Cr G Sinclair.

**ALSO IN ATTENDANCE**

Mr P Rudd (General Manager), Mr G Veneris (Production & Services Manager), Mr I Graham (Corporate Services Manager), Mr T Goodyer (Operations Manager), Mrs A Coleman (Executive Assistant).

**1. OATH OR AFFIRMATION OF OFFICE**

Section 233A of the Local Government Act 1993 requires Councillors to take an oath or affirmation of office at or before the first meeting of the council after the councillor is elected.

*Cr G Armstrong, Cr D Palmer and Cr M Stadtmiller took the oath of office. Signed declarations will be kept on file as proof of this.*

**2. LEAVE OF ABSENCE/APOLOGIES**

Cr K Morris was not present at this time.

**17/066 RESOLVED** on the motion of Crs Palmer and Sinclair that Cr K Morris be granted leave of absence.

Cr K Morris attended the meeting at 9.05am.

**3. ACKNOWLEDGEMENT OF COUNTRY**

I would like to acknowledge the Wiradjuri people who are the Traditional Custodians of the Land. I would also like to pay respect to their people both past and present and extend that respect to other Aboriginal Australians who are present.

**4. PRESENTATIONS**

Councils Auditor, Brad Bohun of Crowe Horwath will attend the meeting at 11.00am to present their report on the 2016/17 Financial Statements.

**5. DECLARATION OF PECUNIARY INTERESTS**

Nil

**6. DECLARATION OF NON PECUNIARY INTERESTS**

Nil

**7. CONFIRMATION OF MINUTES OF MEETINGS HELD ON 24 August 2017**

**17/067 RESOLVED** on the motion of Crs McCann and Palmer that the minutes of the meetings held on 24 August 2017 having been circulated and read by members be confirmed.

**8. BUSINESS ARISING FROM MINUTES**

Nil

**9. ADMISSION OF LATE REPORTS**

Nil

**10. NOTICES OF MOTION / RESCISSION MOTIONS**

Nil

**11. CHAIRPERSON'S MINUTE**

The Chairperson gave a verbal chairpersons minute:

Chairperson Manchester welcomed the new Councillors from Hilltops Council to the Board of Goldenfields Water.

Chairperson Manchester acknowledged the work of the Board during his time with Goldenfields Water, noting how well everyone had worked together.

Chairperson Manchester thanked the Board, the General Manager and Senior Staff.

Deputy Chairperson Palmer responded with the following:

Chris, on behalf of the Board I would like to sincerely thank you for your leadership and direction through some sensitive and challenging issues. Under your chairmanship we managed to deliver some very strong outcomes of essential infrastructure and service improvements. As a foundation member of the Board you have certainly served with distinction. Your dedication and efforts are appreciated and on a personal level, I am very sorry that our professional relationship on this Board ends today.

Thank you for your service to this Board over the last 20 years. Congratulations on your re-election to Hilltops Council, they will continue to benefit from your ongoing services and expertise. All the Best.

Liz McGlynn also thanked Chris for his contribution and his support of the Mandamah Project.

**12. ELECTION OF CHAIRPERSON (G40203005)**

9.08am – Chairperson Manchester vacated the chair to the General Manager. The General Manager to conduct the elections for the Chairperson and Deputy Chairperson.

Duly signed nomination forms for the position of Chairperson were received for Cr D McCann and Cr D Palmer.

A secret ballot was held. 4 votes for each candidate were received.

Cr Palmer and Cr McCanns names were placed in a container and one name drawn by Mr G Veneris. Cr Palmers name was drawn. Cr Palmer was declared Chairperson until the October 2018 meeting.

**Report prepared by General Manager**

**BACKGROUND**

In accordance with section 391 of the Local Government Act (1993) the position of Chairperson becomes vacant at this meeting and an election is required to elect a person from within the members of the council to fill this position. The Chairperson holds office for one year.

**REPORT**

The Local Government (General) Regulations 2005 clause 395, Schedule 8 provides the following:

- The General Manager (or person appointed by the General Manager) is the Returning Officer
- A Member of a county council may be nominated without notice for election as Chairperson of the county council
- The nomination is to be made in writing by two or more Members of the county council (one of whom may be the nominee)
- The nomination is not valid unless the nominee has indicated consent to the nomination in writing
- The nomination is to be delivered or sent to the Returning Officer
- The Returning Officer is to announce the names of the nominees at the county council meeting at which the election is to be held
- If only one member of the county council is nominated, that Member is elected
- If more than one Member is nominated, the county council is to resolve whether the election is to proceed by preferential ballot, by ordinary or by open voting
- The election is to be held at the county council meeting at which the county council resolves on the method of voting.

Appropriate nomination forms have been circulated to all Councillors.

**Attachments:** Nil

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**13. ELECTION OF DEPUTY CHAIRPERSON (G40203005)**

Duly signed nomination forms for the position of Deputy Chairperson were received for Cr L McGlynn, Cr D McCann and Cr G Sinclair.

A secret ballot was held. Cr L McGlynn – 2 votes. Cr D McCann – 4 votes. Cr G Sinclair – 2 Votes. Cr D McCann was declared Deputy Chairperson until the October 2018 meeting.

**Report prepared by General Manager**

**BACKGROUND**

In accordance with section 231 of the Local Government Act (1993) Councillors may elect a person from within their number to be the Deputy Chairperson.

**REPORT**

The position of Deputy Chairperson is an optional position. The Deputy Chairperson may exercise any function of the Chairperson at the request of the Chairperson or if the Chairperson is prevented by illness, absence or otherwise, from exercising the function or if there is a casual vacancy in the office of Chairperson.

Council has traditionally elected such a person and the election procedures are the same as for the Chairperson.

Appropriate nomination forms have been circulated to all Councillors with their Business Papers.

