



BUSINESS PAPER

Ordinary Meeting of Council

to be held at

Council Administration Centre

180 Mort Street, Lithgow

on

Monday 24 May 2021

at 7:00 PM

ORDER OF BUSINESS

1. Acknowledgement of Country	4
2. Present	4
3. Apologies	4
4. Declaration of Interest	4
5. Confirmation of Minutes.....	4
6. Commemorations and Announcements	4
7. Public Forum.....	4
8. Mayoral Minutes.....	4
9. Notices of Rescission.....	5
9.1. Notice of Rescission - 24/05/2021 - Proposed sale of industrial parcel of land in Inch Street Lithgow	5
10. Staff Reports	7
10.1. Economic Development and Environment Reports.....	7
10.1.1. Building and Development.....	7
10.1.1.1. ECDEV - 24/05/2021 - DA017/21 - 4 Forest Ridge Drive Wallerawang - Release from Private Covenant.....	7
10.1.1.2. ECDEV - 24/05/2021 - Modification of Development Application and Voluntary Planning Agreement DA021/18.....	8
10.1.2. Economic Development & Environment General Reports	12
10.1.2.1. ECDEV - 24/05/2021 - Crown Land Abutting Boundary of Blue Mountains and Lithgow...	12
10.1.2.2. ECDEV - 24/05/2021 - Proposed Transfer of Cullen Bullen Hall to Council	14
10.1.2.3. ECDEV - 24/05/2021 - Road Naming - The Late Rae Swift.....	17
10.1.2.4. ECDEV - 24/05/2021 - Proposed lease to Lithgow Golf Club Limited	19
10.2. Finance and Assets Reports	22
10.2.1. FIN - 24/05/2021 - Local Government Remuneration Tribunal Determination 2021	22
10.2.2. FIN - 24/05/21 - 2020/21 Quarter Three Budget Review	25
10.3. People and Services Reports	31
10.3.1. PS - 26/04/2021 - World War Two Artillery Gun.....	31
10.3.2. PS - 26/04/2021 -Centennial Coal Community Contribution	34
10.3.3. PS - 24/05/2021 Community Recovery Officer Quarterly Report.....	37
10.4. Policies and Governance.....	41
10.4.1. FIN - 24/05/21 - Policy 9.2 - Fraud & Corruption Control Policy.....	41
11. Council Committee Reports.....	42
11.1. ECDEV - 24/05/2021 - Environmental Advisory Committee Minutes 14 April 2021....	42
11.2. PS - 24/05/2021 - Youth Advisory Committee Meeting Minutes - 19 April 2021	43
11.3. FIN - 24/5/2021 - Finance Committee Meeting Minutes - 19 April 2021	44
11.4. IS - Operations Committee Meeting Minutes - 5 May 2021	46

11.5. IS - TALC Committee Meeting Minutes - 6 May 2021	48
11.6. FIN - 24/5/21 - Finance Committee Meeting Minutes - 10 May 2021	50
12. Business of Great Urgency	52
13. Closed Council.....	53
13.1. CLOSED REPORT - ECDEV - 24/05/2021 - Offer of Land to Council.....	53

1. Acknowledgement of Country

Acknowledgement of Country

I would like to acknowledge the traditional custodians of this land we are on here today, and pay respect to their elders both past, present and emerging.

Declaration of Webcasting

I inform all those in attendance at this meeting, that the meeting is being webcast and that those in attendance should refrain from making any defamatory statements concerning any person, Councillor or employee, and refrain from discussing those matters subject to Closed Council proceedings as indicated in clause 14.1 of the code of meeting practice.

2. Present

3. Apologies

4. Declaration of Interest

5. Confirmation of Minutes

6. Commemorations and Announcements

7. Public Forum

8. Mayoral Minutes

9. Notices of Rescission

9.1. Notice of Rescission - 24/05/2021 - Proposed sale of industrial parcel of land in Inch Street Lithgow

Report by Councillor Deanna Goodsell
Councillor Ray Thompson
Councillor Steve Ring

Commentary

We hereby give notice of the following motion of rescission:

“That Council’s resolution 21-58:

That Council:

1. Approve the sale of Lot 55, as outlined in this report, by competitive process.
2. Grant approval to instruct Le Fevre & Co to prepare a contract for sale of land and to act on Council’s behalf in respect of the legal aspects of the sale of Lot 55.
3. Authorise the General Manager to execute all documents necessary to facilitate the sale of Lot 55 and the application of a new certificate of title if required.
4. After legal fees are deducted from the sale proceeds, the remainder goes towards the Council’s cleaning costs.

passed at the meeting of the Council held 22 February 2021 be rescinded.

The following be foreshadowed in the event that the Council rescind resolution 21-58:

THAT Council:

Subject to locating the original certificate of title or successfully applying for a new certificate of title from NSW Land Registry Services:

1. Approve the sale of Lot 55 to Hanson Construction Materials Pty Ltd, for \$60,000 plus GST.
2. Grant approval to instruct Le Fevre & Co to prepare a contract for sale of land and to act on Council’s behalf in respect of the legal aspects of the sale of Lot 55.
3. Authorise the General Manager to execute all documents necessary to facilitate the sale of Lot 55 and the application of a new certificate of title if required.

Attachments

1. Notice of Rescission - Signed by three councillors [9.1.1 - 1 page]

Recommendation

That Council’s resolution 21-58:

That Council:

1. Approve the sale of Lot 55, as outlined in this report, by competitive process.
 2. Grant approval to instruct Le Fevre & Co to prepare a contract for sale of land and to act on Council’s behalf in respect of the legal aspects of the sale of Lot 55.
 3. Authorise the General Manager to execute all documents necessary to facilitate the sale of Lot 55 and the application of a new certificate of title if required.
-

4. After legal fees are deducted from the sale proceeds, the remainder goes towards the Council's cleaning costs.

passed at the meeting of the Council held 22 February 2021 be rescinded.

10. Staff Reports

10.1. Economic Development and Environment Reports

10.1.1. Building and Development

10.1.1.1. ECDEV - 24/05/2021 - DA017/21 - 4 Forest Ridge Drive Wallerawang - Release from Private Covenant

Prepared by Emma Byers - Development Planner
Department Economic Development & Environment
Authorised by Paul Cashel

Item has been withdrawn from the agenda.

10.1.1.2. ECDEV - 24/05/2021 - Modification of Development Application and Voluntary Planning Agreement DA021/18

Prepared by Paul Cashel – Development Manager
Department Economic Development and Environment
Authorised by Andrew Muir

Property Details Lot 1 DP 1230208, Lot 4 DP 1230208 and Lot 2 DP 1049398
43 Hillcrest Avenue, 13A Thornton Avenue and 994 Great
Western Highway, Bowenfels

Property Owner Noel Flynn

Applicant James Flynn

Reference

Min No 18 – 279: Ordinary Meeting of Council held on 29 October 2018 - DA021/18 - 86 Lot Residential Subdivision & Draft Planning Agreement, 43 Hillcrest Avenue, Bowenfels - *APPROVED*.

Min No 21 – 80: Ordinary Meeting of Council held on 22 March 2021 – Draft Voluntary Planning Agreement – MOD039/19 – 1 lot into 86 subdivision Lot 1 DP 1230208 – 43 Hillcrest Ave Bowenfels wherein the Council resolved *THAT*:

1. *Council endorse the Draft Voluntary Planning Agreement proposed by Noel Flynn for MOD039/19 being for \$275,200 in total being \$3,200 per residential lot to go towards public infrastructure.*
2. *The Draft Voluntary Planning Agreement for MOD039/19 be placed on public exhibition for a period of 28 days.*
3. *If no submissions are received, the General Manager be delegated authority to finalise and execute the Voluntary Planning Agreement.*
4. *If submissions are received, the matter be reported back to Council.*

Summary

- To finalise the Voluntary Planning Agreement (VPA) for MOD039/18 - subdivision 1 into 86 at 43 Hillcrest Avenue, Bowenfels NSW 2790,
- Recommend approval of the accompanying Modification of Consent Application, and
- Advise Councillors of a proposed Deed of Agreement with Transport for New South Wales (TfNSW).

Commentary

The Council would be aware of the background to this matter from a report to its Ordinary meeting of 22 March 2021. As it stands this report seeks to finalise the modification of development consent for or a subdivision of 1 lot into 86 at 43 Hillcrest Avenue, Bowenfels and a subsequent Voluntary Planning Agreement. The modification application had sought the deletion of conditions of consent that require certain works to occur prior to the release of the Stage 2 Subdivision Certificate. The works include:

- *A linkage road is to be constructed linking Col Drewe Drive to James O'Donnell Drive.*

- *Right turn and cross flow vehicular movements from Rabaul Street and James O'Donnell Drive into and/or across the Great Western Highway are to be prevented by way of signage and concrete islands.*

The deletion of the condition regarding the link road was not supported by Roads and Maritime Services (now Transport for NSW) who were pivotal to the negotiation of the condition on the original consent which was agreed to by the applicant at that time. The provision of the link road is imperative but apportioning the costs with another developer was the major challenge. In an attempt to resolve the matter, Council wrote to the applicant on 24 April 2020 suggesting a VPA as an acceptable alternative way to consider approval of the modification application. Instead however, the applicant lodged an Appeal to the Land and Environment Court. Transport for NSW subsequently joined the proceedings. Following a Conciliation Conference and subsequent negotiations, the applicant proposed an offer for an additional Voluntary Planning Agreement on 25 February 2021 for the following:

- The developer shall:
 - pay an amount of \$275,200 being \$3,200 for each of the 86 residential lots created, to go towards Council's provision of a link road between James O'Donnell Drive and Col Drew Drive, Bowenfels; and
 - Install a concrete island and "No Right Turn" signage on the James O'Donnell Drive approach to the Great Western Highway.
- The payment is to be paid and intersection works are to be completed prior to the release of the subdivision certificate for the 21st lot to be created under DA021/18.

The draft VPA was placed on public exhibition for a period of 28 days in accordance with statutory requirements. Two submissions were received during the public exhibition period.

One submission stated a concern that future residential subdivision in the Hillcrest area could stall aside from another 20 lots. However, it was generally in support of the VPA as the link road is considered critical as the area develops further (development consent has been granted for 220 new lots with the potential for more).

The second submission is essentially strongly opposed to the installation of a no-right-turn restriction and generally does not support traffic control by TfNSW to be managed in this fashion. This submission goes further to state that the condition of the James O'Donnell Drive intersection is currently unsatisfactory and traffic lights or another improved treatment should be installed. The link road is supported, however it is considered necessary that traffic lights at Col Drewe Drive are associated with this work.

Comment:

One of the main arguments in the Appeal proceedings has been the need for the subject developer to construct a link road at all. TfNSW have long argued this to be the case based on traffic generation and Council could not disagree with this logic. TfNSW advised in 2018 that it would not support developer funded traffic lights at James O'Donnell Drive and that they would commit to the installation of lights at Col Drewe Drive. No time frame has been supplied for this to occur. TfNSW are the controlling authority for the Great Western Highway.

