



MINUTES

Finance Committee

held at

Council Administration Centre
Committee Room
180 Mort Street, Lithgow

on

Tuesday 13 February 2024

at 5:00 PM

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The Chairperson declared the meeting open at 5pm.

1. Acknowledgement of Country

The Mayor acknowledged Wiradjuri Elders past and present of the Wiradjuri nation - the original custodians of the land on which the Lithgow's communities reside and extended respect to our neighbouring nations.

2. Present

Present: Councillor M Statham, Councillor S Lesslie, Councillor S Ring, Councillor C Coleman, Craig Butler (General Manager).

Officers: Ross Gurney (Director Finance & Governance), Trevor Holland (Rates & Revenue Manager), Sharni Channing (A/Financial Services Manager), Sandra Polliti (Property & Legal Officer), Trinity Newton (EA) - Minutes.

3. Apologies

Apologies: Councillor S McGhie, Councillor E Mahony.

4. Declaration of Interest

The Mayor called for any declarations of interest.

There were no declarations of interest made.

5. Staff Reports

5.1. Policy 10.20 Leasing and Licensing - Categories

The Director Finance & Governance reported that there was only 1 Crown Land Lease in Category B (peppercorn rental) and 1 Council land lease in Category B. There are 18 Category C leases.

The Committee reviewed the five Crown Land properties that are leased by Council.

Options for a more equitable approach to leases was discussed.

It was noted that more discussion is required on the terms of leases to include maintenance and upkeep to buildings.

The Committee requested that the Administration make suggestions to update the Categories B and C definitions in Policy 10.20 Leasing and Licensing.

It is noted that leasing arrangements do not imply that groups have ownership of premises.

ACTION / RECOMMENDATION

THAT the Finance Committee:

1. Note the report on Policy 10.20 Leasing and Licencing.
2. Note that the Administration will report to the 9 April 2024 meeting with suggestions to update the Categories B and C definitions in Policy 10.20 Leasing and Licencing.

MOVED: Councillor S Lesslie

SECONDED: Councillor S Ring

CARRIED

5.6. Audit Action List - Rating Review

Item 5.6 was dealt with as the second item on the agenda.

The Committee discussed the plan for a Farmland rating category application process .

Cr Ring asked that, for business sub-categories, equity of application of harmonised rates be considered.

The Special Parking Rate was discussed. The impact of removing the Special Parking Rate and redistributing the rates income will be modelled.

Consideration of a reduction in the ad valorem rate for the business category was discussed. This will be investigated to determine the impacts. Cr Ring also mentioned the need to consider centres of activity (e.g. industrial areas) in the future.

The base rate will be adjusted for the mining category (no change to category income).

It is proposed to defer other rates harmonisation actions until early in the new Council term.

ACTION / RECOMMENDATION

THAT the update on the rating review actions be noted by the Committee.

MOVED: Councillor S Ring

SECONDED: Councillor S Lesslie

CARRIED

5.2. Delegations Register

The Committee reviewed the published delegations register of another Council to make a comparison to the register of Lithgow City Council.

Under the GIPA Act there is no requirement to publish the delegations register.

The Committee agreed that Council should have detailed and specific delegations for the Mayor and General Manager which includes a list of all relevant Acts. The Mayoral delegation should include urgent expenditure, allocating a specific amount that the Mayor can approve.

The Committee suggested that when reporting to Council the use of the Mayoral delegation, a more prompt timeframe is required.

The Committee agreed that the Administration will program the development of draft detailed delegations for the Mayor and the General Manager for early consideration of the new Council.

ACTION / RECOMMENDATION

THAT the Finance Committee:

1. Note the information provided on delegations and the Delegations Register.
2. Note that a report will be included in the minutes reported to the 26 February 2024 Ordinary Meeting to respond to Min. No. 23-178. The report will include a summary of Finance Committee discussions regarding the Delegations Register.
3. Note that the Administration will program the development of draft detailed delegations for the Mayor and the General Manager for early consideration of the new Council.

MOVED: Councillor S Ring

SECONDED: Councillor S Lesslie

CARRIED

5.3. Investment Report January 2024

The Director Finance & Governance reported that the \$1.8M decrease in cash and investments is mainly due to the ordinary business of Council. With no rates instalments due in January, it is usually a lower cash inflows month.

There were a number of high value Accounts Payable transactions.

Council had sufficient cash and investments at 31 December 2023 to fund \$41.1M of externally restricted reserves and \$12.7M of internally restricted reserves.

ACTION / RECOMMENDATION

THAT:

1. Investments of \$50,200,000 and cash of \$1,869,528 (of which approximately \$52M is restricted) for the period ending 31 January 2024 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.
3. The commentary on cashflow and funding requirements for restricted reserves be noted.

MOVED: Councillor S Ring

SECONDED: Councillor S Lesslie

CARRIED

5.4. Consultancies - Discussion

Cr Ring requested clarification as to which policy or procedure includes a definition of a consultancy vs a contractor, as used by local government.

The Director Finance & Governance will review the Procurement procedure. If not already included, a definition of a consultancy vs a contractor will be added to the procedure, to ensure consistent interpretation by staff during procurement activities.

ACTION / RECOMMENDATION

THAT the Finance Committee note the discussion on Council use of contractors and consultants

MOVED: Councillor S Lesslie

SECONDED: Councillor S Ring

CARRIED

5.5. Review of Policy 8.7 Investment Policy

The Director Finance & Governance presented the key policy changes to both credit quality limits and counterparty limits. The changes continue Council's prudent management of its investments and have taken into account the policy's risk management guidelines.

ACTION / RECOMMENDATION

THAT the Finance Committee note and endorse revised Policy 8.7 Investment Policy which will be considered by Council at the 26 February 2024 meeting.

MOVED: Councillor S Lesslie

SECONDED: Councillor S Ring

CARRIED

5.6. Audit Action List - Rating Review

Item 5.6 was dealt with second on the agenda.

5.7. LATE REPORT - 2023/24 Quarter Two Budget Review

The Director Finance & Governance reported that Council's projected financial position at 30 June 2024 will be satisfactory compared with the original budget.

The main reason for the change in Council's projected operating result (before capital) from original budget \$13.58M surplus to \$7.2M surplus relates to natural disaster claim income. Following a comprehensive review of 2023/24 natural disaster projects, \$11.6M of natural disaster restoration project budgets have been rephased to 2024/25,

Quarter Two total operating natural disaster claim income of \$6.256M is excluded, the 2023/24 projected budget consolidated operating result (before capital) is \$933K.

The Quarter Two comprehensive review of the Capital Works Program has resulted in a net reduction in the program of (\$12M). The program has thus been reduced to a total of \$40M.

ACTION / RECOMMENDATION

THAT the Finance Committee note the 2023/24 Quarter Two Budget Review report which will be considered by Council at the 26 February 2024 Ordinary Meeting.

MOVED: Councillor S Ring

SECONDED: Councillor S Lesslie

CARRIED

6. General Business

There were no general business items raised.

7. Meeting Close

There being no further business the Mayor declared the meeting closed at 6:09 pm.