



MINUTES

Finance Committee

held at

Council Administration Centre
GM's Meeting Room
180 Mort Street, Lithgow

on

Monday 21 March 2022

at 4:00 PM

ORDER OF BUSINESS

1. Present 3

2. Apologies 3

3. Declaration of Interest 3

4. Staff Reports 3

5. General Business 4

6. Meeting Close 4

1. Present

Cr Maree Statham, Cr Deanna Goodsell, Cr Eric Mahony, Cr Stuart McGhie, Cr Almudena Bryce, Craig Butler (General Manager), Ross Gurney (CFIO), Neil Derwent (Financial Services Manager)

2. Apologies

NIL

3. Declaration of Interest

NIL

4. Staff Reports

4.1. Rating Review Report

Future Together Group (FTG) was engaged to undertake a Rating Review to optimise rating performance and provide a foundation for strong, sustainable and strategically appropriate performance by the Council.

Martin Rush of FTG presented the recommendations of the Rating Review Report and the Committee discussed the recommendations. The General Manager, CFIO and Financial Services Manager provided advice on Council's current rating structure.

ACTION / RECOMMENDATION

THAT the Finance Committee receive the presentation on the recommendations of the rating review project ahead of the matter being presented to the Councillor Information Session on 22 March 2022.

MOVED: Councillor D Goodsell

SECONDED: Councillor M Statham

4.2. 2022/23 Additional Special Variation

The General Manager provided advice on the Office of Local Government's (OLG) 2022/23 Additional Special Variation (ASV) process.

Council can demonstrate that it meets the simplified criteria to apply for a 2.5% one-off (permanent) ASV for the specific purpose of ensuring that Council has sufficient funds to meet its obligations as identified in its LTFP for 2022/23 and future years.

The report on the ASV process will be presented to the Councillor Information Session on 22 March 2022 prior to consideration at the 28 March Council meeting.

ACTION / RECOMMENDATION

THAT the Finance Committee endorse a report to Council recommending that Council:

1. Apply to the NSW Independent Regulatory and Independent Pricing Tribunal for a 2.5% one-off (permanent) special variation under section 508 (2) of the NSW Local Government Act – being for the specific purpose of ensuring that Council has sufficient funds to meet its obligations as identified in its LTFP for 2022/23 and future years.
2. Note that the additional income that Council will receive if the special variation is approved is calculated at \$346,204 increase on the 2021/22 Notional Yield.

3. In adopting the above positions, has considered the impact on ratepayers and the community in 2022-23 and in future years if the special variation is approved and considers that it is reasonable, on the basis that the special variation does not increase rates beyond the CPI.

MOVED: Councillor D Goodsell

SECONDED: Councillor M Statham

4.3. Finance Committee Terms of Reference

Item deferred to the April Finance Committee meeting.

4.4. Investment Report February 2022

The CFIO presented a summary of the February 2022 Investment Report.

The \$2M increase in cash and investments in February 2022 was anticipated as February is typically a month of higher cash inflows. Council currently has sufficient cash and investments to fund the current externally restricted reserve balances.

ACTION / RECOMMENDATION

THAT:

1. Investments of \$29,926,457 and cash of \$2,108,428 for the period ending 28 February 2022 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.
3. The commentary on funding requirements for restricted reserves be noted.

MOVED: Councillor D Goodsell

SECONDED: Councillor M Statham

4.5. Review of Policy 1.7 Local Procurement

Cr Mahony provided an overview of his suggested changes to Policy 1.7 Local Procurement. Cr Mahony will provide the CFIO with a list of his suggested changes.

The item will be discussed further at the April Finance Committee meeting.

4.6. 2020/21 Final Audit Management Letter

Item deferred to the April Finance Committee meeting.

6. General Business

Nil.

7. Meeting Close

Next Meeting: April 2022 – date TBA

There being no further business the Chairperson declared the meeting closed at 5:47pm.