The receipt of public submissions has reinforced concern that the link road will not be constructed prior to the installation of a no-right-turn restriction from James O'Donnell Drive onto the Great Western Highway. In this regard it is considered prudent to adjust the timing of the no-right-turn construction to the 30th lot. This timing is consistent with other adjacent development approvals, allows sufficient time for the Council to construct the link road first and continues to tie the requirement to a Subdivision Certificate - being considered the best and clearest method to achieve this commitment from the developer. Critically to the local community, the link road would be constructed to access Col Drewe Drive prior to denial of right hand turns from James O'Donnell Drive.

The draft VPA can now be endorsed by the Council for execution. Once endorsed, the VPA can be finalised with the developer and notified to the NSW Department of Planning, Industry and Environment. A copy of this revised agreement is provided in Attachment 1.

The Modification Application essentially comprises the corresponding deleted conditions to tie in with the additional VPA (which replaces those requirements). The assessment report is Attachment 2.

Policy Implications

Policy 7.8 – Voluntary Planning Agreements applies. A Voluntary Planning Agreement (VPA) has been negotiated with the applicant/developer in accordance with Section 7.4 of the Environmental Planning & Assessment Act 1979 in relation to DA021/18. The VPA has been advertised as required and is ready for final endorsement by the Council. In accordance with this Policy, the VPA is to be reported to the Council for final endorsement following public exhibition.

Financial Implications

- Budget approved - N/A
- Cost centre – Planning legal
- Expended to date – approximately \$25,000 legal costs have been incurred to date in responding to the applicant's appeal.
- Future potential impact - The endorsement of this VPA will assist Council to provide facilities which will be of benefit towards a public purpose; in particular, to allow for the provision of infrastructure (the need for which is being generated by the development) for public use within the Lithgow Local Government Area. If this does not occur, the cost would inevitably be borne by Council and all ratepayers.

Legal and Risk Management Implications

The legislative basis for the Planning Agreement is incorporated in the Environmental Planning and Assessment Act 1979 (EP&A Act) (Sections 7.4 – 7.10) and the Environmental Planning and Assessment Regulations 2000 (Clauses 25B – 25H). Section 7.5 of the EP&A Act provides that public notice must be given of a proposed Planning Agreement for at least 28 days before it can be entered into.

It should be noted that Transport for New South Wales have requested that the Council enter into a Deed of Agreement which will see the Council construct the link road at a specified time (yet to be finally negotiated) but sometime prior to the construction of 20 new dwellings upon the subject site. The General Manager has delegation to sign the agreement once its terms are finally settled between the parties.

It should be noted that this matter is still before the Court. The developer has very recently requested the vacation of the hearing dates with no order as to costs. Council's solicitors, under instruction, have agreed to this course. There was justification for this matter to be considered in confidential session pursuant to Section 10A(2) of the Local Government Act 1993, however as the matter includes responses to submissions on a draft Voluntary Planning Agreement and a involves the modification of a Development Application for a major subdivision, there is a greater public interest served by reporting to Council in open session. It is anticipated that upon approval of the modification application and BPA as recommended, that the appeal will be discontinued.

Pecuniary Interest

A pecuniary interest was declared by a Customer Service employee being the wife of the applicant.

Attachments

1. DRAFT Voluntary Planning Agreement and Explanatory Note [**10.1.1.2.1** - 12 pages]
2. Planning Assessment Report Modification to DA021/18 MOD039/20 [**10.1.1.2.2** - 6 pages]

Recommendation

THAT

1. Council endorse the Voluntary Planning Agreement proposed by Noel Flynn for MOD039/19 being for \$275,200 in total being \$3,200 per residential lot to go towards public infrastructure.
2. The Voluntary Planning Agreement, upon endorsement by both parties, be forwarded to the Minister for Planning, Industry and Environment.
3. The Modification Application be approved in accordance with Schedule A of Attachment 2.
4. A DIVISION be called in accordance with the requirements of Section 375A(3) of the Local Government Act, 1993.

10.1.2. Economic Development & Environment General Reports

10.1.2.1. ECDEV - 24/05/2021 - Crown Land Abutting Boundary of Blue Mountains and Lithgow

Prepared by Sandra Politi - Land Use & Property Officer
Department Economic Development & Environment
Authorised by Director of Economic Development & Environment

Summary

The purpose of this report is to inform Council of a request by Blue Mountains City Council to be appointed the Crown Land Manager, under the *Crown Land Management Act 2016*, of certain parcels of Crown Land that are located in Lithgow LGA.

Commentary

Blue Mountains City Council (**BMCC**) is seeking to be appointed the Crown Land Manager of certain parcels of Crown Land that abut the Blue Mountains and Lithgow LGA boundary. Some of the parcels of Crown Land are located on the Blue Mountains side of the boundary and others are located on the Lithgow side.

The *Crown Land Management Act 2016* provides that "A local council may only be appointed as the Crown land manager of dedicated or reserved Crown land that is wholly or partly within the local government area of another local council **with the consent of the other council**" (s. 3.3(5)).

BMCC is requesting Council's consent to its appointment as Crown Land Manager of the parcels of Crown Land that are located on the Lithgow side of the boundary, which are listed below and identified with a red star on the map attached to this report:

Crown Land parcels within Lithgow LGA	Address	Present status
Lot 370 in DP41332	Hartley Vale Road, Hartley Vale	Presently in the care and control of Crown Lands department
Lot 125 in DP751644	Hartley Vale Road, Hartley Vale	Forms part of Crown Reserve 65094, LCC is presently the Crown Land Manager. Reserve is bushland and therefore not actively managed
Lot 7010 in DP92868	Hartley Vale Road, Hartley Vale	Forms part of Crown Reserve 65094, LCC is presently the Crown Land Manager. Reserve is bushland and therefore not actively managed
Lot 372 in DP41332	Hartley Vale Road, Hartley Vale	Presently licensed by Crown Lands to private individuals
Lot 3 in DP820928	Hartley Vale Road, Hartley Vale	Presently licensed by Crown Lands to private individuals
Lot 99 in DP751644	151 Mount York Road, Mount Victoria	Forms part of Crown Reserve 52033, BMCC is the corporate trustee and is seeking to be appointed the Crown Land Manager
Lot 12 in DP1187573	6-8 Great Western Highway, Mount Victoria	Forms part of Crown Reserve 52037, BMCC is the corporate trustee and is seeking to be appointed the Crown Land Manager

Lot 140 in DP751644	Mount York Road, Little Hartley	Forms part of Crown Reserve 52037, BMCC is the corporate trustee and is seeking to be appointed the Crown Land Manager
Lot 150 in DP751644	Mount York Road, Little Hartley	Forms part of Crown Reserve 52037, BMCC is the corporate trustee and is seeking to be appointed the Crown Land Manager
Lot 151 in DP751644	Mount York Road, Little Hartley	Forms part of Crown Reserve 52037, BMCC is the corporate trustee and is seeking to be appointed the Crown Land Manager
Lot 152 in DP751644	Mount York Road, Little Hartley	Forms part of Crown Reserve 52037, BMCC is the corporate trustee and is seeking to be appointed the Crown Land Manager
Lot 153 in DP751644	Mount York Road, Little Hartley	Forms part of Crown Reserve 52037, BMCC is the corporate trustee and is seeking to be appointed the Crown Land Manager
Lot 7312 in DP1162830	Mount York Road, Little Hartley	Forms part of Crown Reserve 52037, BMCC is the corporate trustee and is seeking to be appointed the Crown Land Manager
Lot B in DP438013	Mount York Road, Little Hartley	Presently in the care and control of Crown Lands department
Lot 2 in DP2941	Mount York Road, Little Hartley	Presently in the care and control of Crown Lands department

Historically, BMCC has managed this land by formal appointment as corporate trustee or other agreement between the parties. Many of the parcels are included in the Mt York Reserve plan of management, prepared by BMCC in 2008 in consultation with Lithgow City Council and the Crown Lands department.

Recent internal enquiries indicate that Council has no infrastructure assets on the listed parcels of Crown Land and does not spend any money on maintaining any of the above listed lots, other than the local public roads that run through them being Hartley Vale Road and Waltons Road. As public roads do not form part of Crown Land, the roads will remain the responsibility and management of Lithgow City Council.

Policy Implications

Nil

Financial Implications

- Budget approved - NA
- Cost centre - NA
- Expended to date - Nil
- Future potential impact - Nil

Legal and Risk Management Implications

Nil

Attachments

1. Map - Crown Land lots in Lithgow abutting LGA boundary [10.1.2.1.1 - 1 page]

Recommendation

THAT Council provide the necessary consent for Blue Mountains City Council to be appointed the Crown Land Manager of the parcels of Crown Land in Lithgow LGA listed in this Council report.

10.1.2.2. ECDEV - 24/05/2021 - Proposed Transfer of Cullen Bullen Hall to Council

Prepared by Sandra Politi - Land Use & Property Officer

Department Economic Development & Environment

Authorised by Director of Economic Development & Environment

Reference

Minute No. 19-281 Ordinary Meeting of Council held on 23 September 2019.

Minute No. 20-27 Ordinary Meeting of Council held on 29 January 2020.

Summary

At the 29 January 2020 meeting, Council resolved:

20 -27 RESOLVED

THAT Council:

1. Authorise the General Manager to continue to progress negotiations with Cullen Bullen Progress Association with regard to Council taking ownership of Cullen Bullen Progress Hall from 1 July 2021.
2. Include financial assistance of \$6,605 (partly applied as a general rates rebate) to Cullen Bullen Progress Association in the draft 2020/21 budget for consideration as part of Council's budget deliberations.
3. Note that a future report will be provided when negotiations to transfer the Cullen Bullen hall site to Council have progressed.

The purpose of this report is to request Council's approval to accept a transfer of the Cullen Bullen Hall, and the land on which it is located, from the Cullen Bullen Progress Association (**Association**) and, if approved, to classify the land as "community" under the *Local Government Act 1993*.

Commentary

The Property

The Cullen Bullen Hall is located on Lot 1 in DP944657 and Lot 1 in DP302241 at 37-39 Castlereagh Highway, Cullen Bullen, and has a land size of 1,738.80 m² (**the Property**). For identification purposes, a page showing images of the location of the Property is attached to this report.

Background of the matter

The title documents of the Property indicate that the Association has been the beneficial owner of the Property since about 1914. In July 2019, the Association notified Council that it would not remain viable for the association to maintain the hall into the future and asked that Council take over responsibility of the Cullen Bullen Hall.

