



**Edward  
River**  
COUNCIL

**I hereby give notice that an Extraordinary Meeting of Council will be held on:**

**Date: Thursday, 5 November 2020**  
**Time: 10.00am**  
**Location: RFS Building, Macknight Drive,  
Deniliquin**

# **BUSINESS PAPER**

**Extraordinary Council Meeting**

**5 November 2020**

**Philip Stone  
General Manager**



**Order Of Business**

1 **Statement of Purpose**

2 **Acknowledgement of Country** .....

3 **Apologies and Requests for Leave of Absence** .....

4 **Disclosure of Interest** .....

5 **Mayoral Minute(s)** ..... 4

    5.1 Mayoral Minute - Delegation of Appointment of Acting General Manager..... 4

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**5 MAYORAL MINUTE(S)****5.1 MAYORAL MINUTE - DELEGATION OF APPOINTMENT OF ACTING GENERAL MANAGER**

**Author:** Belinda Perrett, Executive Assistant

**Authoriser:** Philip Stone, General Manager

**RECOMMENDATION**

That Council:

Pursuant to section 351(1)(a) of the *Local Government Act 1993*, approve the Director Infrastructure, Mr Oliver McNulty, to act in the role of General Manager during this period of leave by the incumbent, Mr Philip Stone and delegate the powers, authorities, duties and functions as set out in the Instrument of Delegation to the General Manager.

**BACKGROUND**

The role of a council's General Manager is outlined at section 335 of the *Local Government Act 1993* ("the Act"), which provides:

*The general manager of a council has the following functions:*

- (a) to conduct the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the council,*
- (b) to implement, without undue delay, lawful decisions of the council,*
- (c) to advise the mayor and the governing body on the development and implementation of the strategic plans, programs, strategies and policies of the council,*
- (d) to advise the mayor and the governing body on the appropriate form of community consultation on the strategic plans, programs, strategies and policies of the council and other matters related to the council,*
- (e) to prepare, in consultation with the mayor and the governing body, the council's community strategic plan, community engagement strategy, resourcing strategy, delivery program, operational plan and annual report,*
- (f) to ensure that the mayor and other councillors are given timely information and advice and the administrative and professional support necessary to effectively discharge their functions,*
- (g) to exercise any of the functions of the council that are delegated by the council to the general manager,*
- (h) to appoint staff in accordance with the organisation structure determined under this Chapter and the resources approved by the council,*
- (i) to direct and dismiss staff,*
- (j) to implement the council's workforce management strategy,*
- (k) any other functions that are conferred or imposed on the general manager by or under this or any other Act.*

Section 351(1)(a) of the *Local Government Act 1993* ("the Act") provides that if the General Manager is absent or if the position is otherwise vacant, the Council may temporarily appoint someone to act in the role. Under section 351(2) of the Act, a person appointed to a position temporarily may not continue in that position:

- If the holder of the position is on parental leave – for a period of not more than 24 months; or
- In any other case – for a period of more than 12 months.

Under section 377 of the Act, the Council may, by resolution, delegate to the General Manager any of the functions of the Council except for those excluded from delegation by operation of section 377(1) of the Act.

**ISSUE/DISCUSSION**

To enable the administration of Council to operate efficiently and effectively, the Act enables Council to delegate, by resolution, any of its functions to the General Manager, except for those functions set out section 377(1)(a) to (u) of the Act. The appointment of the General Manager is a non-delegable function, meaning that Council is unable to delegate to the General Manager the ability to appoint another Council officer to act in that role.

As such, it is recommended that Council approve Mr McNulty to temporarily act in the role of General Manager during this time of bereavement leave for Mr Stone.

**ATTACHMENTS**

Nil

## 6 REPORTS TO COUNCIL

### 6.1 INVESTMENT REPORT SEPTEMBER 2020

**Author:** Bruce Maunganidze, Financial Accountant

**Authoriser:** Suni Campbell, Director Corporate Services

#### RECOMMENDATION

That Council:

1. Note and receive the September report on Investments totalling \$44,569,339 inclusive of cash at bank for day-to-day operations;
2. Note that actual interest received for the month of September 2020 was \$130,220;
3. Note that accrued interest earned to 30 September 2020 but not yet received was \$109,004;
4. Note the Certificate of the Responsible Accounting Officer and adopt the Investment Report

#### BACKGROUND

The purpose of this report is to update Council on the investment of surplus funds and performance of Council's investment portfolio for the month to 30 September 2020 as required by *Regulation No 264 (Part 19) of the Local Government Act 1993*.

