

ITEM NO: 1

SUBJECT: SCHEDULE OF INVESTED MONIES

FILE NO: C00694

Recommendation:

That the Schedule of Invested Monies as at 30 September 2007 be received.

Report by Group Manager, Community & Corporate:

This report is submitted for the purpose of financial accountability and in satisfaction of the investment reporting requirements of the Local Government (Financial Management) Regulation 1999 and the Local Government Act, 1993 (Section 625). The report also certifies that Council investments comply with the forms of investment made by order of the Minister under section 625(2) of the Local Government Act 1993. The current Ministerial Order was issued under Council Circular 05-53 on 23 September 2005.

The Schedule of Council Invested Monies as at 30 September 2007 is attached for information.

The increased returns, above budget, on the Council investments are due to a greater than anticipated rise in interest rates and increased cash position for the financial year.

Recent Market Developments

Global credit markets experienced exceptionally high volatility in July, which is impacting the value of worldwide credit products including Collateralised Debt Obligations (CDOs) that Council has exposure to within its investment portfolio (i.e. \$6M of the Grange Securities Portfolio which includes \$250k of sub prime). During the period to August/September there was a partial recovery on the Grange Securities Portfolio. Council's cash position is sufficient to enable Council to hold its CDOs to maturity and thus not incur a capital loss (subject to no significant defaults).

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Attachment

SCHEDULE OF INVESTED MONIES - 30 September 2007

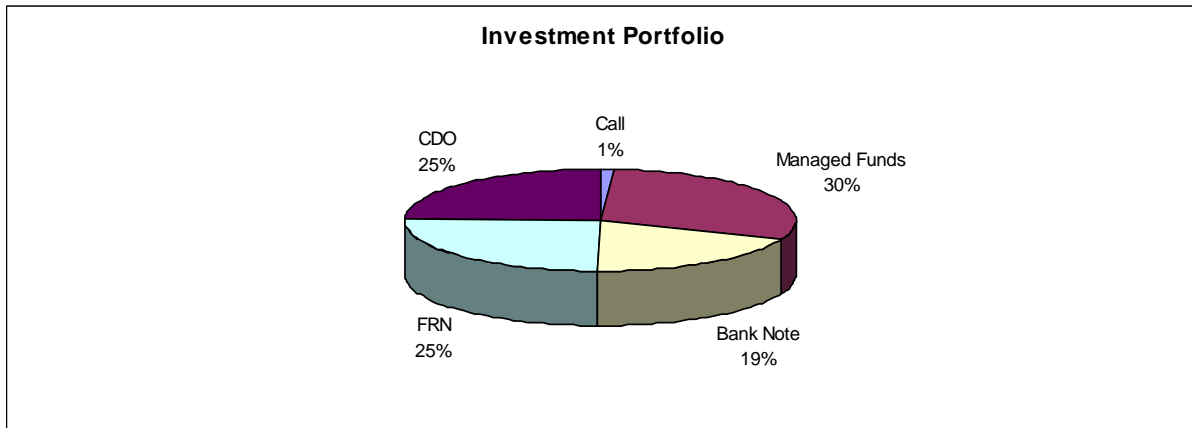
<i>Institution and Fund</i>	<i>Return for Month</i>	<i>Investment Valuations</i>	<i>Investment Valuations Previous Month</i>	<i>Comments</i>
Adelaide Bank Managed Funds	6.9%	7,779,725***	8,529,312	Funds withdrawn for Cash flow
Bendigo Bank FRN	8.06%	1,000,000***		Cash flow investment
CBA – Palladin Portfolio Note	7.8467%	492,500*	492,500	Market revaluation.
Generator Income Notes (managed by Rim Securities Ltd)	8.45%	905,606**	905,606	
FRN and CDO Investment Managed Portfolio (managed by Grange Securities)	7.45%	10,507,421***	10,538,077	Market revaluation
Macquarie Cash Management (managed by Grange Securities)	5.44%	251,865***	100,641	Coupon returns
”Averon” Series AF7 Floating Rate Note (managed by ANZ Bank)	0%	444,500***	500,000	Market revaluation. (Quarterly coupon not paid)
Aberdeen Cash Plus (managed by Grove)	n/a	14,512***	14,512	Fund operating due to Admin.closure delay. Fund closed in October
CBA – Equity Linked Note	Variable	993,000***	1,000,000	Market revaluation
CBA – Callable CPI Linked Note	9.0%	934,400*	934,400	
Athena Series 1 Camelot Notes (managed by ICAP)	6.74%	519,332***	505,167	Market revaluation
Aphex Pacific Capital “Phoenix” Notes (managed by ABN-AMRO Morgans)	8.0%	495,300***	500,000	Market revaluation
CBA – Yield Enhanced Note	7.15%	504,650*	504,650	Market revaluation
CBA – Range Accrual Note	7.55%	1,000,000**	1,000,000	
Total		25,842,811	25,524,865	