The matter was reported to Council at the Ordinary Meeting on 23 September 2019, and Council resolved to

1. Authorise the General Manager to progress negotiations with Cullen Bullen Progress Association with regard to Council taking responsibility for Cullen Bullen Progress Hall.
2. Note that negotiations with Cullen Bullen Progress Association would include resolution of queries raised in the Association's letter of 12 August 2019 and discussions on the transfer of ownership of the hall building to Council.

At the Ordinary Meeting of Council on 29 January 2020, it was reported that Council Officers had responded to the queries raised in the Association's letter of 12 August 2019 and that negotiations

were continuing regarding Council taking over responsibility and ownership of the hall from July 2021.

Should Council grant approval to accept a transfer of the Property to Council, it is anticipated that settlement would occur in mid-July 2021.

Cost implications of transfer

At the meeting on 23 September 2019, the cost implications of a transfer of the Property to Council were reported, as follows:

The estimated recurring costs to Council should Council take ownership of the Property, are:

- Building maintenance - \$5,000 to \$10,000 p.a. (variable depending on need).
- Council rates and annual charges - \$1,079 p.a.
- Water rates - \$215 p.a.

It was also reported that there may be costs associated with connection to the Cullen Bullen Sewer Scheme project, depending on the option chosen for the scheme. There will be recurrent sewer charges once sewer is connected.

The costs would be partly offset by income from hall hire fees, which would be consistent with similar Council owned halls. Hire fees would include a Charity / Community / Resident Function rate which would be set at 50% of the commercial hire fee. As with other Council venues, fee waivers would be considered upon application.

Progress of negotiations

The Association has offered to transfer the Property to Council for \$1 on the condition that the Property is classified "community" (to ensure it is held for community purposes) and Council pays all legal fees in respect of the transfer. If approved, it is envisaged that the transfer will occur in mid-July 2021.

Recommendation

The Association's longstanding commitment to the Cullen Bullen community is to be commended, and the news that the Association can no longer manage the hall, is a significant loss to the local community.

The Association has indicated that the hall is the focal point of the village and is regularly used for funerals and other functions, which demonstrates a need for the hall in Cullen Bullen.

Notwithstanding the above, this Council will need to critically review its capacity to own and maintain current building assets. For each building asset the community benefit return will need to be weighed against costs and the direction of funds to these assets in lieu of other needs. If Council acquires this building then it should be drawn into this broader review.

On balance, and again acknowledging that the building will be drawn into the above-mentioned later review, it is recommended that Council accept the Association's offer to transfer the Property to Council, and that the Property be classified "community".

Policy Implications

Nil.

Financial Implications

- Budget approved – \$8,109 financial assistance for insurance costs.

- Cost centre – TBA
- Expended to date – \$8,109.
- Future potential impact – legal fees on transfer, Council will have to budget for recurrent asset maintenance and future renewal as well as other costs of operating Cullen Bullen Progress Hall. Costs will be partly offset by revenue from hall hire fees. Council would also be accepting a depreciable building asset.

Legal and Risk Management Implications

Should Council resolve to take responsibility and ownership for the Property, risks would need to be managed consistent with Council's risk management framework.

Attachments

1. Site images - Cullen Bullen Progress Hall [10.1.2.2.1 - 2 pages]

Recommendation

THAT Council:

1. Grant approval to accept a transfer of the Property to Council, as outlined in this report, including the payment of legal fees associated with the transfer.
2. Instruct Le Fevre & Co Solicitors to complete all legal work in respect of the transfer.
3. Authorise the General Manager to sign all documents and complete all actions necessary to give effect to the transfer.
4. Classify the Property as "community" under the *Local Government Act 1993*.

10.1.2.3. ECDEV - 24/05/2021 - Road Naming - The Late Rae Swift

Prepared by Andrew Muir – Director Economic Development and Environment

Department Economic Development & Environment

Authorised by Director of Economic Development & Environment

Reference

Min No. 19-338 - Ordinary Meeting of Council - 25 November 2019

Min 20-226 Ordinary Meeting of Council – 23 November 2020

Summary

To provide Council with an update on efforts to name a section of roadway in honour of the late Rae Swift.

Commentary

The Council will recall this matter which date backs to the Ordinary Meeting of 25 November 2019, Council resolved to name a section of laneway located between Rifle Parade and Enfield Avenue, Lithgow, as Rae Swift Lane. However, during the process the Geographical Names Board rejected the proposed name as placing a Christian name and surname in a Road name is outside the Road naming guidelines. It was pointed out that there are numerous examples in the Lithgow local government area where this has occurred and an appeal was lodged to the original decision. However, the rejection was upheld with the following advice received:

“The road name does not meet the principles of the NSW AUM: 6.7.5 Acceptable Road Names – the use of given or first names in conjunction with a surname is not acceptable for road naming. Council have not demonstrated that the principles in the AUM have been incorrectly interpreted.”

Advice was subsequently sought from GNB as to the process if Council wished to object further and it was advised that representations could be made to the relevant minister. The above scenario was discussed with a representative of the family of the late Rae Swift looking at what options might be available. During these discussions one option that did arise was the possible naming of the section of road between the Jim Robson Aquatics Centre and the adjacent car parking area. See plan below.



At its Ordinary Meeting of 23 November 2020 the Council resolved:

That Council request approval from the NSW Minister for Roads to name the section of road between the Jim Robson Aquatic Centre and the adjacent carpark, Rae Swift Avenue, as it provides a meaningful tribute to the late Rae Swift and there are many other examples of road names in the LGA that include both Christian and Surnames.

Correspondence was forwarded to the Minister for Roads, the honourable Andrew Constance on both 11 December 2020 and 23 February 2021 with no response received. Subsequently on 11 March 2021 correspondence was forwarded to Member for Bathurst Paul Toole seeking his assistance to further the request. A response was subsequently received from Mr Toole in his capacity as Minister for Regional Transport and Roads indicating that Transport for New South Wales had contacted GNB and was informed due to their already being a Ray's (Sic) Crescent within a 5 km radius of the nominated laneway, the submission was rejected. However, the GNB advised that if Council and Mrs Swift's family would like to proceed they may submit an application for Swift Lane as there is not another Swift Lane in the Lithgow LGA and meets the GNB's criteria. A departmental contact was provided and further discussions were held as there appeared to be a significant misunderstanding, particularly as the issue of Ray's Crescent had not been raised previously. Furthermore, there had never been any suggestion that the matter be referred back to the geographical names board but rather the Minister intervene and use his powers to approve a name outside the provisions of the State governments address policy and user manual. However, despite further verbal representations on Council's behalf the geographical names board declined to review their position.

Certainly, the situation at its stands is not satisfactory when compared to previous examples of some road names in the city. . It is disappointing that an attempt to honour a stalwart of the sporting community is not allowed where roads in the vicinity, ie Fred Burley Drive and George Coates Avenue already contravene the current rules. Furthermore, Ray's Crescent (actually Ray Crescent) is at an entirely different locality and the two road names could not be confused. It appears that government policy has changed since those roads were named. Council has now made numerous representations which have been denied. There is no further action available to council.

The Swift family have asked that Council assist in making further representations. In this regard it is suggested that if they wish to seek an audience with government representatives that Council provide them with a letter of support.

Policy Implications

Council Policy 10.10 "Addressing, Road Naming and Locality Naming" applies.

Financial Implications

- Budget approved – N/A
- Cost centre – N/A
- Expended to date – N/A
- Future potential impact – minimal road naming signage costs only.

Legal and Risk Management Implications

To ensure that the addressing of properties and road naming within the Lithgow Local Government Area complies with the requirements of the *Roads Act 1993*.

Attachments

Nil

Recommendation

THAT Council provide a letter of support to the family of the late Rae Swift to assist them in making further representations to the NSW Government seeking the naming of the section of road between the Jim Robson Aquatic Centre and the adjacent carpark, Rae Swift Avenue

10.1.2.4. ECDEV - 24/05/2021 - Proposed lease to Lithgow Golf Club Limited

Prepared by Sandra Politi - Land Use & Property Officer

Department Economic Development & Environment

Authorised by Director of Economic Development & Environment

Summary

The purpose of this report is to request Council's approval to grant a lease to Lithgow Golf Club Limited (ACN 001 037 823) (**Lithgow Golf Club**) in respect of the golf club and the golf course located at 2 Golf Links Drive, Marrangaroo being Lot 1 in DP840412 (**the Property**).

Commentary

Council's records indicate that the first lease to Lithgow Golf Club commenced on 13 February 1981. The present lease commenced on 19 April 2015 and has been in monthly holdover since 18 April 2020. The Lithgow Golf Club wishes to enter a new lease. The terms and conditions of the lease have been discussed and negotiated with Lithgow Golf Club, and the parties agree in principle to the terms and conditions of the lease in the form attached.

Lithgow Golf Club operates its business by raising funds through club membership, golf fees, food and beverage facilities, and occasional functions. As a not-for-profit organisation, the income received by Lithgow Golf Club is invested back into the business. Additionally, Council expends a substantial sum each year towards maintenance of the golf course, which is proving to be unsustainable and warrants review and consideration. The parties have agreed in principle to work towards a more commercial arrangement.

Council's authority to grant a lease

Council's 2015 land register and the 2015 Lithgow Golf Course Plan of Management confirm that the Property is classified "community land".

Council's authority to grant a lease in respect of community land is provided under section 45 of the *Local Government Act 1993* (**the Act**).

Community land

The applicable rules under the Act regarding use of community land are as follows:

- exclusive occupation or exclusive use of community land is prohibited, except in accordance with a lease or licence (section 47D);
- a lease or licence of community land can only be granted in accordance with an express authorisation in a plan of management (section 46(1)(b));
- public notice and exhibition requirements apply to a proposed lease or licence (section 47(1) and 47A(2)).

As Lithgow Golf Club wishes to have exclusive occupation and use of the Property, a lease must be in place (in accordance with point 1 above).

The 2015 Lithgow Golf Course Plan of Management expressly authorises the provision of a lease, therefore point 2. above is satisfied.

If Council resolves to grant a lease to Lithgow Golf Club, the lease will be placed on public notice and exhibition for 28 days, in satisfaction of point 3. above.

The proposed lease

The key terms of the proposed lease are:

Term (clause 2) - Two (2) years.

Permitted use (clause 8) – golf course, licensed golf club house, golf pro shop, manager’s residence (subject to clause 8.4) and all activities associated with operating a golf club and golf course including meetings and social functions.

Rent (clause 3) - on commencement the rent will be \$6,525.88 + GST per annum, with a CPI review due after one year from the commencement date.

Outgoings and Utilities (clause 4) – Council is responsible for payment of council rates, water and sewer rates, land tax (if applicable), insurance premiums. Lithgow Golf Club is responsible for payment of usage charges relating to water, sewer and drainage, including trade waste and liquid trade waste charges, effluent removal and septic tank cleanout charges, electricity, gas, telephone, internet and any other service the Lessee requires for the permitted use.

Maintenance contribution (clause 5) – Lithgow Golf Club is to pay 20% of its operating profit each year to Council. If there is no operating profit, no maintenance contribution is payable.