As at 30 September 2020, Council had a total of \$44,569,339 in invested funds. Interest received from investments during the month of September 2020 was \$130,220.

Included in this report are the following items:

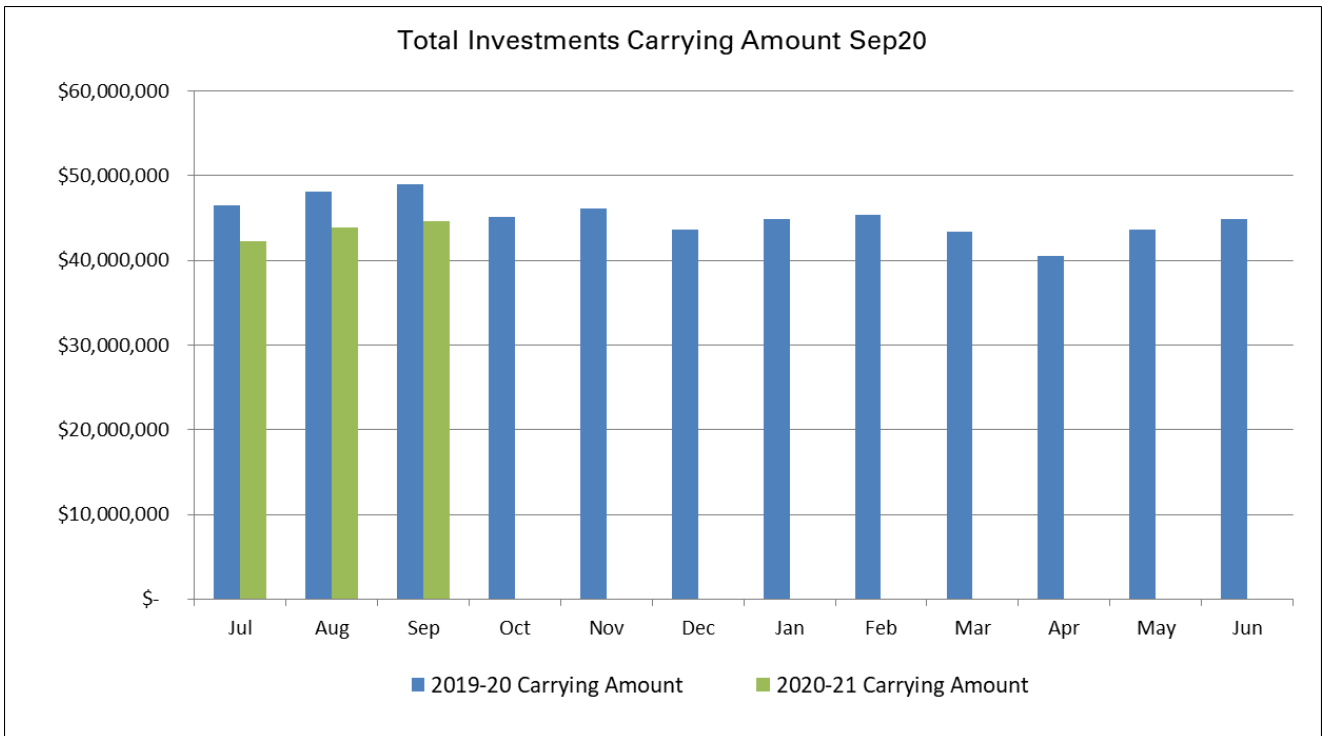
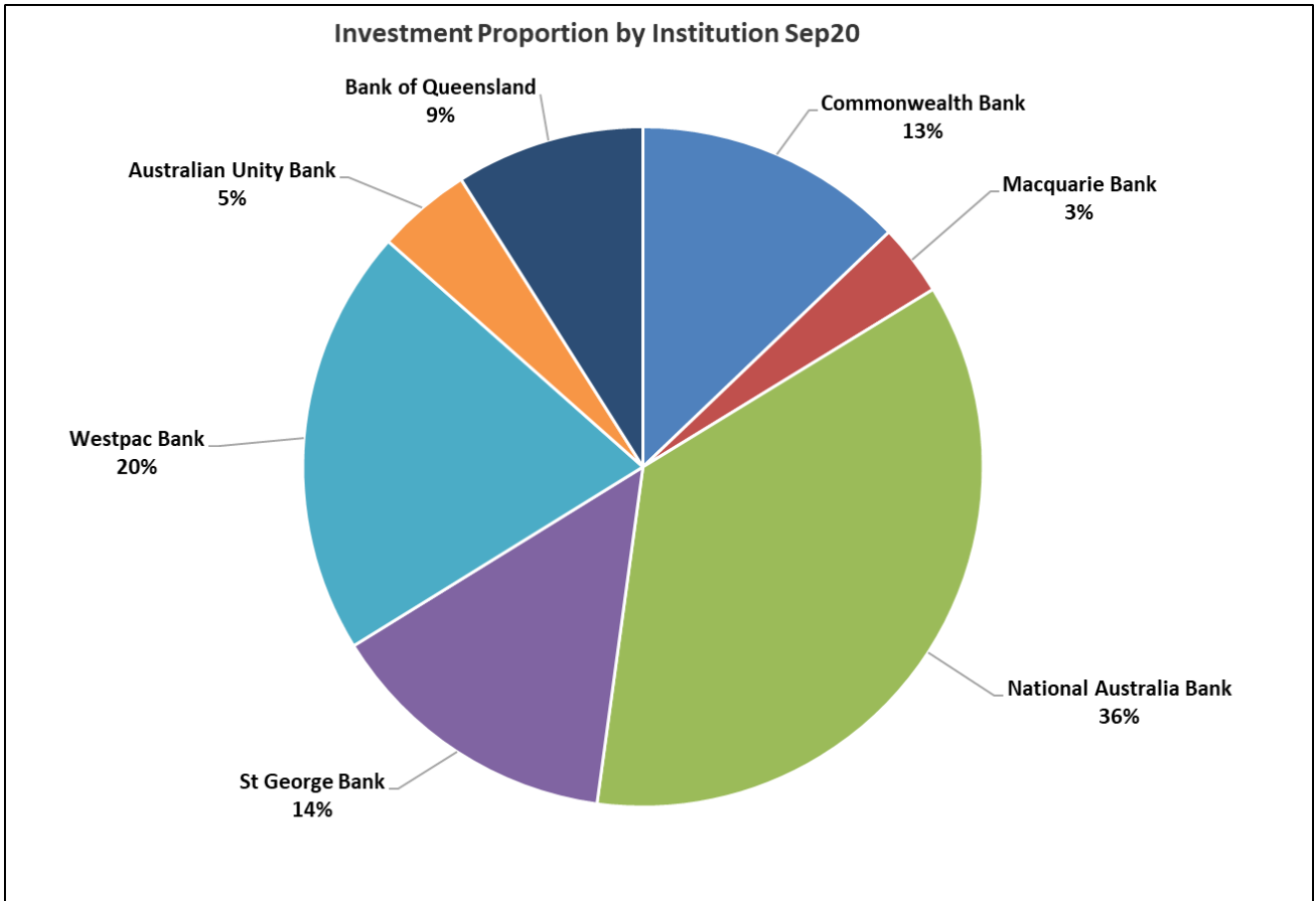
- Council's Investments as at 30 September 2020
- Restrictions Applying to Investment Funds
- Investment Portfolio Performance
- Investment Commentary
- Certification by the Responsible Accounting Officer

#### ISSUE/DISCUSSION

##### **Council's Investments as at 30 September 2020**

As at 30 September 2020, Council had a total of \$44,569,339 in term deposits and cash at bank exclusive of unrepresented receipts or cheques. The details of the investments are included in **Attachment 1** – Investment Register as at 30 September 2020.

