

MINUTES OF THE FINANCE COMMITTEE OF UPPER HUNTER SHIRE COUNCIL HELD ON THURSDAY 2 APRIL 2020 IN THE BARRY ROSE ROOM/ZOOM COMMENCING AT 8.30am

PRESENT:

Cr Wayne Bedggood (Mayor), Cr Josh Brown, Cr Ron Campbell and Cr Kiwa Fisher.

APOLOGIES:

Nil

RESOLVED that there are Nil apologies.

Moved: Cr W Bedggood Seconded: Cr R Campbell CARRIED UNANIMOUSLY

IN ATTENDANCE:

Cr Sue Abbott, Mr Steve McDonald (General Manager), Mr Kristian Enevoldson (Director Corporate Services), Mr Wayne Phelps (Manager Finance).

RECOMMENDATION:

that the Minutes of the Finance Committee held on 2 April 2020 be adopted.

Moved: Cr W Bedggood Seconded: Cr R Campbell CARRIED UNANIMOUSLY

DECLARATIONS OF INTEREST:

Cr Josh Brown declared a Non-pecuniary/Significant Interest as he is a Director of the Murravale Retirement Home Limited which is an aged care facility. Cr Josh Brown will not participate and will leave the meeting if/or when discussions are entered into regarding the Gummun Place Hostel. This Declaration of interest will be a standing item whilst he remains as a Director of the Murravale Retirement Home Ltd.

FCR.04.1

FINANCIAL SUMMARY & INVESTMENT REPORT

RESPONSIBLE OFFICER: Kristian Enevoldson - Director Corporate Services

AUTHOR: Wayne Phelps - Manager Finance

RESOLVED

That the Committee:

- 1. note the Fund and Function Summary Report;**
- 2. note the Cash and Investment Report;**
- 3. note the Responsible Accounting Officer's Statement.**

Moved: Cr J Brown

Seconded: Cr R Campbell

CARRIED UNANIMOUSLY

FCR.4.1 Financial Summary & Investment Report

Financial Summary Overview

Finance Manager provided an overview of the month ended February 2020 summary financial information.

Currently there is a negative variance to budget of \$575k which resulted from the following primary areas:

1. Council's operating revenue was higher than budget by \$116k which was primarily due to the following factors which include both higher and lower actual costs to budget:

Higher actual revenue to budget

- a. Land development sales were higher than budget due to settlement of two (2) hanger lots at the Scone Aerodrome.
- b. Fire Services & Protection funding were higher than budget due to receipt of the one-off funding for the increase in emergency services contributions in 2019/20.
- c. Scone/Aberdeen water consumption usage charges were higher than budget with higher than expected usage noted during the November to February period for both residential users and Council's standpipes.

Lower actual costs to budget

- d. General fund interest revenue was lower than budget to date that is due to reduced interest rates % available for investment funds over the last twelve (12) which has had a detrimental effect on revenue.
- e. White park revenues were lower than budget due to reduced events at the facility caused by livestock availability and a requirement for additional infrastructure facilities for some potential events.
- f. All other revenues are relatively consistent to budget across each service area with a cumulative effect of being lower than budget.

2. Non-Operating Revenue and Expenditure is lower than budget by \$131k which was due to the following:

- a. Utilisation of Council's internal fleet hire has improved over the last month with further increased utilisation expected over the next four (4) months as maintenance and capital work projects intensify.

3. Council's operating expenditure lower than budget by \$183k which was primarily due to the following factors which include both higher and lower actual costs to budget:

Higher actual costs to budget

- a. Gummun Place Hostel operational costs were higher than budget due to additional costs associated with attaining the new Government compliance standards.
- b. Waste Management operational costs were higher than budget due to increased costs associated with kerbside disposal costs to Muswellbrook facility, bulky waste kerbside collection and contractor transport of waste from the Merriwa/Cassilis and Murrurundi waste facilities.
- c. Scone Golf course actual operational costs were higher than budget due to maintenance of the Course being extend for an additional 12 months from August 2019. Some of these costs have be funded by additional revenue streams directly related to the golf course.

Lower actual costs to budget

- d. Roads & bridges actual maintenance costs are currently lower than budget with the Infrastructure Department constantly monitoring these areas.
- e. All other actual costs are relatively consistent to budget across each service area with a cumulative effect of being lower than budget.