**Attachments:** Nil

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

9.18am – Cr C Manchester left the meeting and did not return.

9.18am – Chairperson Palmer took the Chairpersons Chair.

**14. PUBLIC PARTICIPATION CONFIDENTIAL SESSION**

*In accordance with the Local Government Act 1993 and the Local Government (General) Regulations 2005, in the opinion of the General Manager the following business is of a kind as referred to in section 10A(2) of the Act and should be dealt with in part of the meeting closed to the media and public.*

**17/068 RESOLVED** on the motion of Crs Callow and McGlynn that Council move into CONFIDENTIAL SESSION.

**14.1 MATTERS TO BE SUBMITTED BY PRODUCTION AND SERVICES MANAGER**

**14.1.1 VOLUNTARY PLANNING AGREEMENTS AND MEMORANDUM OF UNDERSTANDING**

**Report prepared by Production & Services Manager**

*This item is classified CONFIDENTIAL under section 10A(2)(d) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following:*

*(d) Commercial information of a confidential nature that would, if disclosed:*

*(i) Prejudice the commercial position of the person who supplied it.*

**17/069 RESOLVED** on the motion of Crs McGlynn and Callow:

1. That the Council approves of the proposed Voluntary Planning Agreement under section 93F of the *Environmental Planning and Assessment Act 1979* for use by the Council in connection with development specified in the definition of 'Development' in clause 1.1 of the proposed Memorandum of Understanding between the Council and the Constituent Councils
2. That the Council approves the proposed Memorandum of Understanding between the Council and the Constituent Council
3. That the Council delegates to the General Manager the function of negotiating, finalising and entering into a memorandum of understanding between the Council and each Constituent Council on terms and conditions generally consistent with the proposed Memorandum of Understanding.
4. That the Council delegates to the General Manager the function of negotiating, finalising and entering into voluntary planning agreements with developers in connection with applications for certificates of compliance made to the Council under section 305 of the *Water Management Act 2000* by developers in connection with development specified in the definition of 'Development' in clause 1.1 of the proposed Memorandum of Understanding on terms and conditions generally consistent with the proposed Voluntary Planning Agreement.

**17/070 RESOLVED** on the motion of Crs McCann and Callow that Council revert back to Open Session and that the resolutions made in Confidential Session be made public.

**15. MATTERS TO BE SUBMITTED TO OPEN COUNCIL**

**15.1 MATTERS TO BE SUBMITTED BY CORPORATE SERVICES MANAGER**

**15.1.1 COUNCIL INVESTMENTS (G35507005)**

**17/071 RESOLVED** on the motion of Crs Sinclair and Armstrong that the report detailing Council Investments at 30 September 2017 be received and noted.

**Report prepared by Accountant**

**BACKGROUND**

A report on Council's Investments is required to be presented for Council's consideration in accordance with clause 212 of the Local Government (General) Regulation 2005.

**REPORT**

Council's investment portfolio increased by \$650,000 to \$48.1 million during August and September. The profile of Council's investments held at 30 September 2017 is detailed below:

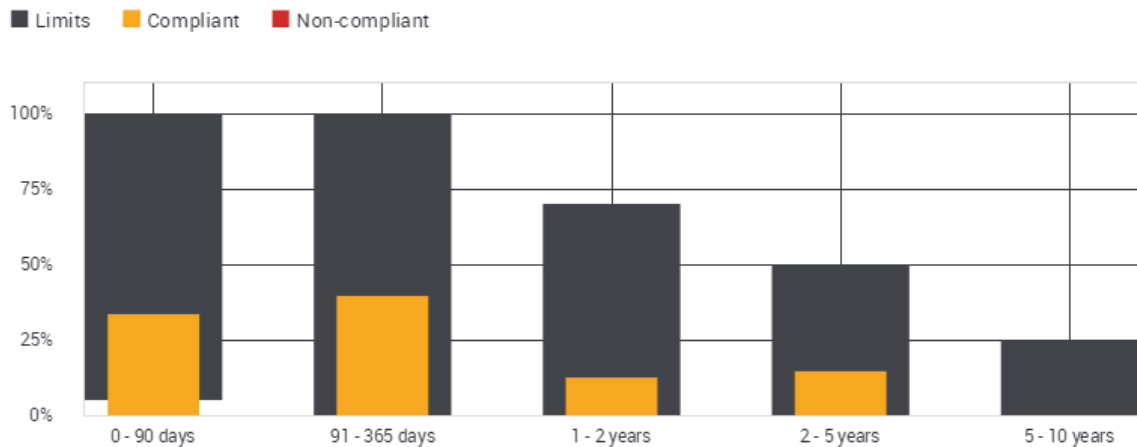
	<b>Rating</b>	<b>Market Value (\$)</b>	<b>Term (days)</b>	<b>Rate</b>	<b>Purchase Date</b>	<b>Maturity Date</b>
<b>Long Term Deposits</b>		<b>41,000,000.00</b>				
National Australia Bank	A1+	3,000,000.00	1,096	3.73%	5/11/14	5/11/17
B&A Bank	A1-	1,000,000.00	548	3.00%	1/06/16	1/12/17
National Australia Bank	A1+	3,000,000.00	1,097	3.70%	3/12/14	4/12/17
Bank of Queensland	A2	3,000,000.00	1,098	3.60%	3/12/14	5/12/17
AMP	A1/A	3,000,000.00	1,097	3.40%	18/12/14	19/12/17
National Australia Bank	A1+	3,000,000.00	1,096	3.57%	8/01/15	8/01/18
National Australia Bank	A1+	3,000,000.00	1,096	3.36%	12/02/15	12/02/18
CBA	A1+	3,000,000.00	1,096	3.11%	17/03/15	17/03/18
CBA	A1+	3,000,000.00	1,096	3.06%	20/04/15	20/04/18
Westpac Banking Corporation	A1+	3,000,000.00	1,097	3.04%	24/06/15	25/06/18
Bank of Queensland	A2	3,000,000.00	1,096	3.00%	29/10/15	29/10/18
ING Direct	A-	3,000,000.00	1,097	3.18%	18/03/16	20/03/19
Newcastle Permanent	BBB	2,000,000.00	1,096	3.08%	8/06/17	8/06/20
Westpac Banking Corporation	A1+	2,000,000.00	1,097	3.01%	12/07/17	13/07/20
Bank of Queensland	A2	2,000,000.00	1,462	3.45%	12/07/17	13/07/21
Westpac Banking Corporation	AA-	1,000,000.00	1,099	3.06%	25/09/17	28/09/20
<b>Short Term Deposits</b>	A1+	<b>4,000,000.00</b>				
B & A Bank	A1-	1,000,000.00	365	2.57%	10/08/17	10/08/18
Australian Military Bank	NR	1,000,000.00	365	2.85%	28/03/17	28/03/18
Auswide Bank	BBB-	1,000,000.00	365	2.82%	20/06/17	20/06/18
Bank of Queensland	A2	1,000,000.00	365	2.70%	12/07/17	12/07/18
<b>At Call Deposits</b>		<b>3,100,180.00</b>				
Commonwealth Bank At Call A/c	N/A	2,100,000.00	At Call	1.45%	N/A	N/A
AMP Bank At Call A/c	N/A	1,000,180.00	At Call	2.55%	N/A	N/A
<b>Total Value of Investment Funds</b>		<b>48,100,180.00</b>				