Council's funds were invested with A1+, A1 and A2 rated Authorised Deposit Institutions (ADI's) as follows:



The total investments balance continues to show a gradual decline from a peak of around \$49M in September 2019 to \$44.6M in September 2020. This is mainly due to capital expenditure on Merger projects as well as other Council infrastructure projects.

The following term deposits matured during the month:

Financial Institution	Date Invested	Maturity Date	Interest Rate	Amount	Interest Received	Comments
St George	3/09/2019	2/09/2020	1.73%	1,500,000	25,950	Rolled over for 12 months @ 0.85%
Westpac	10/10/2019	10/09/2020	1.53%	1,000,000	14,084	Redeemed, reinvested with St George for 8mths @ 0.70%
Australian Unity	19/12/2019	21/09/2020	1.70%	1,000,000	12,901	Redeemed, reinvested with NAB for 9mths @ 0.72%
Bank Australia	20/12/2019	21/09/2020	1.45%	1,000,000	10,964	Redeemed, reinvested with St George for 8mths @ 0.70%
Bank Australia	20/12/2019	21/09/2020	1.45%	500,000	5,482	Redeemed, reinvested with St George for 8mths @ 0.70%
Westpac	24/09/2019	23/09/2020	1.86%	1,000,000	18,600	Redeemed, reinvested with Westpac for 12mths @0.70%
Westpac	26/09/2019	26/09/2020	1.87%	2,000,000	37,400	Redeemed, reinvested with Westpac for 12mths @0.70%
<b>Total</b>				<b>8,000,000</b>	<b>125,382</b>	

Total funds increased by \$640,631 during the month due to receipt of rates and charges income, partially offset by capital and operational expenditure.

Summary of **cash at bank** for day to day operations:

<b>Cash Summary</b>		<b>Comment</b>
Opening cash book balance	\$ 4,795,173	
Plus receipts	\$ 10,447,121	Term deposit movements, Grants and Rates debtors receipts
Less payments	\$ 10,335,549	Term Deposit movements, Capex and Opex payments
<b>Cash book balance as at 30 September 2020</b>	<b>\$ 4,906,745</b>	
<b>Statement Summary</b>		
Opening statement balance	\$ 4,735,526	
Plus receipts	\$ 10,485,985	Term deposit movements, Grants and Rates debtors receipts
Less payments	\$ 10,349,611	Term Deposit movements, August unrepresented payments, Capex and Opex
<b>Bank statement balance as at 30 September 2020</b>	<b>\$ 4,871,900</b>	
plus Unrepresented receipts	\$ 34,907	30 September receipts not yet presented at bank
less Unrepresented payments	\$ 61	August payments not yet presented at bank
<b>Reconciliation balance as at 30 September 2020</b>	<b>\$ 4,906,746</b>	

### Restrictions Applying to Investment Funds

Total Funds were held between General, Water and Sewer as follows:

<b>Fund Name</b>	<b>Bank and Investments Percentage</b>	
General	\$ 30,699,648	68.88%
Water	\$ 7,995,985	17.94%
Sewer	\$ 5,873,706	13.18%
<b>Total Funds</b>	<b>\$ 44,569,339</b>	<b>100.00%</b>



The following restrictions applied to the cash and investments balance:

### Internal Restrictions

Infrastructure replacement	\$ 2,599,826
Plant replacement reserve	\$ 1,798,670
Recreation reserves/villages	\$ 1,113,000
Other internal reserves	\$ 898,084
Employee entitlements	\$ 692,727
Land Development Fund	\$ 385,000
Airport Development	\$ 187,447
Deposits, retentions and bonds	\$ 447,529
Retirement Living Project	\$ 325,000
Cressy Street Revitalisation	\$ 400,000
Deniliquin Town Hall and Civic Precinct Redevelopment	\$ 412,805

<b>Total Internal Restrictions</b>	<b>\$ 9,260,089</b>
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### External Restrictions

Water supplies fund	\$ 7,995,985
Sewerage services fund	\$ 5,873,706
Tip remediation	\$ 1,300,000
Unexpended Merger funds	\$ 2,907,169
Other unexpended grant funds	\$ 955,773
Library fund	\$ 286,925
Other external reserves	\$ 159,453