4. Council's overall capital works expenditure were higher than budget by \$743k which was primarily due to a number of capital works projects that included both higher and lower actual costs to budget to date:

Higher actual costs to budget

- a. Scone to Murrurundi pipeline: major contracted work with laying of the pipe is nearing completion with costs ahead of schedule to date.

Lower actual costs to budget

- b. Saleyards Redevelopment: original major contracted works and additional roofing area was completed in December. Completion of the overall project expected March/April 2020.
- c. Sporting Ground projects: delay in commencement of the Stronger Country Community Fund project.
- d. MR105 Road Repairs Works: works are continuing slightly behind schedule on two (2) road work projects along Hunter Road extending from Kelleys Gully and Waverley Road.
- e. Road Re-sealing program: works are continuing with completion expected in March/April.

General Discussion was entered into for the following items in the Financial Summary:

Waste Services expenditure

Mayor Bedgood asked if consideration has been given to the fact that with the current situation with residents requiring the be homed for longer than expected that have we considered additional waste services.

Response: General Manager advised that discussions with our kerbside collection contractor had begun with the possibility of additional services with indications from the contractor that they do have available resources if required. Currently we have 240ltr putrescible bins size which will assist.

Roads & Bridges expenditure

Cr Campbell advised that with the recent rain events Council has a considerable amount of works to be done in regards to the maintenance of the road network and enquired whether there were sufficient funds to undertake these works.

Response: General Manager advised that the Director Infrastructure Services is preparing an application for a Storm event claim to the value of approximately \$700 to \$800k as the State Government declared the Shire as a natural disaster area. If that is successful with the claim these reimbursement funds that have already been expended will redistributed to other areas within the road network.

Scone Golf Course expenditure

Cr Fisher enquired whether the position of the costs seems to be a reduction from the last finance meeting.

Response: Finance Manager advised that this was due to an approved increase in the budget from that last finance meeting.

General Manager left meeting at 9.00am.

It was highlighted by the Finance Manager that while the overall revised budget remains a relatively balanced budget to date, as highlighted at the previous finance meeting Council's budget will endure considerable pressure from the full year operation of some of its business entities, investment revenues (reduced investment rates available) and rectification works required on capital works.

It was further noted by the Finance Manager that a full review Council's capital works program has been undertaken in the current month in order to identify the realistic expected delivery of the program. This review has resulted in a number of projects that are continuing either being partly delayed and/or deferred to the 2020/21 year.

In addition, the Finance Manager raised the potential financial effects from the on-set of the "Coronavirus" outbreak over the last four (4) weeks. It is envisaged that with the required closures and/or limiting of a number of Council's operating activities and additional costs towards safeguarding against the pandemic that a significant financial effect on revenues and expenditure to June 2020 may exist.

Cr Abbott enquired whether Council was expecting to obtain additional funding from the State Government given that COVID-19 has had such an impact financial on Council.

Response: Director Corporate Services advised that a recent seminar was held with Local Government NSW which indicated that they would like Council's to advise them of the financial impacts from COVID-19 and have encouraged that the Local members lobby both the Federal and State members for additional funding for Local Government.

Director Corporate Services further advised that each Council needs to determine estimated financial effect of COVID-19 pandemic before lobbying for additional funding can be undertaken. A report on the estimated financial effects to Council will be prepared for the next Finance Meeting.

Finance Manager advised that Council has created additional accounts in its financial package in order to capture the additional cost burdened on Council so that we are proactive in identifying losses that may be recovered through additional funding.

Mayor Bedggood enquired whether this was across all of Council's operations not those directly impacted.

Response: Finance Manager confirmed that the review would be across predominantly all areas of Council's operational activities, not capital works, as these activities will have the greatest financial effect on Council.

Cr Campbell enquired given the current disruptions at the moment what was the position of MR358 Willow Tree Road in regards to expected cost of rectification works and expected re-opening of the road.

Response: Finance Manager advised that Council had engaged a Gio-tech consultant to provide a report on the condition of the road which is currently in progress. The expected cost of rectification works will not be known until that report is issued which will ultimately determine the re-opening of the road.

Taken on notice for further information.

