



MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE

commencing at 3pm on

THURSDAY 16 NOVEMBER 2023

Council Chambers
11 Manning Street, KIAMA NSW 2533

**MINUTES OF THE
FINANCE ADVISORY COMMITTEE
HELD IN THE COUNCIL CHAMBERS, KIAMA,
ON THURSDAY 16 NOVEMBER 2023 AT 3PM**

PRESENT: Graeme Gherashe (Chair), Anna-Leena Risku, Mark Greaves,
and Councillors Neil Reilly and Karen Renkema-Lang

IN ATTENDANCE: Chief Executive Officer – Jane Stroud
Chief Operating Officer – Joe Gaudiosi
Chief Financial Officer – Olena Tulubinska
Director Infrastructure and Liveability – Michael Malone

1 APOLOGIES

Jim Thomson and Elizabeth Kelly

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Chair declared the meeting open and acknowledged the traditional owners:

“On behalf of those present, I would like to show my respect and acknowledge the traditional owners of the Land, of Elders past and present, on which this meeting takes place, and extend that respect to other Aboriginal and Torres Strait Islander people present.”

3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 Finance Advisory Committee Meeting on 25 September 2023

23/033FAC

Resolved that the Minutes of the Finance Advisory Committee meeting held on 25 September 2023 be received and accepted.

(Members Renkema-Lang and Gherashe)

Noted:

- The Committee will discuss the suggestions around the formation of agendas and minutes and the provision of advice to Council.
- No further significant progression regarding property divestment.
- Cr Renkema-Lang suggested the briefing from Director Malone regarding property divestment be shared with the Committee.

- CFO sought clarity on the request for a report on Short Term Rental Accommodation (STRA). Advised that under the NSW Local Government Act there is a restriction on obtaining additional income from STRA.
- The Chair reinforced that Service Reviews must include benchmarking.

4 DECLARATIONS OF INTEREST

Nil.

5 FAC STANDARD REPORTS

5.1 Investment Policy Review

The Finance Advisory Committee noted the Draft Investment Policy Update provides subsequent feedback to Management.

Michael Chandra from Arlo joined the meeting at 4pm. Arlo is Council's independent investment advisor. Arlo is a sister company of Imperium Markets which has been advising Council.

Discussion notes:

- Michael Chandra addressed the Committee on the proposed changes as outlined in the Report.
- The CFO advised the changes were a result of changes in relation to TCorp and the restrictions that had previously been imposed on Council's investments.
- In response to Cr Renkema-Lang's question about component of investments with links to fossil fuels, Michael Chandra advised that Council was limited in what they could invest in based on the direction of the Minister.
- Mark Greaves asked whether large banks are considered unethical because of links to fossil fuel investments.
- Michael Chandra advised it was a combination of factors.

Anna-Leena Risku left the meeting at 3.47pm.

5.2 Waste Services & Commercial Operations - Haulage Services Review

The Finance Advisory Committee noted the report on Waste Services and Commercial Operations – Haulage Services review.

Discussion notes:

- Michael Malone presented to the Committee.
- Under the LG Act you cannot make a profit from domestic waste. Any profit is directed back into services. Any loss is born by the Council.
- Reporting currently incorporating all waste services, not separate components.
- All waste staff are under the Local Government award.
- There is significant overtime in Waste Services and the CEO explained that the directive is for core hours for municipal waste services.

5.3 Service Reviews

The Finance Advisory Committee noted the information contained in the Service Review Report.

Discussion notes:

- The Chair advised benchmarking needed to be included and there needed to be an inclusion of income generation opportunities as well as cost reductions.
- The CEO advised the timeframe for the Leisure Centre review would be reduced.
- Cr Renkema-Lang advised that the resolution passed by Council included the methodology that would be used for the Service Reviews.
- The CEO advised the consultant would include this as part of their approach.
- The Committee expressed their thanks for the work done.
- The CEO also advised the Service Reviews were a legislative requirement and KMC is in breach as these have not been completed regularly.

5.4 Statement of Investments - October 2023

The Finance Advisory Committee noted the information relating to the Statement of Investments as at 31 October 2023.

Discussion notes:

- Keeping on top of grant claims helps the balance of unrestricted funds.
- Structural change is also required.
- Unexpected significant legal and audit fees have impacted the budget.
- **Action:** COO to review the Appendix on Updated Reserves and report to Council for adoption.
- Leave Liability has been adjusted following review.

5.5 September 2023 Monthly Financial Report

The Finance Advisory Committee noted and received the Monthly Financial Report for September 2023.

6 REPORTS FOR INFORMATION

6.1 Cash Flow Report

- The CFO and Finance team were thanked for the work to produce the report.
- Grant income is reliant on external parties and requires expenditure before repayment of the grant.
- The CEO advised that some grants rely on completion of financial statements before payments are made.
- The CFO advised the unrestricted cash position needs to be stabilised.
- The CFO advised that capital grants are difficult to predict as they change based on decisions made by State and Federal govts. The amount is an estimate based on previous years.

- The CFO advised the approach for RADs for ILUs was a conservative approach at cost neutral.
- ALR asked if after the sale of Bonaira, Council would be cash-neutral.

6.2 Key Financial Operational Update

- Cr Renkema-Lang discussed the options for considering whether having a Business Excellence Framework incorporated into operations should be considered by the Committee.

6.3 Action Tracker

- Outcomes were noted by the Committee.

7 GENERAL BUSINESS

- In response to Anna-Leena Risku's question regarding whether KMC has failed the Performance Improvement Order based on the questions asked in NSW parliament, the CEO advised that KMC is on a good trajectory. The Mayor and CEO have met with the Minister's Chief of Staff as well as the Member of the Upper House. The decision is with the OLG.
- **Action:** The CEO and CFO to finalise the meeting schedule for 2024
- **Action:** The CEO to review the presentation provided to Councillors on staffing to determine if it can be shared with the Committee.

8 CLOSURE

There being no further business the meeting closed at 5.00pm

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Chair