<b>Total External Restrictions</b>	<b>\$ 19,479,011</b>
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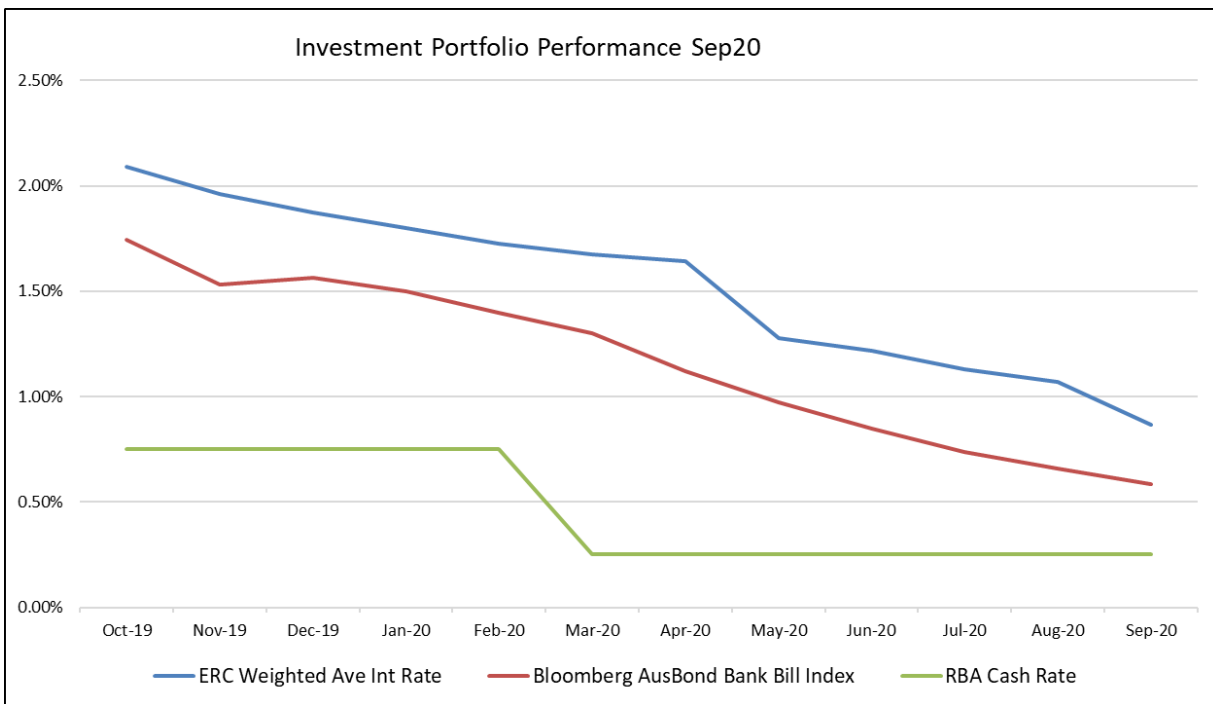
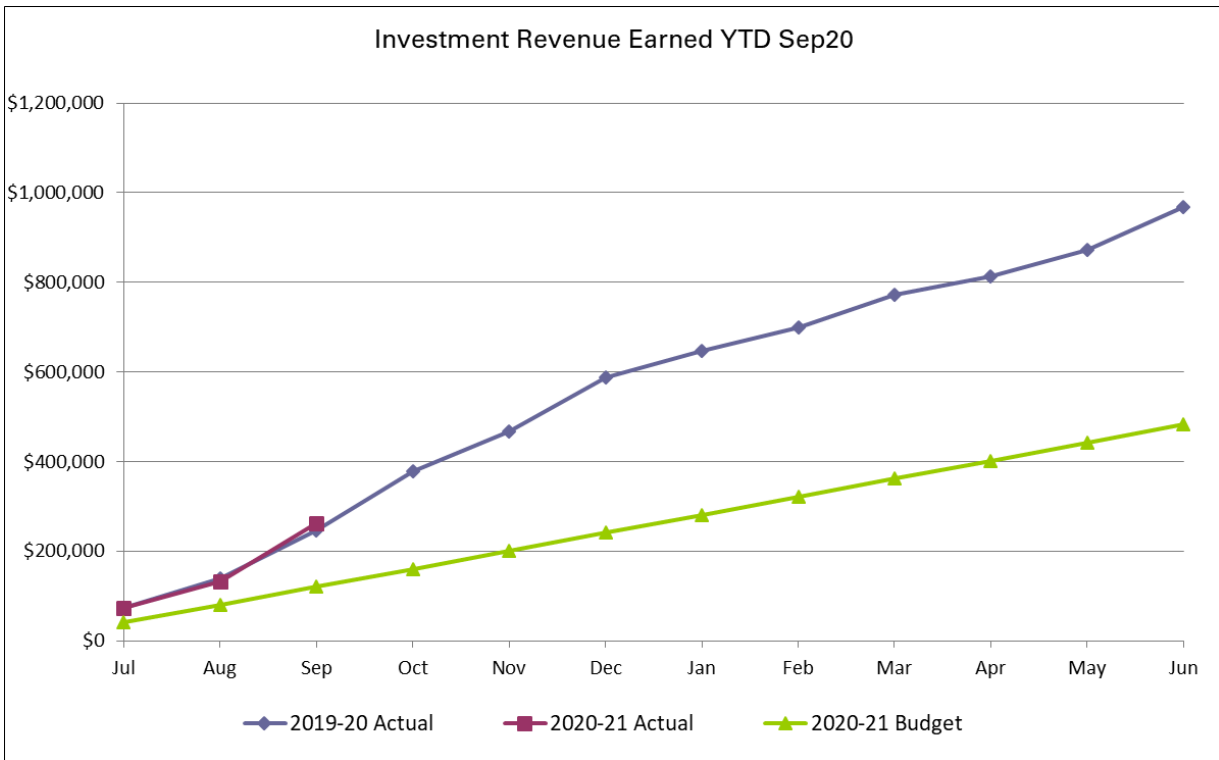
<b>Unrestricted Funds</b>	<b>\$ 15,830,239</b>
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<b>Total Funds</b>	<b>\$ 44,569,339</b>
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A detailed breakdown of the restrictions is provided in **Attachment 2 – Detailed Reserve Balances** as at 30 September 2020.