Budget Position Summary

Finance Manager also highlighted the summary of the revised overall budget position as at end of February which indicates the net variations approved to date and the proposed net variation for the current report. Following the variations noted the overall revised budget position was a negative \$18,087.

Non-Financial Information

Finance Manager provided an overview of the Summary of Non-Financial KPI's which indicates that 14.49% of the indicators are currently off track which was an increase on the previous month with a summary of those indicators that are currently off-track are shown in the papers.

It was further highlighted that due to the uncertainty surrounding the outbreak of the "Coronavirus" which has resulted in the limiting and forced closures of many Council services the expectation of achieving the majority of set KPI's is considered very doubtful.

Funds on Hand

Finance Manager further highlighted the level of funds held at the end of February has remained consistent to that of the previous month.

Restricted Assets

Finance Manager provided an overview of the current movements in the restricted assets highlighting the majority of the movements are related to the delay and/or deferment of a number of major capital works projects.

RESPONSIBLE OFFICER: Kristian Enevoldson - Director Corporate Services

AUTHOR: Wayne Phelps - Manager Finance

RESOLVED

That the Committee:

1. note the comments on the budget review by the managers/budget holders;
2. adopt the requested variations as detailed in the budget review with the exception of those variations noted in recommendation 5;
3. note the Capital Budget Review by the managers/budget holders;
4. note the comments on the Capital Budget Review by the managers/budget holders.
5. not support requested variations for sports and recreation and youth focused grant funded capital works of this year's budget as recommended in the report at this stage.
6. that the General Manager provide a report to Council with advice on the recommendation to transfer those funds awarded for grant funded capital works from this year's budget to 2020/21, with information also provided on options for the delivery of projects as soon as possible in the context of the COVID-19 response.

Moved: Cr J Brown

Seconded: Cr K Fisher

CARRIED UNANIMOUSLY

FCR.4.2 Operational Report

Finance Manager provided a detailed overview Council's service activities with questions raised throughout by the Committee.

Communications

Cr Abbott enquired what is the meaning of "Proactive" media releases.

Response: Director Corporate Services advised that these are media releases that Council initiate.

Corporate Services

Cr Brown enquired whether the allocation towards the corporate planner will be adequately funded for production of the Community Strategic Plan given the extension of the Council term by another 12 months.

Response: Director Corporate Services advised that this will be reflected in the 2020/21 budget with no effect on the current year.

Customer Services

Finance Manager explained the process to determine the measurement of the outstanding correspondence requiring action which indicates that the measure will decline before it improves as it measures only those outstanding correspondences that have been actioned within the month.

Cr Brown expressed his concern whether we are actually capturing the relevant information given that the measure doesn't take into account the correspondence remaining outstanding until it has been actioned. Cr Brown further enquired how many pieces of correspondence is received each month.

Response: Director Corporate Services advised that he doesn't know the exact amount of correspondence however it would be in the hundreds. He further advised that it has been discovered that staff have been auctioning the correspondence however have not correctly actioned in as completed in the records system, therefore the records staff have been providing training for users in order to rectify. He confirmed that the KPI measure is expected to meet the target by June.

Mayor Bedggood questioned whether this may be difficult to achieve now given the COVID-19 effects of staff working from home and possibly requiring records from the office to respond to correspondence effectively.

Response: Director Corporate Services confirmed that he still expected that the KPI measure would be met by June even with the current situation.

Depot Operations

Cr Campbell raised concerns that the project was stagnated and possibly getting worse. He further enquired what the current position of the trade waste project.

Response: Finance Manager advised that following discussions with The Director Infrastructure Services the project will be progressed by Council's Fleet Co-Coordinator in order to complete the required works in 2020/21 year.

Fleet Management

Cr Abbott enquired whether Council leases its vehicles or owns them and how has Council managed its staff with utilising its fleet given the social distance provisions under COVID-19.

*Response: Finance Manager advised that Council owns its fleet and has in place measures to adhere to the requirements under COVID-19 social distancing provisions and hygiene.***Governance & Risk**
Cr Brown questioned whether the KPI for the updating of policies and administrative principles would be considered unlikely given that the staff now have to deal with the COVID-19 situation.

Response: Director Corporate Services advised that Council does have a timetable in place for completion of the policies and administrative principles which has been effected by the recent events however it is still expected that the updating of the documents will meet target by June.

