



MINUTES

Finance Committee

held at

Council Administration Centre
Committee Room
180 Mort Street, Lithgow

on

Tuesday 21 May 2024

at 5:00 PM

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DRAFT

The Chairperson declared the meeting open at 5:00pm

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:

Mayor Maree Statham,
Councillor Steve Ring,
Councillor Stephen Lesslie,

Officers:

Ross Gurney Acting General Manager / Director Finance and Governance
Johnathon Reid - Finance Manager,
Sharnie Channing - Management Accountant
Trinity Newton - Minute Taker

3. Apologies

An apology was received from Councillor Eric Mahony who was unable to attend due to personal business.

An apology was received from Councillor Stuart McGhie who was unable to attend due to personal business.

ACTION / RECOMMENDATION

That the apologies of Councillor E Mahony and Councillor S McGhie be noted.

MOVED: Councillor S Lesslie

SECONDED: Councillor S Ring

CARRIED

4. Declaration of Interest

There were no declarations of pecuniary interest made.

5. Staff Reports

5.1. Solar Panels - Council Admin Building - Cost Benefit Analysis

The Committee reviewed the report on the solar panels - Council Administration Building cost benefit analysis.

Based on actual and current estimated electricity cost savings, the estimated payback period will be just over 12 years. Using the same calculation methodology as the Green Guys proposal, the return on investment of 9%.

Queries:

- Maintenance of the solar panels - cost of this and if maintenance is required.
- Will the new Library roof be suitable for solar panels?
- Is Council actively considering other sites for solar panels, e.g. water and sewer sites - Lithgow water treatment plant, Lithgow sewerage treatment plant and pump stations?

The queries were taken on notice.

The Committee agreed that, overall, the implementation of the solar panels has been cost effective.

Cr Lesslie asked if there is consideration of installing solar panels on other Council buildings and was informed that there is not a program at present to determine if there are any other buildings that could benefit from solar panels.

The water and sewer plants were raised as possible sites for solar panels.

Savings have been reported in the Annual Report. In future, further detailed will be included on solar panel savings.

ACTION / RECOMMENDATION

THAT the Finance Committee note the cost benefit analysis carried out on the solar panel and battery system currently on the roof of the Lithgow City Council administration building.

MOVED: Councillor S Lesslie

SECONDED: Councillor S Ring

CARRIED

5.2. Investment Report April 2024

The Director Finance & Governance reported that the \$2.78M decrease in cash and investments is mainly due to the ordinary business of Council, with lower cash inflows as there are no rates or Financial Assistance Grant instalments due in April.

There were high value Accounts Payable transactions, particularly for capital works projects.

It was confirmed that the Administration is confident that the short-term working capital loan will be repaid in its entirety by the end of financial year.

Action / Recommendation:

THAT:

1. Investments of \$47,700,000 and cash of \$934,610 (of which approximately \$47M is restricted) for the period ending 30 April 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

5.3. Zero Based Budgeting

As Councillor Mahony requested that Zero Based Budgeting be discussed, the item will be deferred to the next finance meeting.

ACTION / RECOMMENDATION

THAT the report on zero based budgeting be deferred to the next finance meeting in June.

MOVED: Councillor S Lesslie

SECONDED: Councillor S Ring

CARRIED

5.4. 2023/24 Quarter Three 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 \$13.583M surplus to \$2M surplus relates to natural disaster claim income.

\$670K of salary savings have been taken in Quarters One and Two. Due to recruitment of vacant positions and use of overtime to ensure service delivery, employment costs are on budget at 31/3/24.

\$955K of additional investment income is expected and nett (\$1.48M) of material and contract budget adjustments have been made. The additional income and cost budget adjustments offset further salary savings which were not available at 31/3/24.

Re-phased projects were discussed with the view that it is now too late in the year for re-phasing to occur.

Committee members asked for the list of 2023/24 budget savings to be distributed.

ACTION / RECOMMENDATION

THAT the Finance Committee note:

1. The contents of the report and the projected consolidated operating result (before capital) of \$2M surplus for the 2023/24 Operational Plan as detailed in the Quarterly Budget Review Report for the period 1 January 2024 to 31 March 2024.
2. The commentary on the capital expenditure budget, cashflow and reserve balances.
3. The recommendation that Council adopt the income, expenditure and capital budget variations to the 2023/24 Council budget as outlined in the attached Quarterly Budget Review Report.

MOVED: Councillor S Ring

SECONDED: Councillor S Lesslie

CARRIED

6. General Business

No General Business was raised by the committee.

7. Meeting Close

Next Meeting: Tuesday 18 June at 5pm in the Committee Room.

There being no further business the Chairperson declared the meeting closed at 5:36pm.