### Investment Portfolio Performance

Interest received from investments during the month of September 2020 was \$130,220 consisting of \$4,838 from on-call/bank accounts and \$125,382 from term deposits. Year to date interest received to 30 September 2020 was \$263,021 which is 118% above the budget and 7% more than the previous year.



As at 30 September 2020, Council’s weighted average interest rate was 0.87%, which was 0.28% above the Bloomberg AusBond Bank Bill Index implied one-year return of 0.58%. Accrued interest of \$109,004 had been earned to 30 September 2020 but was yet to be received as these investments mature in later months.

**Investment Commentary**

As at 30 September 2020, all investments were within the defined Investment Policy limits. Council’s investment portfolio consisted of term deposits (73%) and cash at bank/ on call (27%), all with less than one year to maturity.

The term deposit market continues to see worsening returns, with the Reserve Bank of Australia (RBA) electing to leave the official cash rate in September at a record low of 0.25%. The low interest climate is therefore set to continue in the medium to long term, which means that as

Council's current investments mature, the interest rate obtainable in the market will be progressively lower. This will have the effect of reducing Council's weighted average interest rate on investments which means less income from investments.

To optimise returns and to reduce exposure to risk, Council is investing surplus funds prudently in authorised financial institutions under current legislation and in accordance with the Council's Investment Policy.

### STRATEGIC IMPLICATIONS

Investments have been made in accordance with Council's investment policy which was adopted on 20 December 2018.

### COMMUNITY STRATEGIC PLAN

This report aligns with Outcome 5 – A community working together to achieve its potential and will assist to achieve the objective 'Our local government is efficient, innovative and financially sustainable'.