Repair and maintenance obligations (clause 12 and Annexure C) - Generally, Council is responsible for structural repairs, repairs needed due to fair wear and tear or when repairs are needed due to negligence, act or omission of Council. Generally, Lithgow Golf Club is responsible for all other repairs and when repairs are needed due to negligence, act or omission of Lithgow Golf Club. Annexure C of the lease provides a detailed table setting out responsibilities.

Maintenance of golf course (clause 13 and Annexure D) – Council is responsible for maintenance of the golf course and Lithgow Golf Club grants Council unfettered access for this purpose. The minimum levels of maintenance requirements are set out in Annexure D of the lease.

Insurance (clause 17) – Council is required to maintain building insurance, workers compensation insurance and public liability insurance. Lithgow Golf Club is required to maintain public liability cover, plate glass cover, workers compensation insurance, and any other insurances it is required to hold by law.

Indemnity (clause 18) – Lithgow Golf Club indemnifies Council against all claims arising from any act or omission or negligence on the part of the Lessee or the Lessee’s Employees and Visitors or the Lessee’s use or occupation of the premises, except to the extent the loss is caused by the act or omission or negligence of Council.

Capacity of Council (clause 24) – Lithgow Golf Club acknowledges that Council is a consent authority with statutory rights and obligations, but Council enters into the lease in its capacity as property owner. The lease does not convey any other right, licence, approval or consent required to be obtained from a consent authority.

Policy Implications

Policy 9.16 - Compliance Policy

Policy 10.20 - Leasing and Licensing Policy

Financial Implications

- Budget approved – N/A
- Cost centre - N/A
- Expended to date - Nil

- Future potential impact - Rental plus some potential for minor income through requirement to pay 20% of operating profit. Outgoings as described above.

Note: the financial implications listed above relate only to entering into the lease (eg, legal fees and property management charges), and do not account for costs or expenses for maintenance and repair obligations, including Council's responsibility to maintain the golf course.

Legal and Risk Management Implications

Local Government Act 1993
Real Property Act 1900
Conveyancing Act 1919
Common law regarding contracts

Attachments

1. 21.05.13 - draft lease to Lithgow Golf Club Ltd [**10.1.2.4.1** - 40 pages]

Recommendation

THAT

1. Council grant preliminary approval to the proposed lease to Lithgow Golf Club Limited.
2. Council give public notice of the proposed lease and place the lease on public exhibition for at least 28 days.
3. If no submissions are received during the exhibition period, Council proceed with the lease and for this purpose the General Manager is authorised to sign all documents and attend to all matters necessary to give effect to the lease
4. If any submissions are received during the exhibition period, the matter be returned to Council with details of submissions received, and any proposed recommendations in respect of the lease.

10.2. Finance and Assets Reports

10.2.1. FIN - 24/05/2021 - Local Government Remuneration Tribunal Determination 2021

Prepared by Ross Gurney - Chief Financial & Information Officer

Department Finance and Assets

Authorised by Chief Financial & Information Officer

Reference

Min No 20-174: Ordinary Meeting of Council of 27 July 2020.

Summary

The Local Government Remuneration Tribunal (the Tribunal) is established under Chapter 9, Part 2, Division 4 of the Local Government Act. The Tribunal's role is to determine categories of Councils then to determine the maximum and minimum amounts of fees to be paid to Mayors and Councillors in each of the categories.

The Tribunal has recently determined the Mayoral and Councillor fees for the 2021/22 financial year. This report recommends the Mayoral and Councillor fees be set for the 2021/22 year as per the determination.

Commentary

At the Ordinary Meeting of Council of 27 July 2020, Council resolved:

20-174 RESOLVED

THAT Council:

1. Set the remuneration in 2020/21 for Councillors at \$11,119 (**nil** increase on 2019/20).
2. Set the remuneration in 2020/21 for the Mayor at \$23,546 (**nil** increase on 2019/20).
3. Set the 2020/21 car lease payable by the Mayor at Nil.

Allocation of Councils into Categories

Section 239 of the Local Government Act (LG Act) requires the Tribunal to determine the categories of councils and mayoral offices at least once every 3 years. The Tribunal found the allocation of councils into the current categories appropriate. These categories have not changed further to the extensive review undertaken as part of the 2020 review.

In accordance with section 239 of the LG Act the categories of general purpose councils are determined as follows:

Metropolitan

- Principal CBD
- Major CBD
- Metropolitan Large
- Metropolitan Medium
- Metropolitan Small

Non-metropolitan

- Major Regional City
- Major Strategic Area
- Regional Strategic Area
- Regional Centre
- Regional Rural
- Rural

Under the current classifications, Lithgow is classified as Regional Rural.

Determination of Fees

The Tribunal determined a **2%** increase in the minimum and maximum fees applicable to each category. The 2% increase is consistent with the 2021/22 rate peg and the Local Government (State) Award increase for employees.

Minimum and maximum fees are set out in the table below:

Table 4: Fees for General Purpose and County Councils

Category		Councillor/Member Annual Fee (\$) effective 1 July 2021		Mayor/Chairperson Additional Fee* (\$) effective 1 July 2021	
		Minimum	Maximum	Minimum	Maximum
General Purpose Councils - Metropolitan	Principal CBD	28,190	41,340	172,480	226,960
	Major CBD	18,800	34,820	39,940	112,520
	Metropolitan Large	18,800	31,020	39,940	90,370
	Metropolitan Medium	14,100	26,310	29,950	69,900
	Metropolitan Small	9,370	20,690	19,970	45,110
General Purpose Councils - Non-Metropolitan	Major Regional City	18,800	32,680	39,940	101,800
	Major Strategic Area	18,800	32,680	39,940	101,800
	Regional Strategic Area	18,800	31,020	39,940	90,370
	Regional Centre	14,100	24,810	29,330	61,280
	Regional Rural	9,370	20,690	19,970	45,140
	Rural	9,370	12,400	9,980	27,060
County Councils	Water	1,860	10,340	4,000	16,990
	Other	1,860	6,180	4,000	11,280

*This fee must be paid in addition to the fee paid to the Mayor/Chairperson as a Councillor/Member (s.249(2)).

Setting of Fees

The LG Act requires:

248 Fixing and payment of annual fees for councillors

- (1) A council must pay each councillor an annual fee.
- (2) A council may fix the annual fee and, if it does so, it must fix the annual fee in accordance with the appropriate determination of the Remuneration Tribunal.
- (3) The annual fee so fixed must be the same for each councillor.
- (4) A council that does not fix the annual fee must pay the appropriate minimum fee determined by the Remuneration Tribunal.

In addition to the above fees Council also provides the Mayor with a motor vehicle which is available for private use. No lease fee is currently payable for this.

Councils set Councillor and Mayoral fees for each financial year based on the Tribunal's determination. The level of fees accords with each Council's category as set by the Tribunal.

Lithgow City Council's mayoral and councillor fees have historically been set at the lower end of the annual fee range. In past years, Council has set fees based on the current year's fees with the addition of the Tribunal's determination.

Below are the current Councillor and Mayoral fees and the amounts with the addition of a 2% increase:

- Councillors fees - 2020/21 being \$11,119 and 2% increase being \$11,340.
- Mayoral fee - 2020/21 being \$23,546 and 2% increase being \$24,015.
- Car lease payable by the Mayor - 2020/21 being nil.

Policy Implications

Nil.

Financial Implications

- Draft 2021/22 budget - \$126,089 which includes a 2% increase on 2020/21 fees.
- Cost centre - PJ 800154 Governance
- Expended to date - nil for 2021/22
- Future potential impact - N/A

Legal and Risk Management Implications

Council is required under the Local Government Act 1993 to pay the remuneration in accordance with the limits set by the Tribunal.

Attachments

1. Local Government Remuneration Tribunal - Annual report and determination 2021 [**10.2.1.1** - 16 pages]

Recommendation

THAT Council:

1. Set the remuneration in 2021/22 for Councillors (2020/21 is \$11,119).
2. Set the remuneration in 2021/22 for the Mayor (2020/21 is \$23,546).
3. Set the 2021/22 car lease payable by the Mayor (2020/21 is nil).

10.2.2. FIN - 24/05/21 - 2020/21 Quarter Three Budget Review

Prepared by	Ross Gurney – Chief Financial and Information Officer
Department	Finance & Assets
Authorised by	Chief Financial & Information Officer

Summary

This report provides the Quarterly Performance Report on the 2020-2021 Operational Plan for the period of 1 January 2021 to 31 March 2021 with a recommendation that variations to income, expenditure and capital budget estimates are voted and that the revised financial result of **(\$525K)** consolidated operating deficit (before capital grants) be noted.

The report also provides information on ongoing issues related to cashflow and reserve balances, as well as proposed actions to address the issues.

Commentary

Executive Summary

The CFIO has stated in the Quarterly Performance Report that Council's projected financial position at 30 June 2021 will be **unsatisfactory**, having regard to the original budget position. Council's projected position at 30 June 2021 has changed from the original budget **\$958K** surplus operating result (before capital) to a projected deficit of **(\$525K)** operating result (before capital). The main reasons for the change are as follows:

- \$525K reduction in rates income following a successful appeal against mining valuation increases. The lost income can be added to Council's rating yield for the 2021/22 year.
- \$1.07M increase in materials and contract costs due to an adjustment to the Water Fund budget for State Water purchases, an increase in grant funded projects and the addition of natural disaster repair costs.
- \$272K increase in operating employment costs mainly due to capital labour costs being lower due to deferral of projects to conserve cashflow and use of contractors for projects. Reduced allocation of staff to capital projects has particularly impacted the Infrastructure Services operating budget.

In addition, Council continues to be impacted by cash outflows (e.g. payments to suppliers, payroll) exceeding cash inflows (e.g. rates and water account receipts) for much of the year to date. Cash and investments fund Council's restricted reserves. Total internally restricted reserves have fallen by **\$4.3M** since 30 June 2020 (from \$7.4M to \$3.1M). Effectively, Council has drawn on internally restricted funds during the times when cash outflows have exceeded cash inflows. The projected General Fund deficit operating result (before capital grants) of **(\$1.12M)** indicates the extent of the use of reserve funds for Council's ordinary operations in the 2020/21 year.

The following remedial actions continue to be pursued to mitigate the issues mentioned above:

- Continue an operating efficiencies and cost savings program;
- Deferral of recruitment action (where practical); and
- Deferral of \$769.5K of operational and capital projects to conserve cash.

What Does an "Unsatisfactory Projected Financial Position" Mean?

As part of each Quarterly Budget Review, Councils must compare their projected financial position at 30 June with their original budget and determine whether the projected position is satisfactory or unsatisfactory.

The projected position includes carryovers (adverse impact of additional expenditure from incomplete prior year works), and positive / negative budget variations for each quarter.