BBSW 30 Days 6.74%
Average Rate of Return for Month 7.52%

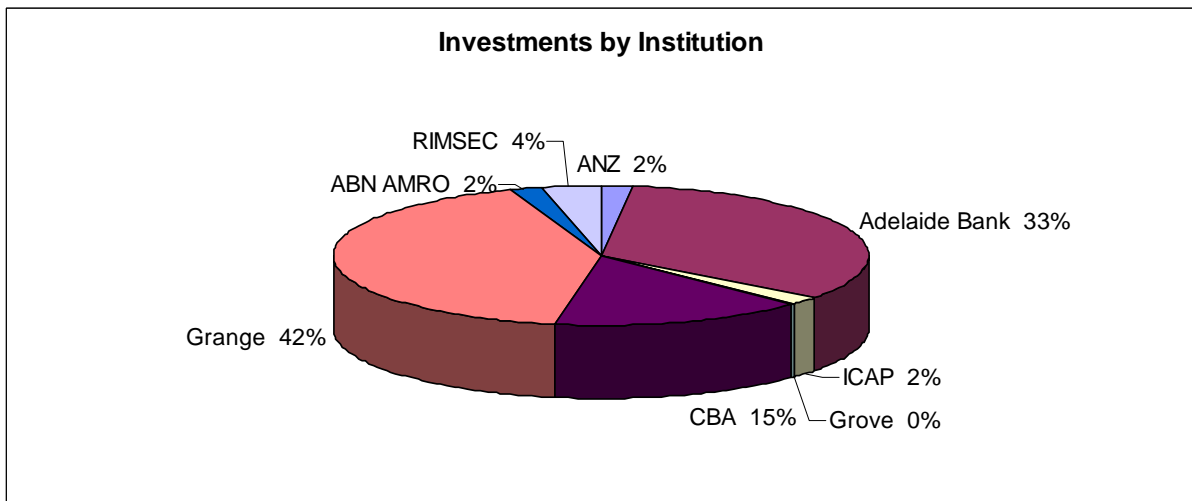
The increase from \$25,524,865 to \$25,842,811 reflects the change in investment valuations and funds invested and/or withdrawn during the month.