### FINANCIAL IMPLICATIONS

Under Council's Investment policy, investments are made with a range of ADI's, with Council funds invested with a single institution not going above a percentage of the total portfolio as follows:

40%	A1+ rated institutions
20%	A1 rated institutions
10%	A2 rated institutions
\$250,000	Unrated authorized deposit taking institutions

The overall portfolio credit framework limits applicable to any credit rating category are as follows:

100%	TCorp/M Funds
100%	A1+ rated institutions
40%	A1 rated institutions
30%	A2 rated institutions
5%	A3 Unrated authorized deposit taking institutions

### LEGISLATIVE IMPLICATIONS

#### **Certification – Responsible Accounting Officer**

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

Amanda Barber  
**Responsible Accounting Officer**

### ATTACHMENTS

1. Investment Register as at 30 September 2020
2. Reserve Balances as at 30 September 2020

Schedule of Investments										
This Report is at date 30-September-2020										
Description	Type	Account No.	Rating at EOM (S&P)	Date Invested	Maturity Date	Days	Rate	Face Value Amount	% of Portfolio	Estimated Interest
Westpac Business Cheque Plus Account	Oncall/ CMT	032-870 16-6545	A1+	N/a	N/a	365	0.00%	161,474	0.36%	Monthly
Westpac 31 Day Notice Account	Oncall/ CMT	032-870 23-2696	A1+	N/a	N/a	365	0.75%	5,910,830	13.26%	Monthly
Commonwealth Bank General Fund	Oncall/ CMT	062-533 000 000 10	A1+	N/a	N/a	365	0.05%	4,710,526	10.57%	Monthly
Commonwealth Bank Business On Line Saver	Oncall/ CMT	062-533 101 511 17	A1+	N/a	N/a	365	0.35%	1,023,103	2.30%	Monthly
Macquarie Bank - Rates	Oncall/ CMT	3005-79778	A1	N/a	N/a	365	0.00%	12,472	0.03%	Monthly
Macquarie Bank - Water	Oncall/ CMT	2643-18940	A1	N/a	N/a	365	0.00%	935	0.00%	Monthly
<b>Total Oncall/ CMT Accounts</b>								<b>11,819,339</b>	<b>26.52%</b>	
<b>Term Deposits</b>										
St George	TD	354775348	A1+	03-Sep-20	03-Sep-21	365	0.85%	1,500,000	3.37%	12,750.00
St George	TD	354032747	A1+	04-Nov-19	03-Nov-20	365	1.57%	1,250,000	2.80%	19,625.00
St George	TD	357226820	A1+	25-Feb-20	03-Nov-20	252	1.50%	1,000,000	2.24%	10,356.16
St George	TD	357735245	A1+	22-Sep-20	22-May-21	242	0.80%	2,500,000	5.61%	13,260.27
Westpac	TD	032-870-24-5462	A1+	26-Sep-20	26-Sep-21	365	0.70%	3,000,000	6.73%	21,000.00
National Australia Bank	TD	083375 999999947 (047140)	A1+	16-Jun-20	16-Oct-20	122	0.83%	1,000,000	2.24%	2,774.25
National Australia Bank	TD	083375 999999947 (047141)	A1+	16-Jun-20	16-Oct-20	122	0.83%	1,000,000	2.24%	2,774.25
National Australia Bank	TD	083375 999999947 (047142)	A1+	16-Jun-20	16-Oct-20	122	0.83%	1,000,000	2.24%	2,774.25
National Australia Bank	TD	083375 999999947 (047143)	A1+	16-Jun-20	16-Oct-20	122	0.83%	1,000,000	2.24%	2,774.25
National Australia Bank	TD	083375 999999947 (047144)	A1+	16-Jun-20	16-Oct-20	122	0.83%	1,000,000	2.24%	2,774.25
National Australia Bank	TD	083375 999999947 (047145)	A1+	16-Jun-20	16-Oct-20	122	0.83%	1,000,000	2.24%	2,774.25
National Australia Bank	TD	083375 999999947 (047146)	A1+	16-Jun-20	16-Oct-20	122	0.83%	1,000,000	2.24%	2,774.25
National Australia Bank	TD	GMI-DEAL-10713076	A1+	24-Jul-20	26-Jul-21	367	0.92%	1,000,000	2.24%	9,250.41
National Australia Bank	TD	GMI-DEAL-10713973	A1+	30-Jul-20	30-Jul-21	365	0.85%	2,000,000	4.49%	17,000.00
National Australia Bank	TD	GMI-DEAL-10717570	A1+	18-Aug-20	18-Feb-21	184	0.70%	1,500,000	3.37%	5,293.15
National Australia Bank	TD	35-071-3705	A1+	25-Aug-20	25-Jun-21	304	0.75%	2,000,000	4.49%	12,493.15
National Australia Bank	TD	75-932-6938	A1+	31-Jul-20	30-Jul-21	364	0.85%	1,500,000	3.37%	12,715.07
National Australia Bank	TD	91-240-9706	A1+	11-Sep-20	10-Jun-21	272	0.72%	1,000,000	2.24%	12,716.07
Macquarie Bank	TD	304516123	A1	01-Apr-20	01-Apr-21	365	1.70%	1,500,000	3.37%	25,500.00
<b>Total A1+ Deposits</b>	TD							<b>26,750,000</b>	<b>60.02%</b>	
Bank of Queensland	TD	046102	A2	06-May-20	05-Nov-20	183	1.45%	1,000,000	2.24%	7,269.86
Bank of Queensland	TD	046103	A2	06-May-20	05-Nov-20	183	1.45%	1,000,000	2.24%	7,269.86
Bank of Queensland	TD	046104	A2	06-May-20	05-Nov-20	183	1.45%	1,000,000	2.24%	7,269.86
Bank of Queensland	TD	046105	A2	06-May-20	05-Nov-20	183	1.45%	1,000,000	2.24%	7,269.86
Australian Unity Bank	TD	083-01854-5526	A2	19-Mar-20	19-Mar-21	365	1.70%	2,000,000	4.49%	34,000.00
<b>Total A2 Deposits</b>								<b>6,000,000</b>	<b>13.46%</b>	
<b>Weighted Average Interest Rate</b>							<b>0.87%</b>	<b>44,569,339</b>	<b>100.00%</b>	<b>254,458.47</b>