The words satisfactory and unsatisfactory have a specific definition in the Local Government (General) Regulation. It is simply an opinion as to whether Council's projected financial position will be better or worse than originally planned based on changes made to the budget at each quarter. It does not assess solvency or long-term financial sustainability.

In Lithgow Council's case, the adverse impact of carryovers and expense budget variations (\$2.75M) is greater than additional revenue budget variations (\$1.27M excluding capital grants) over the course of 2020/21. This means that Council has to report that its projected financial position at 30 June is unsatisfactory when compared with the original budget.

It is important to note that:

- Council is still able to pay its debts on time, e.g. suppliers and payroll.
- The projected deficit operating result means that Council's operating expenses (including non-cash depreciation) are greater than its operating revenue.
- Council's cashflow refers to actual funds coming in from receipts and going out for capital projects, operating expenses and payroll.
- A projected deficit operating result requires careful management of cashflow to ensure that costs are contained within available cash and reserve balances remain intact. This has been the basis for preparing the draft 2021/22 budget.
- Ongoing deficit operating results indicate that a Council is not financially sustainable. For this reason, the Office of Local Government includes a balanced Operating Performance Ratio (based on the operating result) as a key financial performance indicator. Council's revised consolidated operating result (before capital grants) at 30 June 2021 of **(\$525K)** deficit is below the OLG benchmark.
- Councils must show a pathway to a consistently balanced operating result in their Long-Term Financial Plan.

Main Reasons for Change in Projected Operating Result (Before Capital Grants)

From the Quarter Two budget review to the Quarter Three review, the projected operating result (before capital) has declined by **\$2.316M** (from \$1.791M surplus to (\$525K) deficit). The key reasons for the turnaround are highlighted below.

Changes due to External Factors

- In January 2021, the Valuer-General advised of a successful appeal against coal mine valuations. This required a \$524K negative rates adjustment which will be added to total 2021/22 rates.
- \$670K adjustment to the Water Fund budget for State Water purchases. The water purchase budget was decreased by \$800K at the Quarter Two budget review as payments to State Water had been withheld due to issues with the Fish River supply. Negotiations with State Water are ongoing (to be resolved by 30 June) to agree on any adjustment to water purchase costs.
- \$80K reduction in the interest and investment income budget due to record low interest rates.
- **Total for changes due to external factors - \$1.274M adverse impact.**

Changes within Council's Control or Resulting from Council's Actions

- \$951K decrease in gain on sale of assets, mainly due to plant assets not being replaced to conserve cash. The budget variation was held until Quarter Three when the profit on assets sold (i.e. sale price less depreciated value) could be accurately calculated.
- The Transport Department had a \$1.9M capital employment costs original budget. The budget has been decreased by \$1.3M to \$620K due to the deferral of projects including Ray Crescent, Clarence. Contractors were used for other projects including Glen Davis / Glen Alice Roads and Back Cullen Road. Staff labour was used for the Fixing Local Roads

projects. Employment costs moved to the operational area which has impacted operating employment costs in Infrastructure Services.

- **Total for changes due to external factors - \$1.042M adverse impact.**

Cash and Investments – Reserve Balances

Council's cashflow strategy in recent years has been to hold minimal unrestricted cash, thus maximising investment returns. Most cash held in restricted reserves has been invested in term deposits. The strategy to maximise returns meant that Council held minimal working capital and relied on term deposits maturing regularly to pay staff and suppliers on time.

New rules and procedures have been developed to ensure that sufficient working capital is held in short-term deposits to meet Council's immediate needs. The working capital fund will be built to \$1M over the 2021 calendar year.

The Cash and Investments Statement at 31 March 2021 is shown in the table below.

Cash and Investments Statement					
	30 June 2020 Position	30 September 2020 Position	31 December 2020 Position	31 March 2021 Position	30 June 2021 Projection
Externally Restricted					
Developer Contributions	1,985	2,108	2,099	2,280	
Special Purpose Grants	3,675	2,120	1,880	1,832	
RMS Grants	-	-	-	-	
Water Supplies	(1,848)	(820)	1,600	1,856	
Sewerage Services	8,482	9,489	8,554	8,235	
Domestic Waste	4,752	5,450	6,378	7,374	
Unexpended Loans	2,530	2,530	2,430	2,430	
Total Externally Restricted	19,574	20,878	22,942	24,007	24,007
Internally Restricted					
Land & Buildings	5,130	4,860	5,195	1,418	
Plant & Equipment	429	278	410	242	
Bonds, Deposits & Retentions	558	693	627	579	
Works in Progress	1,798	1,798	1,798	1,751	
Carry Over Works	1,291	1,174	754	690	
ELE	754	754	754	754	
Election	110	110	135	160	
Internal Loan	(2,673)	(3,237)	(2,510)	(2,510)	
Total Internally Restricted	7,397	6,429	7,162	3,084	5,528
Unrestricted	-	-	(652)	232	232
Total Cash and Investments	26,971	27,307	29,452	27,323	29,497

At the 26 October 2020 meeting, Council resolved to endorse the addition of an internal borrowings reserve of \$2,510,330 to fund the deficit in internal reserves at 30 June 2020, expected to be repaid over 3 years (Min. No. 20-250). The draft 2021/22 budget includes a transfer of \$837K as the first instalment of a three year plan to repay the internal borrowings reserve. The transfer to the reserve will be funded by a reduction in revenue funded capital works and capital purchases.

Estimated Cash Position at 30 June 2021

Finance staff are building a cashflow model (over time) which will assist with more accurate estimation of future cash inflows and outflows. When the model has at least 12 months of actual cashflow data, the model will project the timing for key cash inflows and outflows over each year.

The Financial Services Manager has estimated that there will be an increase in the cash and investments balance of **\$2.2M** by 30 June 2021. This is mainly due to the payment of 50% of the 2021/22 Financial Assistance Grant in advance (in June). The expected grant advance payment of \$2.8M will be held in an internally restricted reserve for use in the 2021/22 year.

The estimated cash position at 30 June 2021 is summarised below:

Total cash & investments at 31/3/21	\$27.323M
Cash inflow FAG grant	\$ 2.8M
Cash inflows other grants	\$ 2.106M
Cash inflows rates & water	\$ 6.542M
Cash inflows fees & other	\$1.266M
Cash outflows Payroll & Super	-\$4.42M
Cash outflows Accounts Payable	- \$6.12M
Estimated cash & investments at 30/6/21	\$29.497M

Main Reasons for Change in Internally Restricted Reserves Balance

The funds available for Council's internally restricted reserves have fallen by **\$4.3M** (from \$7.4M to \$3.1M) since 30 June 2020. **It is not anticipated that there will be any further decline in internally restricted reserves balance to 30 June 2021.** The key reasons for the decline in the internally restricted reserves balance over the 2020/21 year are shown below.

Changes due to Utilisation of Reserves

- \$1.2M transferred from the land bank for a land purchase.
- \$652K transfer from the Land Bank reserve to restore internally restricted reserves at 31 December 2020 (Min. No. 21-43).
- \$187K decrease in the plant and equipment reserve to fund high cost large plant replacement purchases.
- \$232K transfer to unrestricted cash to commence building a working capital fund.

Changes due to Cashflow Impacts

- \$528K employment / material & contracts General Fund Quarter Three budget variation which mainly related to the additional operating costs in Transport and flood damage repairs to roads.
- \$525K negative adjustment to rates income.

The fall in internal restrictions has been allocated against the Land Bank reserve at the Quarter Three budget review. A report will be provided to the June Council meeting to recommend the reallocation of the \$3.1M balance of internally restricted funds amongst individual reserves.

Remedial Actions to Address the Decline in Internally Restricted Reserves

To stem cash outflows, Council has endorsed the deferral of over \$7M of 2020/21 capital works projects to reduce cash outflows. In addition, expenditure savings have been identified and recruitment deferred.

At the Quarter Three budget review, it is proposed to defer the following projects to the 2021/22 year which will help to conserve cash (total \$769.5K):

- Wolgan Road Slope Stabilisation - \$284K budget remaining;
- Macauley St / Sandford Ave Slope Stability - \$360.5K remaining budget; and
- Installation of Solar Panels - Aquatic Centre - \$125K budget remaining.

To ensure that there is no further decline in internally restricted reserves, purchasing controls over discretionary expenditure have been tightened, with such purchases only proceeding after the Financial Services Manager has advised of cash availability. In the longer term, budget improvement strategies will be implemented to contain expenditure within available income and cash receipts.

Cashflow and reserve balances are being continuously monitored with further interventions implemented as required. A cashflow update is included as a standing agenda item on the Finance Committee meeting agenda.

Capital Expenditure Budget

The 2020/21 capital expenditure budget is projected to be **\$20.2M** (excluding loan repayments). The revised budget is a minor increase of \$401K on the \$19.8M (excluding loan repayments) budget at the end of Quarter Two. The key change to the Capital Works Program are:

- \$1.92M reduction in the 2020/21 Resource Recovery Centre construction budget due to the partial rephasing of the project to 2021/22.
- \$1.2M purchase of land, funded from the land bank fund.
- Addition of the \$125K Water Pumping Station renewal project
- \$811K increase in roads projects as a result of additional capital grants for transport safety, the Fixing Local Roads program and flood renewal on Marsden Swamp Rd, Hampton.

The Local Government Context

A difficult operating environment is being experienced by many Councils at present, particularly rural and regional Councils which are highly reliant on income from interest, rates and grants and have limited to capacity to identify new revenue streams in the short-term.

Data from the Office of Local Government shows that Councils with surplus operating results have fallen from **114** in 2016/17 to **62** in 2019/20. Councils with deficit operating results have increased from **23** to **74** during the same period. Central Coast and Armidale Councils have faced significant financial difficulties in the past 12 months.

Cost Shifting and Regional Advocacy

It is often said that local government is the level of government closest to the people. That is true, and in rural and regional areas the councils are most a critical component of a city's economy and social fabric.

Council has strongly advocated for greater financial resilience for local government and against cost shifting from other levels of Government, as well as for increased funding directed to rural and regional communities with the greatest relative need.

Cost shifting describes a situation where the responsibility for, or the costs of, providing a service, asset or regulatory function are 'shifted' from a higher level of government to local government without providing corresponding funding or adequate revenue-raising capacity. In many cases, Councils have no alternative except to reduce service standards to cover additional costs.

Council's advocacy efforts (including to local members of Parliament and industry organisations) have recently proven to be effective with the inclusion in the Federal budget of an increase in the Financial Assistance Grant and early payment of 50% of the grant. Also, the Emergency Services Levy increase for 2021/22 has been constrained to 3.5% on the net amount paid by Council in 2020/21 (i.e. including assistance from the NSW Government).

Notwithstanding the above, there still remains a substantive case for better funding of local government because the general financial resilience is challenged despite sustained financial constraint by most councils over many years.

Management will continue to advocate against cost shifting and for a fair allocation of grants to the Lithgow Local Government Area.