For the period the portfolio provided a solid return of +0.27% (actual), outperforming the benchmark AusBond Bank Bill Index return of +0.14% (actual). The strong performance continues to be driven by those deposits still yielding above 3½% p.a.

**Over the year to September, the deposit portfolio returned +3.26% p.a., outperforming bank bills by 1.50% p.a.** This has been very strong given deposit rates reached their all-time lows and margins have generally contracted over the year.

**TERM TO MATURITY**

The percentage of investments maturing over the next ten years is detailed in the graph below.



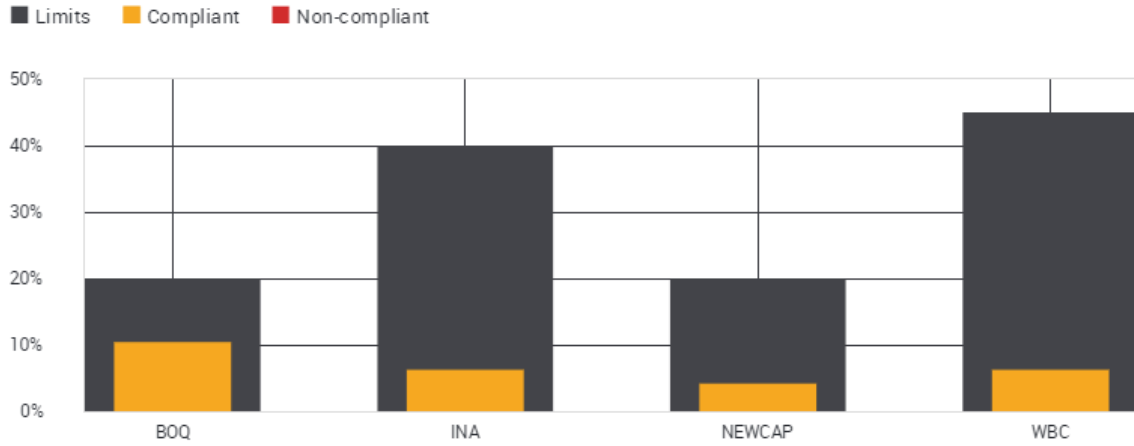
**COUNTER PARTY COMPLIANCE**

The below graphs compare investments with each financial institution to the limits included in Council’s Investment Policy.