Cr Abbott enquired with the effect of the COVID-19 and the possibility of future events similar will be factored into Council's Governance and Risk policies moving forward.

Response: Director Corporate Services advised that these factors will definitely be incorporated into future Governance and Risk frameworks with review of our pandemic plans which Council does maintain however there has always been low expectation of an outbreak. Meetings are held every day by Senior Management Group to discuss the effects of the event across the overall business which has provided a steep learning curve for Council and highlighted some deficiencies in our Business Recovery and Disaster Management Plans. Overall, it is considered that Council has acted fairly well since the pandemic outbreak.

Information Services

Cr Brown enquired whether the information service team are requiring or would require additional resources to facilitate staff working off-site during this crisis.

Response: Director Corporate Services advised that currently the team, although stretched, is coping with the increased requirements. At present we have been able to setup all staff to have the ability to work from home using our current resources however we may need to acquire some additional laptops in the future but at present we are surviving within our current resources.

Cr Abbott raised concerns of the availability of satisfactory internet connections given the expected increased load on the system and the extremely poor connections in some areas. Will Council be advocating to Government to improve the coverage and quality of the internet given that communication via this mode will be required for meeting moving forward.

Response: Director Corporate Services advised that our role can only be in the form of advocacy given that the internet is not a service that Council provides therefore we can definitely advocate for better internet connections on Council's behalf.

Mayor Bedggood raised that this issue is ongoing and that over time Council has initiated conversations with both the State and Federal members regarding the poor internet coverage which considerable correspondence over the last eighteen (18) months has been entered into regarding blackspots and quality of coverage.

Response: Finance Manager advised that this issue could be raised through the COVID-19 communications to Local Government NSW as another avenue together with the advocacy that will be done with the State and Federal members.

Cr Campbell enquire what was happening with the Road Numbering project with regards to some incorrect numbering and replacement of numbers that are faded or damaged as it is extremely important that the properties are numbered and identified correctly in an emergency situation.

Response: Director Corporate Services advised that considerable work has been completed in this area and if some properties have been missed or numbers need replacing we can rectify this however we just need someone to advised Council.

Stores & Purchasing

Cr Abbott enquired whether Council has sufficient inventory for future requirements and who in Council is controlling these.

Response: Finance Manager advised that currently we have a good supply of products for sanitary, disinfectant, hand wash, staff PPE etc. however supplies of these items are beginning to become limited as majority of Council's suppliers are advising that most of the goods are now being re-directed to NSW Health.

Cr Brown further advised that the State Emergency Operations Centre (SEOC) is coordinating the supply of scarce resources to non-health organization and if Council is requiring additional PPE resources than it needs to contact Local Government NSW who is in contact with SEOC.

Cr Abbott enquired what requirements and duties do staff have for PPE.

Response: Finance Manager advised that staff require the resources for cleaning public toilets, duties in public places such as street bin collections, sanitising equipment used by staff etc.

Cr Abbott expressed her concerns that with the lack of suitable PPE that Council staff may be at risk to the COVID-19 virus given the duties that they are required to do and whether Council has considered any measures that will limit this risk when the PPE is not available.

Response: Finance Manager advised that Council is looking at alternate methods of PPE resourcing however it should be noted that Council will not in any manner place any of its staff into situations that may be harmful to their health by not having the appropriate PPE.

Director Corporate Services further advised that Council is constantly looking at the services that it provides and is limiting those services that may contain possible risk such as stopping on-site sewer management inspections at present.

Gummun Place – Aged Hostel

Cr Campbell express his concern regarding the year end audit for Gummun Place given the additional expenditure required to meet the new compliance standards of the Department.

Response: Finance Manager advised that the main issue with the year-end financial statements for Gummun Place, which has a separate financial audit and prudential compliance requirements to that of the overall Council's operations and audit. Looking at the business in isolation it would be considered that the Hostel may have a going concern issue given that it has suffered a loss in the last two (2) financial years and is expected to have the same this year however, the auditors can gain comfort that the facility does have an overarching controlling body, being Council, which is financially stable.

Aged Care – Independent Living Units

Cr Brown enquired whether there was any further news in relation to the rebuilding of the Liverpool Lodge fire damaged units.