Policy Implications

Nil.

Financial Implications

As detailed in this report.

Legal and Risk Management Implications

The Local Government Act 1993 and Local Government (General) Regulation 2005 set out the requirements for the quarterly reporting of the achievement of performance targets and the submission of a budget review statement after the end of each quarter.

Attachments

1. January - March Quarterly Report [**10.2.2.1** - 18 pages]

Recommendation

THAT Council:

1. Note the contents of the report and the projected consolidated operating result before capital grants of (\$525K) deficit for the 2020/21 Operational Plan as detailed in the Quarterly Budget Review Report for the period 1 January 2021 to 31 March 2021.
2. Adopt the income, expenditure and capital budget variations to the 2020/21 Council budget as outlined in the attached report.
3. Endorse the proposal to defer \$769.5K of projects to the 2021/22 year which will help to conserve cash.
4. Note the remedial action (taken and planned) on Council's cashflow issue to mitigate the impacts on the cash & investments balance, as well as internally restricted reserves.
5. Continue to advocate against cost shifting, as well as increased Financial Assistance Grant and other financial allocations directed to rural and regional communities with the greatest relative need.

10.3. People and Services Reports

10.3.1. PS - 26/04/2021 - World War Two Artillery Gun

Prepared by Matthew Johnson – Community & Culture Manager

Department Community & Culture

Authorised by Director of People & Services

Reference

Min 21-14 Ordinary Meeting of Council held 25 January 2021.

Summary

This report informs Council of submissions received from members of the public on the possible acquisition by Council of a World War Two artillery gun.

Commentary

In considering a report on the possible acquisition of a World War Two artillery gun, Council resolved at the Ordinary Meeting of Council held 25 January 2021 (Min 21 –14):

That this matter be deferred until it is determined who will fund the purchase of the World War Two Artillery Gun and where it will be situated.

To gauge the level of community support, Council subsequently called for public submissions on the matter with sixteen (16) submissions received by the 12 March 2021 closing date. Eleven (11) submissions are in favour of the proposal and five (5) are opposed.

Submissions

Submissions in favour of the acquisition (summary attached to this report) cite the following reasons:

- Tourism benefits;
- The gun is rare and historically significant;
- Possibility that it was used by Lithgow servicemen during WW2; and
- The gun would provide a reminder of Lithgow's gun manufacturing history.

The submission from Lithgow & District Family History Society expresses interest in the gun being acquired if a link could be made between it and two Lithgow soldiers who served in the North African campaign during WW2. There is however, no evidence of this link.

The submission from Wallerawang Lidsdale Progress Association has asked that the gun be located in Federation Park, Wallerawang.

Submissions opposed to the acquisition (summary attached to this report) cite the following reasons:

- Lithgow already has a number of guns;
 - A second gun would detract from the Queen Elizabeth Park Cenotaph;
 - Traffic/parking issues;
 - No known connection to Lithgow;
 - No evidence that it will grow tourism;
 - Poses a safety hazard to children; and
 - Would require ongoing maintenance.
-

Possible Location

A number of submissions have suggested locating the gun outside the Small Arms Factory Museum. The Museum is a private entity however and they manage the site in accordance with their vision. They do not see the gun as being compatible with their current and future objectives.

Lithgow RSL Sub-Branch suggested the gun be sited at Queen Elizabeth Park. Council's officers do not consider this to be an appropriate location as the existing items recognise the Lithgow community's participation in active service and this gun is not (apparently) related to Lithgow. Also, the gun would dominate over the existing items which are to scale of each other and therefore compatible.

Conclusion

There is support in some submissions. But other submissions also oppose the concept.

The link between the gun and its use by Lithgow servicemen during WW2 is tenuous and with a small number of submissions received, the level of community support for its acquisition is unclear.

Benefits need to be weighed against the relevance of the artifact to Lithgow, limited suitable locations, acquisition cost, and on-going maintenance. Also, taking into account this Council's limited financial capacity and comparing this item to other already identified community needs, this item is considered to be a low priority.

Policy Implications

Nil.

Financial Implications

- Budget approved - Nil
- Cost centre - N/A
- Expended to date - Nil
- Future potential impact - it is anticipated that the initial total cost including transport, mounting, fencing, soft fall ground covers and associated costs could be in the order of at least \$15,000. There is no provision within this year's budget nor the draft 2021/22 budget for this expenditure. There is no provision for the on-going maintenance, security, and care of the artillery gun.
- To date, an alternative source of funding for the above has not yet been identified.

Legal and Risk Management Implications

Nil.

Attachments

1. Submission 1 Support ECM 1868701 [**10.3.1.1** - 4 pages]
2. Submission 2 Support ECM 1869238 [**10.3.1.2** - 1 page]
3. Submission 3 Support ECM 1868734 [**10.3.1.3** - 1 page]
4. Submission 4 Support ECM 1868178 [**10.3.1.4** - 2 pages]
5. Submission 5 Support ECM 1868092 [**10.3.1.5** - 1 page]
6. Submission 6 Support ECM 1870304 [**10.3.1.6** - 2 pages]
7. Submission 7 Support ECM 1875343 [**10.3.1.7** - 1 page]
8. Submission 8 Support ECM 1875344 [**10.3.1.8** - 1 page]
9. Submission 9 Support ECM 1874662 [**10.3.1.9** - 1 page]
10. Submission 10 Support ECM 1873988 [**10.3.1.10** - 5 pages]
11. Submission 11 Opposed ECM 1875342 [**10.3.1.11** - 1 page]
12. Submission 12 Opposed ECM 1870353 [**10.3.1.12** - 1 page]
13. Submission 13 Opposed ECM 1875641 [**10.3.1.13** - 2 pages]
14. Submission 14 Opposed ECM 1869263 [**10.3.1.14** - 2 pages]

15. Submission 15 Opposed ECM 1869251 [**10.3.1.15** - 3 pages]
16. Submission 16 Support ECM 1879332 [**10.3.1.16** - 2 pages]
17. Public Submissions Summary [**10.3.1.17** - 2 pages]

Recommendation

THAT Council:

1. Note the submissions received on the possible acquisition by Council of a World War II artillery gun.
2. Not proceed with the gun's acquisition at this stage.

10.3.2. PS - 26/04/2021 -Centennial Coal Community Contribution

Prepared by Matthew Johnson – Community & Culture Manager

Department Community & Culture

Authorised by Director of People & Services

Reference

Minute 16-183 Ordinary Meeting of Council held on 18 July 2016

Summary

This report seeks Council's endorsement to vary the allocation of funds from the Centennial Coal Community Contribution.

Commentary

Since 2015, Centennial Coal has made a Community Contribution to Council of three cents per saleable tonne of coal to fund long-term community activities and projects.

At the Ordinary Meeting of Council held 18 July 2016 Council resolved (Minute 16 -183) as follows:

7. Approve an annual allocation from the Centennial Coal Community Contribution as follows:
 - a) Adventure Playground \$120,000
 - b) Scholarships for Young People and Children \$10,000
 - c) Lithgow library Homework Zone \$10,000
 - d) With 100% of any funds received in excess of \$140,000 to be allocated to the Adventure Playground and 100% of any shortfall below \$140,000 to be deducted from the Adventure Playground allocation.

Actual funds received since 2015 are as follows:

Year	Total Contribution received	Adventure Playground Allocation	Homework Zone Allocation	Scholarships Allocation
2016	\$32,095.50	\$12,095.50	\$10,000	\$10,000
2017	\$119,804.37	\$99,804.37	\$10,000	\$10,000
2018	\$137,154.27	\$117,154.27	\$10,000	\$10,000
2019	\$126,614.61	106,614.61	\$10,000	\$10,000
2020	\$84,969.42	\$64,969.42	\$10,000	\$10,000
2021	\$120,416.19	\$100,416.19	\$10,000	\$10,000
Total	\$621,054.36	\$501,054.36	\$60,000	\$60,000

Adventure Playground

Council undertook construction of the Adventure Playground in 2018/19, funded through grant funds and an internal loan serviced by the already received and future annual Centennial contributions. This allowed the Adventure Playground to be built earlier than would otherwise be the case.

A total of \$837,284 in Centennial contributions was required to construct the Adventure Playground, including an allocation of \$92,733 for construction in 2021/22 of a new carpark below the playground on Amiens Street. The internal loan balance is currently (\$336,230).

Scholarships for Young People and Children

The contributions for the Scholarships for Young People and Children have not been required as there has been no community demand for these programs.

Library Homework Zone

The Library Homework Zone has been replaced with online learning resources for young people at a cost of approximately \$6,000 per year.

Conclusion

It is recommended that all currently unused contributions for Youth Scholarships and Library Homework Zone be reallocated to the Adventure Playground internal borrowing. This would reduce the internal loan balance by \$86,928 to \$249,302.

It is also recommended that from 2021, \$14,000 per year from the Centennial Contribution be allocated for programs associated with the Planet Youth initiative in Lithgow. The justification for this is spelled out in the paragraphs below.

In 2019, Lithgow participated in a trial of the internationally renowned alcohol and drug prevention program 'Planet Youth'. Planet Youth is an evidence-based program from Iceland known for reducing alcohol and other drug use among young people.

The Local Drug Action Team (LDAT), with the support of Council staff, is working on local programs with young people and their families to strengthen community participation and diversionary programs including school holiday and extra-curricular activities. One such activity is the very successful Planet Youth Lithgow and Headspace Lithgow new Drop in Space for Young People launched 23 February 2021.

It is further recommended that \$6,000 per year be directed towards Library online learning resources and the balance to the Adventure Playground internal loan including expenditure required to complete the new carpark.

Policy Implications

Nil.

Financial Implications

- Budget approved - contribution of \$120,416.19 received in 2020/21.
- Cost centre - TBA
- Expended to date - \$100,416 to the Adventure Playground internal loan in 2020/21
- Future potential impact – Allocations of \$14,000 per year for the Planet Youth initiative, \$6,000 per year towards Library online learning resources and the balance of contributions received to the Adventure Playground internal loan.

Legal and Risk Management Implications

Nil.

Attachments

Nil

Recommendation

THAT:

1. Council re-allocate all currently unused Centennial Coal contributions for Youth Scholarships and Library Homework Zone to the Adventure Playground internal loan.
2. Council allocate \$14,000 per year from the Centennial Contribution for programs associated with the Planet Youth initiative in Lithgow, \$6,000 per year towards Library online learning resources and the balance to the Adventure Playground internal loan (until repaid) beginning from the 2021/22 year.
3. The Centennial Coal allocations be reviewed in two years and a report be brought to Council at that time.

10.3.3. PS - 24/05/2021 Community Recovery Officer Quarterly Report

Prepared by Rachel Nicoll - Community Recovery Officer

Department People & Services

Authorised by Director of People & Services

Summary

This report is the third Community Recovery Officer Report summarising the activity and results for the period 1 January up to 31 March 2021. The fourth quarter report is due on 16 July 2021.