**Counterparty compliance: short-term holdings**



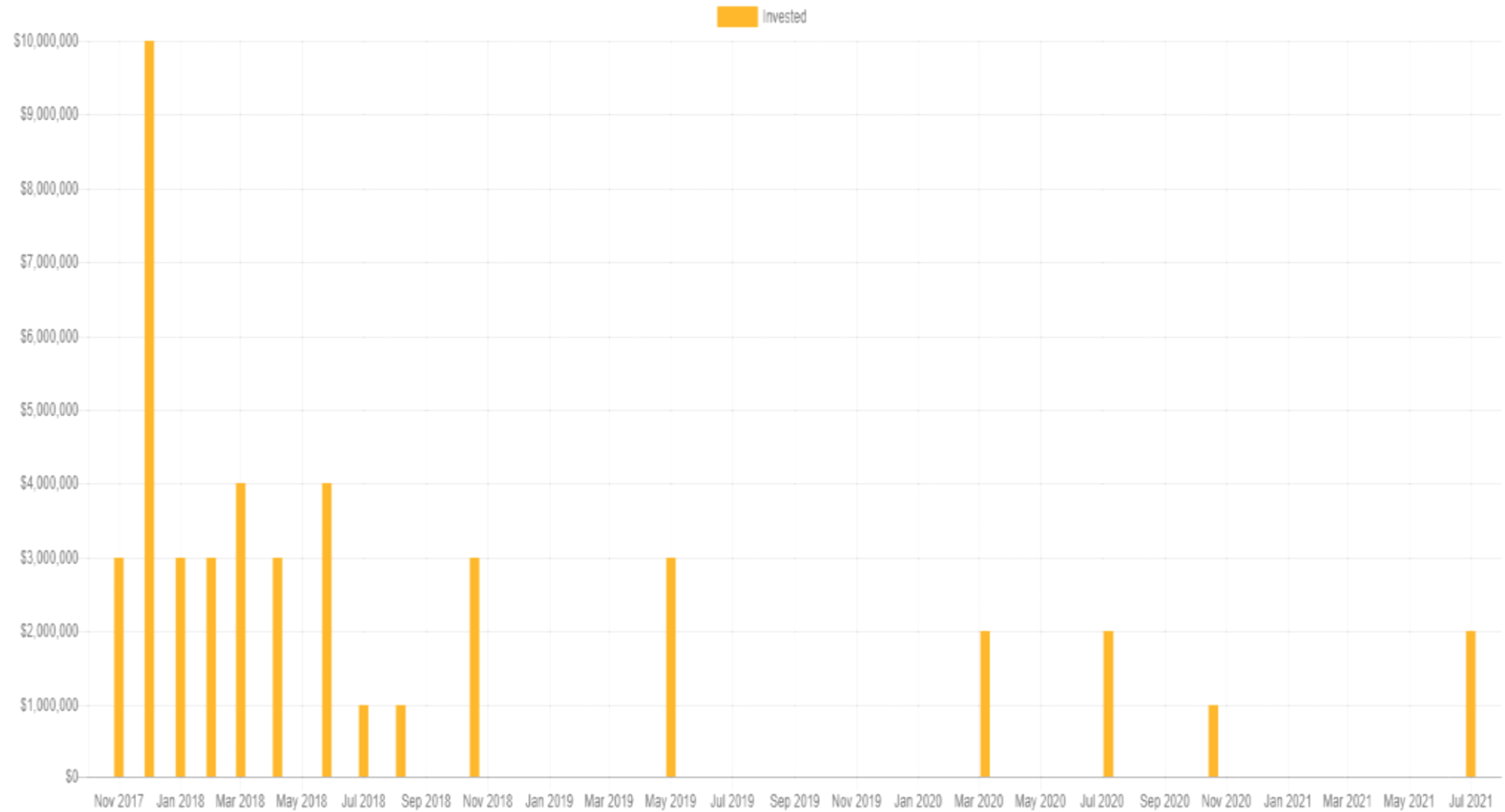
**Counterparty compliance: long-term holdings**





**CASHFLOW ANALYSIS - MATURITIES**

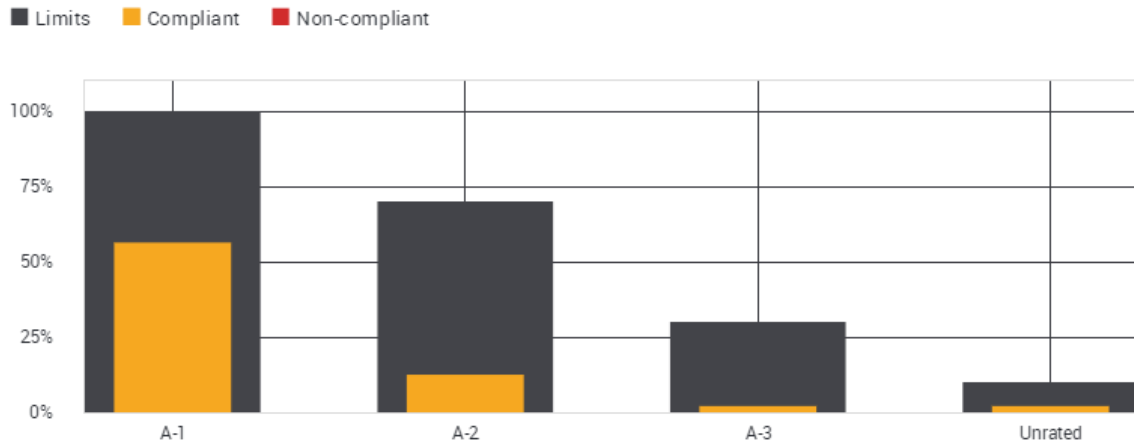
Investments maturities are detailed in the graph below.



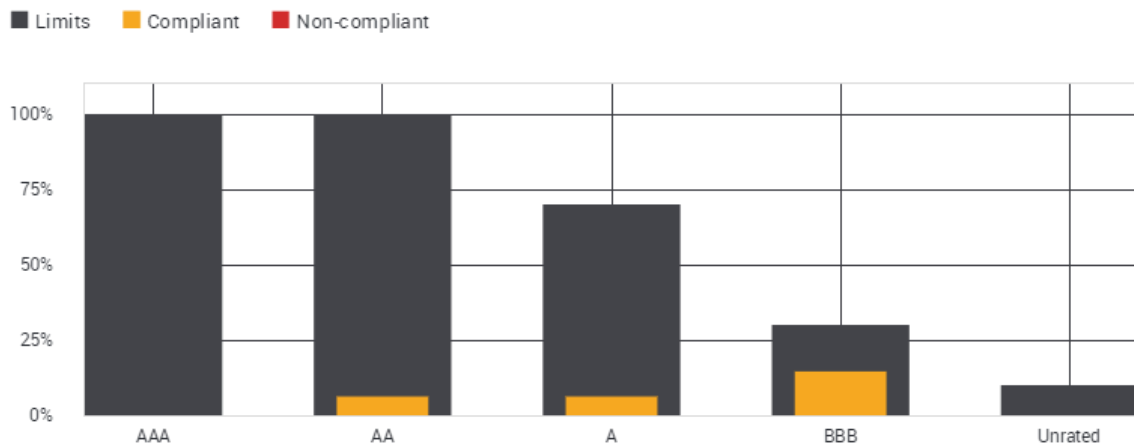
**CREDIT QUALITY COMPLIANCE**

The below graphs compare investments with each investment rating category to the limits included in Council’s Investment Policy.