Response: Finance Manager advised that the architectural designs were currently being finalised which includes the requirements for disabled access provisions and other building standards. The insurance claim for the building damage has been approved with a tender to be called for the demolition of the existing building and construction of the new building which will go through to Council in the next couple of months.

Cr Brown enquired whether any communication had been provided to the existing tenants of the current position of the process and timeframes for completion of the project.

Response: Taken on Notice

Children's Services – Before and After School Care (SOOSH) & Early Learning Centre (ELC)

Cr Abbott enquired whether the Children's Services would be remaining open and whether the Federal Government will continue to fund them.

Response: Director Corporate Services advised that at present these facilities have remained open similarly to that of public schools. At present we have about seven (7) children at the ELC which has approximately eight (8) staff so this obviously is going to have a major financial effect on Council, therefore we will be looking at advocating to the Federal Government for additional funding.

Cr Abbott enquired further whether there was already additional funding announced for childcare this week as it is recognized that funding is crucial for paying of staff wages and also keeping the facility open for parents who still need to work.

Response: Finance Manager advised that following discussion with the ELC Co-coordinator there is talk that the Government may announce that childcare subsidies may continue for the facilities at the same funding level before the COVID-19 outbreak commenced. This may provide some funding for the staffing costs however the additional fees provided by parents on top of this subsidy will not exist which would result in a possible shortfall.

Director Corporate Services also raised the possible opportunity for the Government's Job Keepers package. In its standard form the eligibility requirement is for business that's revenue has decreased by more than 30% which in Council's overall position we don't meet however Local Government NSW has indicated that it will advocate to the Federal Government for this 30% rule to be applied to business units within Council which would ultimately qualify the ELC for the assistance but this will require further lobbying.

Social Protection

Cr Abbott raised concerns regarding the possible impending issues surrounding domestic violence especially with the social-isolating requirements now in force. Cr Abbott further required what measures has Council put in place to address this potential issue.

Response: Taken on Notice

Cr Brown suggested that Council should remind staff, who may be place in unsafe positions of domestic violence in undertaking duties, what options are available to them to maintain their safety.

Caravan Parks & Camping Grounds

Cr Abbott enquired that in relation to Caravan Parks what is happening to the people who permanently live there.

Response: Director Corporate Services advised that Council only owns the Merriwa Caravan Park which doesn't have any permanent residents.

Cr Abbott enquired what Council's responsibility is for ensuring that the other Caravan operators within our shire do not continue operating and only maintain permanent residents on site.

Response: Finance Manager advised that this would be a police enforcement matter not Council's responsibility.

Economic Promotions

Cr Campbell commented on the additional take up of the CBD shop front assistance program and enquired why there has been increased demand for the assistance.

Response: Finance Manager advised that the increased demand possibly may be from word of mouth as the program has always been in existence which just requires any shop owner to apply with application assessed based on the criteria for the funding.

Cr Fisher enquired what the Start House Ideation Program entailed.

Response: Finance Manager advised that it's a program designed to initiate new innovative business ideas that may provide for new business and economic growth in the shire.

Real Estate

Cr Fisher enquired whether the sale of the land lots for hangers at the airport should be allocated as revenue for the Airport.

Response: Finance Manager advised that the hanger lots at the Airport are developed lots that have incurred costs for development within that precinct with the revenue from these sales to be used to recover these holding costs. There is a valid argument that the net revenue received in excess of the development costs could effectively reside in the airport operations which will be considered when these calculations are completed.

General Manager returned to meeting at 10.15am

Mayor Bedggood enquired whether Council has started reviewing and considering write-down of its revenue from rental properties such as Campbell's Corner.

Response: Director Corporate Services advised that initial discussions have commenced with the tenants in light of the Governments recommendation for landlords and tenants to sit down and discuss the possibility of rental concessions for those businesses that have effectively closed due to COVID-19. These discussions are on a case by case basis given each individual circumstance of the tenant.

Cr Campbell left the meeting at 10.30am

Stormwater Management

Cr Abbott enquired whether a solution had been determined for the drainage issues on the corner of Aberdeen and Liverpool Streets in Scone.

Response: General Manager advised that a meeting was held with the resident at the location with Council staff to review and identify a possible temporary solution in the interim before a more permanent solution can be determined in funded in a future year's budget.