As per the report below, significant expansion of deliverables and recovery activities has occurred due to the extreme weather event of storms and floods resulting in the Lithgow LGA again being disaster declared on 10 March 2021. As many bushfire impacted communities are now dealing with flood recovery, Lithgow City Council welcomes the extension of the NSW Bushfire Community Recovery Officers (CROs), with their support services extending to flood recovery as well.

Lithgow City Council has further welcomed a critical funding boost through two successful applications under the Bushfire Community Recovery & Resilience Fund (BCRRF) for upgrades to the Civic Ballroom for emergency response, and development of an Emergency Evacuation Plan for the Wolgan Valley.

Major activities over the quarter include the Council-led Bushfire Community Grants Program awarding \$62,500 for community projects, coordination of resident registrations to plant 13,500 trees and install 1,500 nest boxes and constructed hollows with Transport for NSW and development of Mental Health Resources with the National Bushfire Recovery Agency to roll out across the LGA.

Commentary

[Progress on deliverables](#)

Deliverable 1: Establish a Community Resilience Network

Percent completed:	49%	Status:	Not yet started / In progress / Overdue / Completed
Rationale for deliverable status and percent completed:	<p>Status of Activities, Timeliness and Cost Invitations for Community Resilience Network (CRN) participants has been completed (to be signed) for a meeting to discuss the draft terms of reference and guest presentation(s) of local recovery work.</p> <p>Constraints/Risks: Providing an open invitation for key individuals and new members not identified in community mapping that provide important context and experiences from the 2019/20 bushfires. Currently consulting with Local Emergency Management Committee about functions and risk of duplication of positions.</p>		

Deliverable 2: Facilitate community recovery events

Percent completed:	83%+	Status:	Not yet started / In progress / Overdue / Completed
Rationale for deliverable status and percent completed:	<p>Status of Activities, Timeliness and Cost This deliverable continues to track well with all events being delivered in line with the workplan. BCRRF and grant funded projects increase commitments of on-ground outputs for this deliverable. Constraints/Risks: Significant BCRRF and grant funded projects increase caseload in this deliverable requiring negotiation around other recovery services. Noticeboards for Clarence and Dargan has gone back for community consultation due to strong feedback over the wording of a plaque acknowledging Rotary's donation. Once this has been negotiated the project will be back on track and outputs fully delivered.</p>		

Deliverable 3: Develop a Local Recovery Action Plan incorporating community needs and activities

Percent completed:	47%	Status:	Not yet started / In progress / Overdue / Completed
Rationale for deliverable status and percent completed:	<p>Status of Activities, Timeliness and Cost Project outputs and expenditure are below what was planned for this time in the workplan due to reduced participation following extreme weather and postponing of some events. A review of the recovery action plan is being undertaken to incorporate activities have been delivered identified as supporting residents. Constraints/Risks: Progress has been delayed due to personnel change within RFS and their getting up to speed with the recovery action plan work to date. Under-expenditure is a result of the postponed events and delays in providing related information.</p>		

Deliverable 4: Provide access to relevant and timely recovery information

Percent completed:	69%	Status:	Not yet started / In progress / Overdue / Completed
Rationale for deliverable status and percent completed:	<p>Status of Activities, Timeliness and Cost This deliverable has experienced a major increase in demand resulting from the Council-led community grants round, BCRRF project coordination and competition against bushfire recovery due to storm and flood assistance requests. Constraints/Risks: Delays from Recovery Support Services a risk to the timeliness of information. Information processes following storm and flood took longer than expected. However, resources have now been developed, made live and are supporting further recovery work.</p>		

Deliverable 5: Develop a Local Recovery Plan

Percent completed:	30%	Status:	Not yet started / In progress / Overdue / Completed
Rationale for deliverable status and percent completed:	<p>Status of Activities, Timeliness and Cost Due to project advice this deliverable was paused due to development of guidance from Resilience NSW. Other activities being undertaken as well as supporting the engagement are on track or have been delivered.</p> <p>Constraints/Risks: Confirming further updates from Resilience NSW otherwise adaptive management will be required.</p>		

Deliverable 6: Develop a Transition Plan

Percent completed:	20%	Status:	Not yet started / In progress / Overdue / Completed
Rationale for deliverable status and percent completed:	<p>Status of Activities, Timeliness and Cost On track for delivery, however it is anticipated that extension of CRO roles will result in changes to the workplan for competing priorities and prioritisation of programs and initiatives.</p> <p>Constraints/Risks: Possible changes to project milestones in the coming quarter. Transition plan for projects extending beyond the CRO timeline (September 2021 – June 2022) will be held over awaiting further information on timeframes identified in contract extension.</p>		

Deliverable 7. Other deliverables, activities, or initiatives as identified by council

Percent completed:	52%	Status:	Not yet started / In progress / Overdue / Completed
Rationale for deliverable status and percent completed:	<p>Status of Activities, Timeliness and Cost All (100%) of activities identified in the CRO Workplan for the period 1 January – 31 March 2021 have been completed. As per the work plan, significant expansion of deliverables has occurred for BCRRF Stream 1 projects commencing in Q3-Q4 and additional support required for managers for Stream 2 projects. This deliverable continues to require the most attention and flexibility for significant projects supporting Lithgow’s recovery including:</p> <ol style="list-style-type: none"> 1. EPA Bushfire-generated green waste program. 2. Transport for NSW tree planting 3. Development of mental health resources with NBRA <p>Constraints/Risks: Development and execution of other activities, grants and picking up deferred case management from Recovery Support Services to support residents saw a rise in commitments. Increasing oversight of BCRRF projects may necessitate re-allocation of CRO budget to support delivery or require some modification or advice from Resilience NSW.</p>		

Priorities for next quarter

Theme	Description
Immediate support	BCRRF funding deeds and support for project managers EPA Bushfire generated green waste program submission of Stream A report. Roll out of mental health resources for Lithgow LGA.
Recovery, Preparedness, Anniversary	Support community with grant applications. Continue to deliver BCRRF Stream 1 Projects. Oversee community-led grants program.
Preparedness	Deliver Council Training, presentation of results to Health & Wellbeing Committee of Lithgow Council. Consultation on Get Ready resources and materials.
Recovery Plan	Confirm Recovery plan actions and resources from Resilience NSW. Continue engagement and capturing of recovery actions and outputs from activities delivered.
Community Resilience Network	Meeting of CRN – agenda to cover terms of reference, recovery actions, guest presentation, council led grants program and meeting schedule.

Policy Implications

N/A

Financial Implications

- Budget approved - \$190,414 (fully grant funded).
- Cost centre - 600244 Community Recovery (P&S).
- Expended to date - \$74,879
- Future potential impact - N/A

Legal and Risk Management Implications

N/A

Attachments

1. Recovery & Resilience March 2021 [**10.3.3.1** - 6 pages]
2. Recovery & Resilience April 2021 [**10.3.3.2** - 6 pages]

Recommendation

THAT Council note the information provided in the Community Recovery Officer's Quarterly Report.

10.4. Policies and Governance

10.4.1. FIN - 24/05/21 - Policy 9.2 - Fraud & Corruption Control Policy

Prepared by Rhiannan Whiteley – Executive Assistant
Department Finance & Assets
Authorised by Chief Financial & Information Officer

Summary

The purpose of this report is to recommend that Council adopt updated Policy 9.2 - Fraud & Corruption Control Policy. The policy has been reviewed and updated with only minor changes.

Commentary

Lithgow City Council is committed to the prevention of fraud and corruption. This policy outlines the methodology for detecting, deterring and minimising the risk of fraudulent behaviour and corrupt conduct.

The Policy is due for review in 2021. Only minor changes have been made to the revised policy, e.g. update of role titles.

As the alterations proposed are relatively minor, it is recommended that there is no need to publicly exhibit the revised policy prior to final adoption.

Policy Implications

Review and adoption of revised Policy 9.2 - Fraud & Corruption Control Policy.

Financial Implications

- Budget approved - N/A
- Cost centre - N/A
- Expended to date - N/A
- Future potential impact - N/A

Legal and Risk Management Implications

Policies are prepared to assist in decision making and provide further guidance with regard to statutory obligations.

Attachments

1. Policy 9.2 Fraud and Corruption Control Policy V 2 [10.4.1.1 - 5 pages]

Recommendation

THAT Council adopt and implement revised Policy 9.2 - Fraud & Corruption Control Policy with immediate effect due to the minor nature of changes to the policy.

11. Council Committee Reports

11.1. ECDEV - 24/05/2021 - Environmental Advisory Committee Minutes 14 April 2021

Prepared by Richard Holz Team Leader Environment & Health

Department Environment

Authorised by Director of Economic Development & Environment

Summary

The Environmental Advisory Committee met on 14 April 2021 and the minutes have now been finalised. They are presented to Council to receive and note accordingly. An extension of time has already been granted in relation to Item 6.1 so this does not need an additional Council resolution.

Policy Implications

Nil

Financial Implications

- Budget approved - N/A
- Cost centre - N/A
- Expended to date - N/A
- Future potential impact - N/A

Legal and Risk Management Implications

Nil.

Attachments

1. Minutes EAC 14 4 21 [11.1.1 - 5 pages]

Recommendation

THAT Council receive and note the minutes of the Environmental Advisory Committee meeting held on 14 April 2021.

11.2. PS - 24/05/2021 - Youth Advisory Committee Meeting Minutes - 19 April 2021

Prepared by Alison Kim – Community Development Officer

Department Community & Culture

Authorised by Director of People & Services

Summary

The minutes of the Youth Advisory committee meeting held on 19 April 2021 are presented for council's consideration.

Commentary

At the Youth Advisory committee meeting held on Monday 19 April a range of issues were discussed including:

- Youth Week events and activities reported;
- Planet Youth drop in space; and
- The need for a Youth Council Instagram account to promote youth activities as young people don't use Facebook and all of Council promotion takes place on Facebook.

Policy Implications

Nil.

Financial Implications

- Budget approved - \$3,774
- Cost centre - 600071
- Expended to date - Nil
- Future potential impact - Nil

Legal and Risk Management Implications

Nil.

Attachments

1. Youth Advisory Committee Minutes 19 April 2021 [11.2.1 - 5 pages]

Recommendation

THAT Council note the minutes of the Youth Advisory Committee meeting held on 19 April 2021.

11.3. FIN - 24/5/2021 - Finance Committee Meeting Minutes - 19 April 2021

Prepared by Rhiannan Whiteley – Executive Assistant

Department Finance & Assets

Authorised by Chief Financial & Information Officer

Reference

Min No 21-74 Ordinary Meeting of Council held on 22 March 2021.

Summary

This report provides details of the Minutes of the Finance Committee Meeting held on 19 April 2021.