**Credit quality compliance: short-term holdings**



**Credit quality compliance: long-term holdings**



**Attachments: Nil**

**Tabled Items: Nil**

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council’s financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at  
TEMORA OFFICE on 16 November 2017**

**15.1.2 CAPITAL WORKS PROGRESS (G35201005)**

**17/072 RESOLVED** on the motion of Crs McGlynn and Callow that the report detailing Council's capital works program as at 30 September 2017 be received and noted.

**Report prepared by Accountant**

**BACKGROUND**

Capital Works represents an important part of Council's activities and expenditure. This report details progress year to date on programmed and emergent capital works. Water mains are a significant part of the annual program and are also reported in more detail.

**REPORT**

This report is presented for information on the progress of Council's Capital Works Program as at 30 September 2017.

<b>Goldenfields Water County Council CAPITAL WORKS PROGRESS</b>		<b>2017/18 ESTIMATE</b>	<b>COSTING AT 30/09/2017</b>	<b>COMMITTED</b>
<b>CAPITAL INCOME</b>				
<b>Proceeds Funding</b>				
Sale of Plant		630,000	228,128	-
<b>Total Proceeds Funding</b>		<b>630,000</b>	<b>228,128</b>	<b>-</b>
<b>Total Income</b>		<b>630,000</b>	<b>228,128</b>	<b>-</b>
<b>CAPITAL EXPENDITURE</b>				
<b>New System Assets</b>				
Plant & Equipment		755,000	490,460	-
Future Capital Project Investigations		100,000	-	-
Developer Paid Mains		40,000	34,029	-
Mains		220,000	2,762	-
Mandamah		3,590,000	7,561	165,000
Reservoirs		-	-	-
Pumping Stations		-	-	-
Treatment		62,000	14,018	-
Bores		170,000	15,033	-
Service Meters		200,000	32,592	-
Backflow Devices		750,000	45,244	276,452
Intangibles		944,500	148,155	-
Land & Buildings		280,000	143,677	-
<b>Total New System Assets</b>		<b>7,111,500</b>	<b>933,531</b>	<b>441,452</b>
<b>Renewals</b>				
Mains		810,500	64,735	231,511
Reservoirs		360,000	13,456	263,845
Pumping Stations		2,336,600	168,256	245,700
Treatment		40,000	36,521	-
Bores		-	109,360	-
Service Meters		145,000	16,539	-
Land & Buildings		85,000	29,108	-
<b>Total New System Assets</b>		<b>3,777,100</b>	<b>437,975</b>	<b>741,056</b>
<b>Total Expenditure</b>		<b>10,888,600</b>	<b>1,371,506</b>	<b>1,182,508</b>

This is Page 11 of the Minutes to the Goldenfields Water County Council meeting held on  
16 November 2017

General Manager.....Chairperson.....

**Minutes of the Meeting of GOLDENFIELDS WATER COUNTY COUNCIL held at  
TEMORA OFFICE on 16 November 2017**

<b>Goldenfields Water County Council</b>			
<b>CAPITAL WORKS PROGRESS</b>			
		<b>2017/18 ESTIMATE</b>	<b>COSTING AT 30/09/2017</b>
<b>NEW MAINS &amp; RENEWALS</b>			
<b>Developer Paid</b>			
Annual Budget		40,000	
<i>Developer Paid Design</i>			1,080
<i>Barellan Bendee Street</i>			7,040
<i>Temora Spitfire</i>			5,257
<i>Wyalong Wooten Street</i>			3,362
<i>Plemmings Subdivision</i>			17,290
			<b>34,029</b>
<b>New System Asset Mains</b>			
Annual Budget		220,000	
<i>Orr to Booth Street Coolamon</i>			2,762
			<b>2,762</b>
<b>Mandamah</b>			
Annual Budget		3,590,000	7,561
			<b>7,561</b>
<b>Renewal Mains</b>			
Annual Budget		810,500	
<i>Fishers Land</i>			7,254
<i>Rosehill</i>			42,371
<i>Cootamundra Temora Road</i>			-
<i>Valve Replacement</i>			15,110
			<b>64,735</b>
<b>Total Expenditure</b>		<b>4,660,500</b>	<b>109,087</b>

**Attachments:** Nil.

**Tabled Items:** Nil.

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**15.1.3 QUARTERLY BUDGET REVIEW (G35201005)**

**17/073 RESOLVED** on the motion of Crs McCann and Callow that the Quarterly Budget Review Statement for the quarter ending 30 September 2017 be received and noted.

**Report prepared by Accountant**

**BACKGROUND**

The Quarterly Budget Review Statement is presented to Council to revise estimates of income and expenditure in accordance with clause 203 of the Local Government (General) Regulation 2005.

The review is for the quarter ending 30 September 2017 and is attached for Council's consideration.

**REPORT**

There have been no additional amendments to Council's adopted 2017/18 budget and carry overs following the completion of the September quarter's budget review.

Please refer to the attached statements for financial details and accompanying notes.

**Attachments:** September Quarterly Budget Review Statement

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**15.1.4 DEBT RECOVERY UPDATE (G40350505)**

**17/074 RESOLVED** on the motion of Crs Armstrong and Morris that the update on Council's debt recovery process be noted.

**Report prepared by Corporate Services Manager**

**BACKGROUND**

Council has been using the services of an external debt collection company, Outstanding Collections, since June 2017 to assist in the recovery of monies that are overdue for water related fees, charges and other debts in line with Council's Debt Recovery & Financial Hardship Policy.

**REPORT**

Since engaged, 320 accounts with a total debt of \$419,188 have been referred to Outstanding Collections for further recovery action. These customers exceeded the allowable Final Notice timeframe to make payment or put a payment arrangement in place.