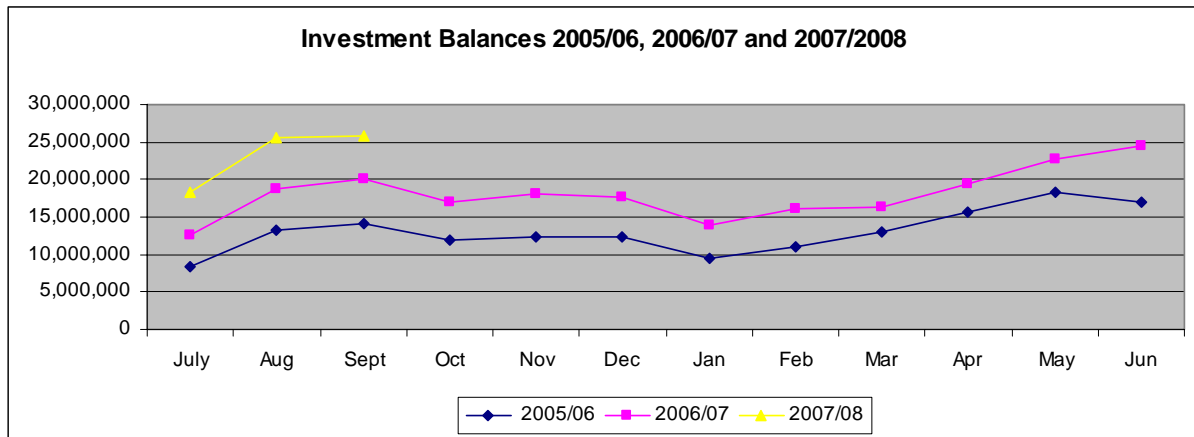
The valuations are as at 30 June 2007 unless subsequently further advised. The valuations are indicative with no assurance that trades could be completed at such values.

- * Market valuation as at 30 June 2007.
- ** Market valuation as at 31 July 2007.
- *** Market valuation as at 30 September 2007.



Call – Cash at Call
 Managed Funds – Managed Funds
 Bank Note – Structured Notes
 FRN – Floating Rate Note
 CDO – Collateralised Debt Obligation





Interest Income - Budget vs Actual

	<i>Year to Date</i>	<i>Full Year</i>
Original Budgeted Return	\$274,375	\$1,097,500
Revised Budgeted Return	\$274,375	\$1,097,500
Council's Actual Return	\$408,146	\$1097,500 (estimated)

I certify and report that the Schedule of Invested Monies listed above describes all Council's funds invested by virtue of Section 625 of the Local Government Act, 1993. The monies referred to in this Schedule are invested in accordance with the Local Government Act, 1993 (Section 625 and Order of the Minister dated 23/09/2005), and Local Government Regulation 1999 (Clause 16) and Council's Policy.

Neil Farquharson
Responsible Accounting Officer

ITEM NO: 2

SUBJECT: THE COUNCIL MEETING SCHEDULE FOR 2008-2009

FILE NO: C01055

Recommendations:

1. *That the Council Meetings be held at the Council Chamber, Katoomba in accordance with the following schedule:*

<i>Time</i>	<i>Date</i>
7:30pm	29 January 2008
7:30pm	19 February 2008
7:30pm	11 March 2008
7:30pm	1 April 2008
7:30pm	22 April 2008
7:30pm	13 May 2008
7:30pm	3 June 2008
7:30pm	24 June 2008
7:30pm	15 July 2008
7:30pm	5 August 2008
7:30pm	26 August 2008
7:30pm	16 September 2008
7:30pm	14 October 2008 (Mayoral Election)
7:30pm	4 November 2008
7:30pm	25 November 2008
7:30pm	16 December 2008
7:30pm	27 January 2009
7:30pm	17 February 2009

2. *That the election of the Mayor and Deputy Mayor be held on 14 October 2008 following the Council Elections being held on 27 September 2008.*

Report by General Manager:

Background

The Council annually resolves the following year meeting schedule for the Council Meeting dates for the following calendar year (2008) and two months into the following year (2009).

The Council meeting Schedule for 2008 and the first two months of 2009 takes account of the:

- 3 weekly meeting schedule, where practical;
- Public Holidays;

- Council Elections in September 2008;
- Annual NSW Local Government Shires Conference in October 2008; and
- Annual Australian Local Government Shires Conference in November 2008 (date not published at time of writing the report).

Purpose

Adopting the forward Council Meeting Schedule assists in:

- Work planning; and
- Communicates the schedule to the public through the Business Paper, the Internet and the Communicator in the Gazette.

This Business Paper also addresses and modifies the previous meeting dates for January and February 2008.

It should be noted that the Council has the discretion to alter the schedule should it deem appropriate.