Waste Management

Cr Brown raised a concern that was highlighted in the Local Government NSW briefing on the increased level waste from residential household given the self-isolation requirements of the Federal Government and the possibility of additional collection services being required.

Response: General Manager reiterated the answer to a previous question in regards to this issue and advised that Council had been in discussions with the Council's collection contractor regarding capacity to increase the level of service if required. Council does however have the larger sized (240Ltr) putrescible bin which may be sufficient for most residents. Continued monitoring of tonnage levels of kerbside collection will be undertaken to gauge if additional services will be required. General Manager further advised that Council is recommending the use of double bagging of household waste by residents for health reasons which will be communicated to the public via media releases from the communications team.

Cr Abbott enquired whether Council is continuing with recycling and whether double bagging was a sufficient method to combat the potential health risk of COVID-19 discarded materials.

Response: General Manager advised that the double bagging method has been instigated by the Director Environmental and Community Services as an additional safe guard against the potential health risk of the discarded materials. With regards to the recycling Council is continuing with its kerbside collection of recycle goods through its contractor with the recycled goods received through the landfill being maintained at the site. The second-hand recycling shop has been closed due to the risk of COVID-19 and the handling processes that are required in that shop.

Cr Abbott enquired whether Council was accepting goods for the second-hand recycling shop now that the doors are closed as she has been advised that no goods are being accepted with these items ending up in the landfill.

Response: Taken on Notice

Cr Campbell returned to the meeting at 10.45am

Low Income Housing

Cr Abbott enquired whether there is any homeless people in the Shire at present and is it Council's responsibility to house these people.

Response: General Manager advised that recent information provided by community services indicates that if a homeless person is tested positive for COVID-19 they will be housed in hotel accommodation for a period of one (1) month.

Cr Abbott further enquired what happens if they are not positive to COVID-19 is it the responsibility of Council to house them.

Response: General manager advised that this would be a State Government matter not Council.

Building Control

Cr Fisher raised the concern that with the building industry continuing as an essential service will the closure of the Council Administration Centre slow the approval process.

Response: Finance Manager advised that Council's planning department are still in the field facilitating inspections and are very mindful of providing this service in an effective and efficient manner however Council needs to make sure that we do not put our people at risk undertaking these duties therefore Director Environment and Community Services and the Manager Building and Planning were reviewing the practice methods to mitigate these risks while on inspections.

Cr Fisher raised whether there was some practice notes or precedent handed down by Local Government NSW or the NSW Planning Department on how to attend inspections due to the risks associated with COVID-19.

Response: Taken on Notice

Mayor Bedggood advised that with the planning department now utilising on-line services to lodge and approve building certificates and applications the overall process should be expedited.

Cr Abbott enquired why we measure the level of Construction Certificate lodged, is it really a KPI.

Response: Director Corporate Services advised that the measure is really a statistic rather than a KPI due to the fact that we do not have any control over the level of Construction Certificates lodged. This KPI will be removed from next year's DPOP.

Animal Control

Cr Abbott enquired whether Council's facilities have sufficient capacity to handle the possible increase in animals relinquished by owners due to COVID-19.

Response: Finance manager advised that the facilities will operate as normal with all attempts being made to re-house all animals that enter the facility.

Director Corporate Services advised that Council was promoting the “foster a pet” program with the possibility that these pets will be retained by the foster owners.

Community Centre and Halls

Cr Brown enquired whether Council and/or community association who manage Council's Centre and Halls have stopped hiring and taking booking for these premises.

Response: General Manager advised that no hiring and/or bookings are being taken by Council for its building premises with the community groups also advised to refrain from hiring and/or taking bookings until further notice and advice from NSW Health.

Cultural Services

Finance Manager indicated that next month the Country Arts Support Program (CASP) project will be deferred to the 2020/21 next month following the social-isolation requirements currently recommended by the Federal Government.

Cr Brown suggested that the CASP budget be maintained until the end of the year with a view to possibly having an arts event within this current climate, be-it not in the true performing arts mode.

Response: Finance Manager advised that further discussions will be held with the community services department to identify the type of project that was to be undertaken in the current year and whether this project is possible to continue before June.

Cr Abbott requested that clarification be sort as to what role Council does play within the CASP projects.