At the 30 September 2017 Council has recovered \$136,971. Furthermore, 52 customers with a total debt of \$130,797 have entered into a payment arrangement with the debt to be paid in line with Council's current guidelines. The overall result for Council is a debt recovery performance (debt either paid in full or under a payment plan) of 64% up to 30<sup>th</sup> September 2017.

**Attachments:** Nil

**Tabled Items:** Nil

### **FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

### **RECOMMENDATION**

Recommendation made was adopted.

### **15.1.5 FINANCIAL HARDSHIP - INTEREST WRITE OFF (80434)**

**17/075 RESOLVED** on the motion of Crs Callow and McGlynn that Council write off the amount of \$3,394.46, being accrued interest, for Account 80434.

### **Report prepared by Corporate Services Manager**

#### **BACKGROUND**

Goldenfields Water County Council has a Debt Recovery and Financial Hardship Policy. Council recognises that some customers can over time experience genuine financial hardship and this policy provides a formal process for the administration of such requests for assistance.

#### **REPORT**

The applicant has completed an Application for Financial Hardship as per Council's policy. The application has been reviewed by the Corporate Services Manager and is compliant and in accordance with the policy.

In accordance with the Local Government Act 1993, section 567, Writing Off of Accrued Interest, Council may write off accrued interest on rates and charges payable by a person, if, in its opinion:

- a) The applicant meets the conditions stated under the Policy,
- b) Payment of accrued interest would cause the person hardship.

A repayment plan has been mutually accepted in accordance with Council's Debt Recovery and Financial Hardship Policy to will ensure that current outstanding and future charges will be paid.

**Attachments:** Nil.

**Tabled Items:** Nil.

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**15.1.6 PAYMENT OF EXPENSES AND PROVISION OF FACILITIES TO COUNCILLORS POLICY (G40350505)**

**17/076 RESOLVED** on the motion of Crs McCann and McGlynn that Council adopt the draft Payment of Expenses and Provision of Facilities to Councillors Policy (PP003).

**Report prepared by Corporate Services Manager**

**BACKGROUND**

Under section 252 of the Act, Councillor Expenses and Facilities Policies must be adopted within 12 months of the commencement of the new council term.

**REPORT**

Council's draft expenses and facilities policy has been out on public exhibition and is now re-presented to Council for adoption.

No submissions were received.

**Attachments:** Nil

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**15.1.7 FRAUD PREVENTION POLICY (G40350505)**

**17/077 RESOLVED** on the motion of Crs McGlynn and Callow that Council adopt the draft Fraud Prevention Policy (PP024).

**Report prepared by Corporate Services Manager**

**BACKGROUND**

Fraud and corruption can have a significant impact across Council activities and programs. Council is committed to preventing fraud and corruption across the organisation as such activities have a significant impact of Council resources and reputation.

**REPORT**

This policy details guidelines on Council's commitment to an effective strategy to limit potential exposure to internal or external fraud risks.

**Attachments:** PP024 Fraud Prevention Policy

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**15.1.8 MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE HELD 30  
OCTOBER 2017 (G35051505)**

**17/078 RESOLVED** on the motion of Crs Morris and Callow that the minutes/recommendations of the Audit, Risk & Improvement Committee meeting held 30 October 2017 be received, noted and accepted.

**Report prepared by Corporate Services Manager**

**BACKGROUND**

In 2008 pursuant to section 23A of the Local Government Act 1993, the Department released Internal Audit Guidelines for local government in NSW via Circular number 08-64.

The Guidelines advised all councils to develop an internal audit committee to act as an independent and objective oversight of council systems and processes.

**REPORT**

In accordance with the Audit Committee Charter, the Committee members held the first Audit, Risk & Improvement Committee meeting on Monday 30<sup>th</sup> October.

**Attachments:** Minutes of Audit, Risk & Improvement Committee held 30<sup>th</sup> October 2017.

**Tabled Items:** Nil.

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.



**15.1.9 2016-17 FINANCIAL STATEMENTS (G35401005)**

**17/079 RESOLVED** on the motion of Crs Callow and McCann that the report on the 2016/17 Financial Statements be received and noted.

**Report prepared by Accountant**

**BACKGROUND**

Council's Financial Statements for the year ended 30 June 2017 are ready for presentation to the general public. Under section 418 of the Local Government Act 1993, Council is required to present its audited Financial Statements, together with the Auditor's Report, to the public having given 7 days notice.

Council's Auditors will attend the meeting to present their report.

**REPORT**

**Income Statement (Operating Result)**

Council's operating surplus decreased from \$6.9 million in the previous year to \$3.8 million in the current period. Council budgeted for a surplus of \$4.0 million. The decrease in Council's operating surplus from the prior year was a result of a reduction in user charges and fee revenue and an increase in employee benefits, materials and contracts expense.

The net operating result before capital contributions was a surplus of \$3.0 million which is consistent with the Council's budget. However, this represents a significant decrease from previous year's surplus of \$5.7 million.

Rates and annual charges have increased by \$0.2 million (4.1%).

User charges and fees decreased by \$1.3 million.

Grants and contributions decreased by \$0.4 million (26.9%) to \$1.1 million largely impacted by a decrease in contributions for capital purposes.

Council's depreciation and amortisation expense increased slightly by \$0.2 million to \$5.8 million for the year ended 30 June 2017 (2016: \$5.6 million).

**Statement of Cash flows**

Council recorded a net increase in cash and cash equivalents of \$2.7 million in 2017 compared to a net decrease of \$0.6 million in the prior year.

Net cash provided by operating activities amounted to \$9.1 million (2016: \$12.8 million). Cash provided by operating activities decreased in the current year due to a reduction in cash receipts from user charges and fees and increased cash payments for employee benefits, materials and contracts.