Commentary

At the meeting of the Finance Committee held on 19 April 2021. The following items were discussed:

- **Annual Audit Engagement Plan** – The Audit Engagement Plan has been finalised by Council, the contract auditor (Crowe) and the Audit Office. The Engagement Plan sets out the key audit issues, risks and timeline for the annual audit. The interim audit took place in the week of 26 April 2021.
- **Working Capital Strategy**– At the February 2021 Ordinary Meeting, Council resolved to develop a strategy to ensure that sufficient working capital is held in short-term deposits to meet Council's immediate needs. A report was prepared for the April 2021 Council meeting for consideration of the working capital strategy.
- **On Costs – Calculation Methodology** - the CFIO provided the Committee with an additional report on the methodology for calculating salary on-costs. The CFIO will provide a further report on the proposed change to the methodology for calculating on-costs for budgeting purposes with a worked example.
- **March 2021 Performance Rating to the OLG** - The March 2021 Performance report to the OLG was completed on time and provided an update on progress in the pursuit of performance improvement.
- **Cashflow Update** - the Committee was provided with an update on the cashflow position at the end of March 2021. March was cashflow negative with lower cash receipts and steady cash outflows. The CFIO made recommendations for remedial action to improve Council's cashflow position which will be put to the May 2021 Council meeting.
- **Draft 2021/22 Budget Update** – The Committee was provided with an update on changes made to the draft 2021/22 budget since the March Councillor Information Session. The changes have improved the consolidated Operating Result (before Capital).
- **Investment Report March 2021** – The Investment Report shows a decrease in cash and investments during March 2021. The decrease in investments is due to the ordinary operations of Council and the purchase of land at Bowenfels for \$1.18M for the Land Bank Reserve.

The following business paper recommendation was endorsed by the Committee:

Council Investments Report March 2021

THAT:

1. Investments of \$26,796,526 and cash of \$524,935 for the period ending 31 March 2021 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.

Policy Implications

Nil.

Financial Implications

As detailed in the Finance Committee meeting minutes.

Legal and Risk Management Implications

Nil.

Attachments

1. Minutes - Finance Committee - 19 April 2021 [**11.3.1** - 8 pages]

Recommendation

THAT Council:

1. Adopt the minutes of the Finance Committee meeting held on 19 April 2021 and note the items not requiring a resolution of Council.
2. Endorse the recommendations proposed in the Council Investment Report for March 2021.

11.4. IS - Operations Committee Meeting Minutes - 5 May 2021

Prepared by Kaitlin Cibulka - Executive Assistant Infrastructure Services

Department Infrastructure Services

Authorised by Director of Infrastructure & Services

Summary

This report provides details of the Minutes of the Operations Committee Meeting held on 5 May 2021.

Commentary

At the Operations Committee held on 5 May 2021, there were numerous items discussed by the Committee including:

- Water & Sewer Infrastructure Services Update;
- Cullen Bullen STP Update;
- Integrated Water Cycle Management Plan;
- Monthly Project Update; and
- Councillor Request – Erection of Barriers – Barton Avenue Wallerawang

The following item was outside the Committee's delegations and requires Council to formally approve the recommendation:

- Item 6.5 Hassans Walls Reserve / Lookout – Maintenance & Vandalism Issues

RECOMMENDATION

THAT Council:

1. Note the report; and
2. Examine the feasibility of restricting after-hours access to popular recreational facilities within the urban Lithgow area, with a report to be presented to the June 2021 Operations Committee meeting.

Policy Implications

Nil

Financial Implications

- Budget approved – N/A
- Cost centre - N/A
- Expended to date - Nil
- Future potential impact - Nil

Legal and Risk Management Implications

Nil

Attachments

1. DRAFT Minutes Operations Committee Meeting 5th May 2021 [11.4.1 - 8 pages]

Recommendation

THAT Council:

1. Note the minutes of the Operations Committee held on 5 May 2021.
2. Examine the feasibility of restricting after-hours access to popular recreational facilities within the urban Lithgow area, with a report to be presented to the June 2021 Operations Committee meeting.

11.5. IS - TALC Committee Meeting Minutes - 6 May 2021

Prepared by Kaitlin Cibulka - Executive Assistant Infrastructure Services

Department Infrastructure Services

Authorised by Director of Infrastructure & Services

Summary

This report details the Minutes of the TALC meeting held on 6th May 2021.

Commentary

At the TALC meeting held on 6th May 2021, there were numerous items discussed by the Committee, however there were outside the Committee's delegation and require Council to formally approve the recommendation:

- LITHGLOW 2021 – Traffic Management Plan
- Timed Parking – Wolgan Street Portland
- Bridge / Eskbank Lane, Lithgow –Parking Concerns
- Cullen Bullen Speedway – Request for Directional Signage
- Horse Rider Signage – Request for Franks Place, Hartley
- Signage Request – Hassans Walls Road Lithgow
- Late Report – Proposed Intersection Designs – Marrangaroo Bridge

Policy Implications

Nil

Financial Implications

- Budget approved - Nil
- Cost centre - N/A
- Expended to date - Nil
- Future potential impact - Nil

Legal and Risk Management Implications

Nil

Attachments

1. DRAFT Minutes TALC 6th May 2021 [11.5.1 - 11 pages]

Recommendation

THAT

1. Council note the minutes of the TALC meeting held on 6th May 2021; and
2. TALC endorse the Traffic Management Plan for the LithGlow 2021 event; and
3. The General Manager approve the Traffic Management Plan for the LithGlow 2021 event under delegated authority; and
4. The parking on the western side of Wolgan Street, Portland between Vale Street and Williwa Street remain unlimited; and
5. A No Stopping zone be installed on the western side of Bridge / Eskbank Lane, from the intersection with Short Street and extending south 50m toward Eskbank Street intersection to alleviate safety and access concerns raised by residents; and

6. The request for directional signage to the Cullen Bullen Speedway be deferred until a further investigation be undertaken in regard to the current arrangement of existing signage on Castlereagh Highway and Carsons Siding road intersection; and
7. Council install additional horse and rider, kangaroo, and 50km/h speed zone signage in Mid Hartley Road, at GWH & Browns gap intersections to improve safety and awareness; and
8. Refer the speed signage to RMS for investigation to current warranted speed zones; and
9. No additional 50km/h speed zone sign be installed on Kirkland Link, Lithgow; and
10. TfNSW be requested to investigate and provide advice on Council's issues raised in relation to the intersection of the bridge and the Great Western Highway (including sight distance and lighting); and
11. The Applicant be requested to revise the Girraween Drive intersection design to provide additional measures to reduce the risk of vehicles incorrectly entering the wrong travel lane of the bridges; and
12. The Applicant provide a more detailed intersection design showing heavy vehicle swept paths at the Girraween Drive intersection; and
13. The applicant provide certification that the streetlighting at the new intersections is compliant with AS/NZS 1158.1.1-2005.

11.6. FIN - 24/5/21 - Finance Committee Meeting Minutes - 10 May 2021

Prepared by Rhiannan Whiteley – Executive Assistant

Department Finance & Assets

Authorised by Chief Financial & Information Officer

Reference

Min No 21-74 Ordinary Meeting of Council held on 22 March 2021.

Summary

This report provides details of the Minutes of the Finance Committee Meetings held on 10 May 2021.

Commentary

At the meeting of the Finance Committee held on 10 May 2021. The following items were discussed:

- **2020/21 Quarter Three Budget Review** – The Committee discussed the key issues identified in the 2020/21 Quarter Three Budget Review. The Committee discussed the reasons for the unsatisfactory projected financial position at 30 June 2021 compared with the original budget. The Committee also discussed the reasons for the significant fall in the internally restricted reserves balance over 2020/21.
- **Rates - Coal Mines** – A mine owner has successfully appealed to the Valuer-General against valuation increases for 3 mines. Council had a \$524K decrement adjustment for this financial year but the rates can be caught up next financial year. The CFIO provided information to the Committee on the financial implications of the changes and the impacts on other rating categories.
- **On Costs Calculation – further discussions** - the CFIO provided the Committee with additional information on the methodology for calculating on-costs, including a worked example. Following further review by the CFIO and Financial Services Manager, the on-costs calculation will be adjusted and 31% on-costs calculation will be used for future cost modelling. 51% on-costs remains correct for internal budgeting purposes.
- **Investment Report April 2021** – The investment report shows a decrease in cash and investments at the end of April due to lower cash inflows. The decrease in investments is due to the ordinary operations of Council.
- **Finance Committee Meeting Dates** – The Committee determined the committee meeting dates for June and July.
- **Cashflow Update – April 2021** - the Committee were provided with an update on the current cashflow position. Cash outflows exceeded cash inflows in April 2021. Lower cash inflows are expected in the month of April as it is not a rates instalment month. Some early rates instalment payments were received in April following the issuing of notices. Remedial action has been recommended at the Quarter Three budget review to further control cash outflows and thus ensure that Council has sufficient funds to cover its external and internal restrictions.
- **Local Government Remuneration Tribunal Determination 2021** – The Tribunal has recently determined the Mayoral and Councillor fees for the 2021/22 financial year. The Tribunal determined a 2% increase in the fees applicable to each category. For Council's consideration, the Committee endorsed a 2% increase in Councillor remuneration for 2021/22.

The following business paper recommendation was endorsed by the Committee:

Council Investments Report April 2021

THAT :

1. Investments of \$25,900,558 and cash of \$320,883 for the period ending 30 April 2021 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.
3. The commentary on funding requirements for restricted reserves be noted.

Policy Implications

Nil.

Financial Implications

As detailed in the Finance Committee meeting minutes.

Legal and Risk Management Implications

Nil.

Attachments

1. Minutes - Finance Meeting - 10 May 2021 [**11.6.1** - 7 pages]

Recommendation

THAT Council:

1. Adopt the minutes of the Finance Committee meeting held on 10 May 2021 and note the items not requiring a resolution of Council.
2. Endorse the recommendations proposed in the Council Investment Report for April 2021.

12. Business of Great Urgency

In accordance with Clause 241 of the Local Government Act (General) Regulations 2005 business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. However, this can happen only if:

- a) A motion is passed to have the business transacted at the meeting; and
- b) The business proposed to be brought forward is ruled by the Chairperson to be of great urgency.

13. Closed Council

13.1. CLOSED REPORT - ECDEV - 24/05/2021 - Offer of Land to Council

Prepared by Sandra Politi - Land Use & Property Officer
Department Economic Development & Environment
Authorised by Director of Economic Development & Environment

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following: -

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

Reference

Min: 04-456 Ordinary meeting of Council held 18 December 2006
Min: 07-149 Ordinary Meeting of Council held 16 April 2007
Min: 07-516 Ordinary Meeting of Council held 3 December 2007

Summary

The purpose of this report is to:

- Inform Council of an offer received to transfer land to Council; and
- Decide on a response to the offer.

Recommendation

THAT Council Resolve to move into Closed Council to consider the confidential report as listed above.