Conclusion

The Council Meeting Schedule for 2008 and the first two months of 2009 provides both work planning and communication in relation to the business of the Council. Development of the schedule has taken account of Council Meeting practices as well as significant known dates that impact the schedule.

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ITEM NO: 3

SUBJECT: TIMOR FRIENDSHIP COMMITTEE – VISIT TO HATO BUILICO

FILE NO: F01154

Recommendations:

- 1. That the Council support a Council delegation to Hato Bulico in East Timor to sign the Friendship Agreement and meet with the local Timorese Friendship Committee.*
 - 2. That the Council nominate the members of the delegation.*
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Report by the General Manager:

Background

In January 2005 the Council resolved to form a friendship relationship with Hato Bulico in the District of Ainaro in East Timor.

A number of local government areas in Australia have established relationships and are helping to build schools, libraries and offering expert advice about about local government protocols, eg. governance, democratic processes, town planning, management, responsibility and accountability.

The Friendship Region

Hato Bulico is located inland west of capital Dili, at an altitude of 2,400m above sea level on the slopes of Mount Ramelau (2,963m). The area has special cultural and religious significance for the people of Timor and there are 3 main, and 21 smaller villages, in the area.

The population of Hato Bulico, around 10,000, are mostly subsistence farmers. There are two primary schools, no secondary schools. There is no reliable electricity, no reliable water supply and very few other services.

In 2005 Local Government elections were held in East Timor and local and district administrators elected.

Since 2005 the Blue Mountains Timor Friendship Committee has held a number of community events, including knit-ins and fundraisers at Council. The money raised has been used to send funds for food to Timor.

Meetings with representatives

In February 2006 officials from the District of Ainaro, Mr Joao De Corte-Real Araujo, District Administrator and Mr Manuel Ramos Pinto, District Development Officer, along with Mr Abel Guterres, Consul General of Timor-Leste visited the Blue Mountains to take part in planning workshops with the Blue mountains Friendship Committee to draft the Friendship agreement and a strategic plan for projects and support.

Friendship Committee process

The process for establishing and formalising Friendship Agreements is for the Mayor to visit the region and Town in East Timor and sign an agreement with the Local Administrator and the Timorese Friendship Committee. This process has been endorsed by the East Timor Government.

It was envisaged that a reciprocal visit from our Mayor would take place some time in 2006. Unfortunately unrest in Timor has meant that it was not safe to travel.

Hato Bulico Friendship Committee

In June 2007 three members of the Blue Mountains Timor Friendship Committee travelled to Timor on a self-funded trip to act as observers in the Elections. Blue Mountains City Council supported them to travel to Hato Bulico, and as a result of that visit a Friendship Committee has been established in Hato Bulico, which has representatives from the local Church, School, District Administrator’s Office, NGO’s and the community. This Committee has drafted a Strategic Plan which includes short and long term goals and projects.

In order to progress the Friendship Agreement and enable the Committee to begin working on projects in the Hato Bulico Area, it is desirable for an official delegation to visit Hato Bulico to sign the Agreement and meet with the Timorese Friendship Committee.

Financial implications for the Council

Preliminary costs based on a four day itinerary are estimated at \$3,500 for two Council representatives. This would include airfares (ex Darwin), accommodation, car hire, translators, and meals.

A member of Council staff will be in Timor on leave during this time and has offered to act as a facilitator for the official visit. Council would cover wages for 5 days prior to and during the visit at a cost of \$1250. It is understood at the time of writing this report that the East Timor Sister’s Friendship Group will cover the costs of the Staff Members accommodation, meals and ancillary costs. Confirmation of this arrangement is being sought.

There are currently no budgeted funds for this delegation. However, if the Council were to resolve to support the delegation visit a Quarter 2 budget variation would be sought from the General Fund.

Conclusion

It is recommended that the visit take place after the ALGA Conference in Darwin in November 2007. This would reduce the overall costs of the visit by eliminating the Sydney-Darwin airfares for this visit.

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