Response: Taken on Notice

Parks & Gardens

Cr Abbott enquired whether we have closed Council's park & gardens and playground equipment areas.

Response: General Manager confirmed closures had occurred.

Public Libraries

Cr Brown enquired whether Council was reviewing the way it delivers it services in the current climate as it would be considered that the Library could provide a range of services to residents who are socially isolated at present by way of possible delivery of books etc.

Response: Director Corporate Services advised that the Library is providing electronic delivery of services through platforms such as e-books however physical delivery and collection of books will not occur due to the health risks and the difficulty sanitary cleaning of books returned as recommended by NSW Health.

Cr Abbott enquired whether the library staff were still working in the building given that there would be considerable tasks that can be completed that the staff don't normally have time to do such as reviewing the book catalogue, re-organising displays and supporting the e-book borrowing service platform.

Response: General Manager advised that staff are still working at the library to undertake these tasks.

Sporting Grounds and Venues

Cr Brown queried why we are backing out the capital expenditure in this area given that it is probably the opportune time to complete these works as grounds and venues are currently closed.

Response: General Manager discussed the process that Council was undertaking in facilitating the commencement and completion of projects within its capital works program to provide a context of the delivery outcomes expected to be achieved.

Cr Brown suggested that with the projects identified for delay to 2020/21 that Council should be attempting to do those sport and recreational type projects that have no effect on either users and/or residents due to the fact the facilities are closed. If the non-delivery of these projects are due to internal resourcing requirements than Council should look at engaging contractors to do the works.

Response: General Manager advised that there have been many conflicting priorities with trying to facilitate the delivery of multiple projects across the capital works program with the Stronger Country Community Fund (SCCF) program requiring numerous discussions internally and with the Government funding body regarding the delivery times for the program which further review and clarification will be sought from the Director Infrastructure Services.

Cr Brown indicated that he was not comfortable with the current recommendation which ultimately approves the surrendering of the funds for these project to next year. Cr Brown advised that he would be more comfortable not surrendering these projects at this time and for a separate report to be tabled at the April Council meeting to outline the expected delivery and outcomes from the SCCF and Office Liquor and Gaming projects.

Cr Fisher provided his agreement with Cr Brown's comments and indicated given that we are just enter the last quarter of the financial year is it too early to start deferring projects to the 2020/21 financial year, all be-it the capital works program could be regarded as ambitious, the deferral of projects especially those in respect to the Sporting grounds and venue in my opinion are considered to be too early.

Cr Campbell advised that he was in agreeance with the previous comments and enquired if Council staff are unable to cope with the volume of works to complete the works than engagement of contractors should be looked at to facilitate those projects and bring them forward as the funding for these projects are already available.

Response: Finance Manager advised that with the projects that are currently being proposed to be deferred to 2020/21 the Councilors really need to understand whether or not these projects can realistically be delivered before year-end which may have a number of factors such as the availability of specialized contractors to do the work and projects may require tenders to be issued and let. It must be said that the deferral of the projects has not taken lightly which has involved consultation with Council's engineering who have provided the realistic delivery outcomes expected by year-end for projects which they have been intimately involved with.

Cr Campbell suggested that improved earlier planning, for these types of projects, may be warranted in order to identify the engagement of contractors when it is determined that Council staff are unable to cope with the volume of works required which should ensure that Council is not left the bulk of the project works to be completed in the last three month of the year.

Mayor Bedggood commented that in defence of Council staff they have provided a realistic view of what they can and cannot deliver by year-end. It is noted that the capital works program for the year could be regarded as opportunistic with Council continuing to take on additional works during the year with funding obtained for droughts, floods and fires etc. which provides increased burden on delivery of projects. The clear message to Council staff from the Councilors is that we need to do as much as possible of the capital works program and defer as little as possible to the 2020/21 year. However, the Councilors need to understand that the predicament, which is a fortunate one, is we have been successful with considerable funding for the delivery of large projects which we now appear to be not coping with so we need to have a happy comprise and try to deliver as much of the program as we can for the current financial year.

Cr Brown advised he will draft an amendment to the report's original recommendation.

Swimming Pools

Cr Campbell asked for clarification on what the maintenance of the Merriwa Pool entailed.

Response: Finance manager advised that this was the normal building and grounds maintenance of the pool.