Net cash used in investing activities amounted to \$6.4 million (2016: \$13.3 million). Council recorded a cash outflow of \$3 million from the purchases of investment securities in the current financial year (2016: \$9 million).

**Statement of Financial Position (Balance Sheet)**

Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council did not have any cash and investments that were subject to external restrictions as at 30 June 2017.

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The movement in internally restricted cash balances included a net increase of \$2.9 million relating to infrastructure replacement works scheduled for completion in the next financial year.

Unrestricted cash increased by \$2.6 million from \$7.9 million in 2016. The increase in unrestricted cash is due to Council's cash and investment balances increasing by \$5.7 million in the current year. Council only restricted \$3 million of the total increase in cash and investment balances. Unrestricted cash remains adequate.

**Performance Ratios**

**Operating performance ratio** – The operating performance ratio declined to 14.25% due to a decline in user charges and fees, but continued to remain well above the industry benchmark of 0%.

**Own source operating revenue ratio** – This ratio has remained stable over the past three years and above the benchmark of 60%

**Unrestricted current ratio** – This ratio shows an improvement in Council's liquidity position compared to the prior year. Council's unrestricted cash and investment balances increased by \$2.6 million which has contributed to the improvement. This ratio well exceeds the benchmark position.

**Rates and annual charges outstanding ratio** – This ratio has slightly increased from previous years and remains outside the industry benchmark. Council is continuously working to improve timely collection of annual charges.

**Cash expense cover ratio** – Council has performed comfortably above the benchmark in both the current and prior period, indicating a strong liquidity position.

**Attachments:** 2017 General Purpose Financial Statements, 2017 Special Purpose Financial Statements & 2017 Annual Audit Report.

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**15.2 MATTERS TO BE SUBMITTED BY THE GENERAL MANAGER**

**15.2.1 ANNUAL REPORT (G50401005)**

**17/080 RESOLVED** on the motion of Crs Callow and Sinclair that Council's 2016/17 Annual Report be received and noted.

**Report prepared by General Manager**

**BACKGROUND**

Section 428 of the Local Government Act 1993, requires Council to prepare an Annual Report.

**REPORT**

Council's 2016/17 Annual Report is included as an attachment.

**Attachments:** Annual Report 2016/17

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**15.2.2 DELIVERY PROGRAM PROGRESS REPORT JANUARY – JUNE 2017 (G05601005)**

**17/081 RESOLVED** on the motion of Crs Armstrong and McGlynn that Council's Delivery Program Progress Report January – June 2017 be received and noted.

**Report prepared by General Manager**

**BACKGROUND**

Section 404 of the Local Government Act 1993, requires Council to provide a delivery program progress report at least every 6 months.

**REPORT**

Council's January – June 2017 Delivery Program Progress Report has been included as a tabled item.

**Attachments:** Delivery Program Progress Report January – June 2017.

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**15.2.3 PROPERTY INVESTMENT STRATEGY (G35507005)**

**17/082 RESOLVED** on the motion of Crs McCann and Morris that Council:

1. Approve the budget allocation of \$5,000,000 to a Property Asset Reserve.
2. Delegate the General Manager to negotiate the purchase of viable property as the opportunity arises funded from the newly created Property Asset Reserve, capped to a value of \$500,000 per one off purchase.

**Report prepared by General Manager**

**BACKGROUND**

Management identifies a Property Portfolio as an integral component for the future financial success of Council and the ability to provide housing incentives to retain professional staff. Optimising return from Council owned property will ensure Council reduces its reliance on the cash market and expand its income earning potential from alternative sources.

**REPORT**

The financial objective of diversifying Council's current investment assets is to achieve a greater than cash return on investment through a medium to long term investment for Council.

Advice was obtained from licenced investors 'Imperium Markets' in regards to future performance on Council's current cash and deposit portfolio. The following comments were made;

- The credit market is very tight at the moment. Margins on deposits have contracted sharply since the GFC (immediately after the GFC, longer-dated deposits were yielding up to +250-300bp above bank bills; today longer-dated deposits are barely reaching +100bp above bank bills);
- The first RBA rate rise is forecasted for late next year;
- Beyond that, the market is still expecting a low interest rate environment. Note that 3 and 10 year Australian government bond yields are currently at around 2.1% and 2.8% respectively, reflecting the markets expectation of a low rate scenario;
- For the 2017-18 financial year, with the bulk of the highest yielding deposits maturing between November 2017 to February 2018, Council's return on its investment portfolio (predominately T/Ds only) is looking around the 3.00%-3.15% p.a. range;

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If Council were to keep investing in a deposit portfolio with an average duration of say 12 months i.e. invest a spread of deposits from 6 months out to 3 years, then the forecasted estimated returns are as follows:

<b>Scenario</b>	<b>3yr est. returns</b>	<b>5yr est. returns</b>	<b>10yr est. returns</b>
Conservative (spreads tighten)	2.70% - 2.95% (+60bp over bills)	3.30% - 3.55% (+60bp over bills)	3.70% - 3.95% (+60bp over bills)
Modest (spreads stable)	3.00% - 3.25% (+90bp over bills)	3.60% - 3.85% (+90bp over bills)	4.00% - 4.25% (+90bp over bills)
Aggressive (spreads widen)	3.30% - 3.55% (+120bp over bills)	3.90% - 4.15% (+120bp over bills)	4.30% - 4.55% (+120bp over bills)

Currently within Council's area of operation the average annual property value growth is 7.5% with an average rental yield of 5.43%, therefore comparing cash returns to that of property going forward, it is anticipated that if Council set aside some long-term money i.e. 5-10 years plus, then during this period, it is generally expected that property would comfortably outperform a fixed interest portfolio.