<b>ERC Detailed Reserves Balances</b>	<b>30/09/2020</b>
<b>EXTERNAL RESERVES</b>	
Developer Contributions - General	39,485
Specific Purpose Unexpended Grants	955,773
Water Supplies	7,995,985
Sewerage Services	5,873,706
Domestic Waste Management	1,300,000
Merger Operational	413,700
Merger Stronger Communities	2,493,468
Conargo Milestones/Interpretative	37,287
Conargo Oval M&R	20,000
Deniliquin Band Committee	21,219
Deniliquin Community Gardens	2,967
EPA Waste	35,915
Library Reserve	286,925
Regional Arts	2,580
<b>Total External Restrictions</b>	<u><u>19,479,011</u></u>
<b>INTERNAL RESERVES</b>	
Plant Replacement	1,798,670
Infrastructure Replacement	2,599,826
Employees Leave	692,727
Deposits, retentions and bonds	447,529
Airport Industrial Land	50,000
Asset Management	14,000
Airport Runway Development	187,447
Blighty Power Upgrade	70,000
Building Maintenance	50,000
Cemetery Upgrade	9,000
Depot office & gates upgrade	41,000
Dog Trail	3,000
Election Reserve	12,312
Fencing Conargo	7,000
Gravel Pits	14,000
Human Resources	17,674
Internal Audit	6,000
Land Development	385,000
Landscaping plan	90,000
Merger Grant - Ute Muster	-
Recreation Reserves/Villages (Landscaping Plans)	1,113,000
Risk Management	44,686
Wanganella Community Hall	5,000
Shire Entrance Signs	5,000
Tourism/Industry Promotion	13,000
Town Planning Plan, Surveys & Studies	102,662
Waste Facilities	63,300
Water Supply Network	57,000
Website Development	1,750
Booroorban Truck Layby	50,000
Rural Village Signage Program	15,000
Retirement Living Project	325,000
Conargo Hall Refurbishment	70,000
Conargo and Pretty Pine Rural Landfills	86,700
Cressy Street Revitalisation	400,000
Deniliquin Town Hall and Civic Precinct Redevelopment	412,805
<b>Total Internal Restrictions</b>	<u><u>9,260,089</u></u>
<b>Total Restrictions</b>	<u><u>28,739,100</u></u>

**7 CLOSE OF MEETING**