Regional Roads

Cr Campbell enquired whether the proposed vote for MR358 Willow Tree Road was for just the Geo-Tech report or for the rectification works.

Response: Finance Manager advised that the vote was for the current over spend plus the Geo-Tech investigation works being undertaken. A separate report will be going to Council regarding the cost of rectification works when the Geo-Tech report is received.

Scone/Aberdeen Water Supply

Cr Abbott enquired when the construction of the UV and Chlorination plant would be undertaken.

Response: Finance manager advised that majority of the costs to date is in regard to the concept design and planning works which are expected to be completed in the first half of next financial year with a tender to be let for the construction works after that time.

Taken on Notice regarding construction timeframe.

Merriwa Sewer

Cr Campbell enquired as to why there have been continual delays with regard to the Cassilis Sewer project as the residents are starting to become concerned.

Response: General Manager advised that this project is reported through the Infrastructure Services meeting each month and has experienced some delays due to the technology requirements.

Taken on Notice

Scone/Aberdeen Sewer

Cr Abbott enquired whether the capital works that are being delayed and/or deferred are just being triaged to be completed at a later time and not removed completely.

Response: General Manager advised that these projects will definitely be completed as majority of them are proactive works to reduce maintenance into the future.

Capital Expenditure Summary

Finance Manager highlighted the totals at the bottom of the report which indicate that Council has requested that \$23.6m of the capital works program be delayed and/or deferred to the 2020/21 year, which is before the amendment to the resolution by Cr Brown. Following the delay and/or deferral of the capital works program of the total revised program of \$39.5m

FCR.04.3

CONTRACTORS & EXPENSES REPORT

RESPONSIBLE OFFICER: Kristian Enevoldson - Director Corporate Services

AUTHOR: Wayne Phelps - Manager Finance

RESOLVED That the Committee:

- 1. Note the Contractors Listing for the period;**
- 2. Note the Consultancy and Legal Expenses report for the period.**

Moved: Cr R Campbell

Seconded: Cr K Fisher

CARRIED UNANIMOUSLY

RESPONSIBLE OFFICER: Kristian Enevoldson - Director Corporate Services

AUTHOR: Wayne Phelps - Manager Finance

For notation only.

Moved: Cr W Bedggood Seconded: Cr R Campbell CARRIED UNANIMOUSLY

COUNCILLOR QUESTIONS

Cr Abbott:

1. Could Council please advocate to the State and Federal members for an improved internet network for those in rural and remote areas.
2. Following the notification of the health warning regarding the tepidity of the Scone/Aberdeen water supply, could Council please review and improve its communication protocols regarding emergency warnings to both Councillors and the community.

Response: General Manager responded to this comment and stressed that Council had done everything in its power to inform the community in a timely manner given the warning was received by Council after COB on the Friday and a media release via the Facebook post was issued at 9.30 that night with the recommendation of NSW Health. Following that a letterbox drop was undertaken the next morning to all effected residents.

General Manager further advised that the only detriment to the communication process was that the Councillors should have been emailed prior to the Facebook posting however this did occur not long after.

Cr Abbott reiterated that the issue created high amount of angst in the community as the Facebook post did not reach Council's webpage until later that evening so maybe the media release should have been included on the Council's webpage first.

3. Horse Racing has continued behind closed doors with no public crowds which could be problematic given the possible injuries associated with falls and the likely limited availability of hospital emergency beds in the near future. Could Council advocate for horse racing to stop.

Response: General Manager responded by advising that this is an industry decision that needs to be made following advice received from the State or Federal Government, it is not Local Government's position to determine the ceasing of the business. It is noted that NSW Health are looking at all sporting activities with the view of limiting possible exposure to injuries and use of emergency facilities from these injuries.

Cr Abbott enquired whether Council could contact NSW Health or the NSW Chief Medical Officer in regards to Horse Racing operations.

Mayor Bedggood responded by advising that any advocacy in relation to this matter should be resolved by Council, it is not up to Council staff to make that decision.

Cr Campbell:

1. What is the position of the joint project between Local Lands Service and Council with regards to the river bank at Aberdeen. Has an agreement been reached with the adjoining property owner and what is the timeframe to commence the works.

Response: General Manager advised that an agreement on the scope of works had been completed with the parties.

Taken on Notice regarding timeframe for project.