Council has directed their entire portfolio to fixed term deposits (93.55%) and overnight cash accounts (6.45%), if Council were to proceed with investing in property, management will diversify the cash portfolio by introducing liquid senior floating notes (FRNs) to provide additional liquidity as they are generally accessible within 2 business days. However, it should be noted that Council has historically performed comfortably above the cash expense cover benchmark indicating a strong liquidity position, it is deemed the purchase of property will not impact on this.

**Attachments:** Nil.

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMEN**

Nil.

**RECOMMENDATION**

1. Approve the budget allocation of \$5,000,000 to a Property Asset Reserve.
2. Delegate the General Manager to negotiate the purchase of viable property as the opportunity arises funded from the newly created Property Asset Reserve.

**15.2.4 LGNSW ANNUAL CONFERENCE (G40151005)**

**17/083 RESOLVED** on the motion of Crs Sinclair and Callow that Council:

1. Endorse the Chairperson as Goldenfields Waters voting delegate for the LGNSW Annual Conference.
2. Approve the attendance of the General Manager and the Chairperson
3. Nominate a senior staff member to attend.

**Report prepared by General Manager**

**BACKGROUND**

The Local Government NSW Annual Conference is the annual policy making event for NSW Councils and where local councillors come together to share ideas and debate issues that shape the way their councils are governed.

**REPORT**

The LGNSW Annual Conference will be held at the Hyatt Regency Sydney from 4 December to 6 December 2017.

Goldenfields Water is eligible for one voting delegate, this role is usually fulfilled by the Chairperson of Goldenfields Water.

In previous years the General Manager, Chairperson and another member of the board have attended this event.

**Attachments:** LGNSW Annual Conference Draft Program

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

1. Endorse the Chairperson as Goldenfields Waters voting delegate for the LGNSW Annual Conference.
2. Approve the attendance of the General Manager and the Chairperson
3. Nominate an additional Board member to attend.

**15.2.5 COUNCIL MEETING DATES 2017/18 (G40203005)**

**17/084 RESOLVED** on the motion of Crs McCann and Morris that Council set the meeting schedule as described for the ensuing twelve months.

**Report prepared by General Manager**

**BACKGROUND**

Goldenfields Water County Council meetings are held on the fourth Thursday of every second month at the Temora Office, commencing at 1.00pm.

**REPORT**

By reviewing the meeting schedule for the ensuing twelve months at the October meeting each year, a new Council and / or a new Chairman can revise the meeting schedule after the annual Chair elections have been held.

In order to allow advance public notification of Council meeting dates for the next twelve months, the following program is put forward for consideration:

- Friday 22 December 2017, commencing at 10am
- Thursday 22 February 2018, commencing at 1pm
- Thursday 26 April 2018, commencing at 1pm
- Thursday 28 June 2018, commencing at 1pm
- Thursday 23 August 2018, commencing at 1pm
- Thursday 25 October 2018, commencing at 1pm

**Attachments:** Nil

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**15.2.6 OFFICE CLOSURE (G70506005)**

**17/085 RESOLVED** on the motion of Crs Sinclair and Callow that Council endorse the office to be closed from 12.00pm Friday 22 December 2017 and to reopen Monday 8 January 2018.

**Report prepared by General Manager**

**BACKGROUND**

Council has previously closed its office for a period of two weeks during the Christmas and New Year Period, with minimal disruption to Council's normal operations.

**REPORT**

The office closure is proposed to be from 12.00pm Friday 22 December 2017 and to reopen Monday 8 January 2018.

Benefits are:

- The first week of the New Year is a quiet week for customer interaction.
- Many businesses that Council deals with are closed that week.
- Many staff take advantage of extending their Christmas/New Year break and
- The additional closure assists annual leave liability management.

Rostered staff will be on call to attend to operational issues (water breaks, breakdowns etc) and for major emergencies key staff will be recalled.

Customers can pay accounts through Australia Post and Bpay facilities.

Notification of the office closure period would be advertised during December.

**Attachments:** Nil

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**15.2.7 CHRISTMAS FUNCTION (G70506005)**

**17/086 RESOLVED** on the motion of Crs McCann and McGlynn that Council host a Christmas function at the conclusion of the December council meeting.

**Report prepared by General Manager**

**BACKGROUND**

Council hosts a Christmas function for Councillors, staff and their families to acknowledge the efforts of employees over the preceding year.

**REPORT**

Council's December meeting is normally held with a Christmas function immediately following its conclusion. Councillors, staff and families are invited to attend.

Details of the function will be provided closer to the date.

Transportation will be arranged for employees outside Temora.



**Attachments:** Nil

**Tabled Items:** Nil

**FINANCIAL IMPACT STATEMENT**

The recommendation does not impact on Council's financial position.

**RECOMMENDATION**

Recommendation made was adopted.

**14. NEXT MEETING**

The next ordinary meeting of Council is scheduled to be held on Friday 22 December 2017 commencing at 1.00pm.

**15. QUESTIONS & STATEMENTS**

*Cr Stadtmiller queried the process for tenders that Goldenfields Water adheres to. The General Manager replied that Goldenfields follows a Procurement Policy and Procedures and briefly explained the process.*

The General Manager suggested a report be provided detailing the process and that the next tender in line with the next Council Meeting be brought to Council to explain weighting etc.

Cr Armstrong suggested the Procurement Policy and Procedure be reviewed by the Audit Risk and Improvement Committee. The General Manager agreed this would be a great item for the committee to consider.

Cr McGlynn would like a better understanding of the history and differences between bulk and reticulated Councils. The General Manager advised that it will be included as part of the workshop early next year.

Councils Auditor, Brad Bohun of Crowe Horwath attended the meeting at 11.00am to present their report on the 2016/17 Financial Statements.

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There being no further business requiring the attention of Council the meeting was closed at 11.25am.

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