



MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE

commencing at 3pm on

MONDAY 1 MAY 2023

Council Chambers
11 Manning Street, KIAMA NSW 2533

**MINUTES OF THE
FINANCE ADVISORY COMMITTEE
HELD IN THE COUNCIL CHAMBERS, KIAMA
ON MONDAY 1 MAY 2023 AT 3PM**

PRESENT: Graeme Gherashe (Chair), Anna-Leena Risku, Elizabeth Kelly, Jim Thomson, and Councillors Neil Reilly and Jodi Keast

BY TEAMS: Mark Greaves

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

OBSERVER: Councillor Karen Renkema-Lang

1 APOLOGIES

Nil.

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

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

New staff, Michael Malone and Olena Tulubinska were welcomed and introduced to the Committee.

3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 Finance Advisory Committee meeting held on 27 February 2023

23/008FAC

Resolved that the Minutes of the Finance Advisory Committee meeting held on 27 February 2023 and endorsed by Council at the 21 March 2023 ordinary meeting, be received and accepted.

(Members Kelly and Risku)

Noted:

- A number of draft HR policies were received by ELT in April. Feedback was provided and a request that the policies are reviewed by MLT and the Consultative Committee (due to workplace change content) with the aim of a June endorsement.
- There is no further information on why a 75% market strategy on resale of Blue Haven Terralong units was introduced. A review of fees and charges and the introduction of an annual price review will be progressed.

4 DECLARATIONS OF INTEREST

Nil

5 STANDARD REPORTS

5.1 Monthly Financial Report - February 2023

23/009FAC

Resolved that the Finance Advisory Committee note the Monthly Financial Report for February 2023.

(Members Thomson and Risku)

Noted:

- Questioned that the Deferred management fee is treated as income yet there is no depreciation for Blue Haven. As considered an investment property, depreciation does not apply. Going forward Management accounts will include depreciation costs.

5.2 Statement of Investments - March 2023

23/010FAC

Resolved that the Finance Advisory Committee note:

1. Information relating to the Statement of Investments for March 2023.
2. The restricted funds position as outlined in the report.

(Members Thomson and Kelly)

Noted:

- \$4M of employee liabilities is sufficient. The overall liability is \$8M and usual practice is for at least 20% of the leave liability to be kept in reserve. Profile of the workforce is also taken into consideration.
- A Project Control Group has been established for the Blue Haven sale project and will include looking at the industrial implications of sale and workforce planning. A dedicated industrial relations resource has been engaged for 12 months.

5.3 2020/2021 Annual Financial Statements

23/011FAC

Resolved that the Finance Advisory Committee:

1. notes the financial result for the year ending 30 June 2021.
2. notes the governance role played by Council's Audit, Risk and Improvement Committee in overseeing the preparation and finalisation of the audited 2020/21 financial statements.
3. notes that Council's external auditor will present the audited 2020/21 financial statements at the May 2023 Council meeting.

(Members Kelly and Risku)

Noted:

- The Audit Office has advised of 2 high risk management points to be included in the 2021 management letter regarding completeness of books and records, and cash flow reporting and management
- \$15M of the TCorp loan will be paid in May
- Cashflow forecast is adjusted for items of significance and is also revisited in the QBR process
- Audit fee is excessive and has been raised with the OLG engagement officer and the Temporary Advisor.
- CEO met with Civica (Authority) which is still being used in finance, planning and property. Civica will no longer be supporting Authority and KMC is looking at business solutions and the risks in operating with an unsupported model.
- There are 13 employees on the defined benefit superannuation scheme.

5.4 General update on key financial matters

23/012FAC

Resolved that the Finance Advisory Committee note the general update on key financial matters.

(Members Risku and Thomson)

Noted:

- COO and CFO presented on the Operational Plan and budget as provided to Councillors.
- Deficit is included in the cashflow forecast.
- Capital works are restricted to critical projects, those KMC is committed to and funded projects. KMC will only include what is achievable and can be delivered.
- **Action:** COO to circulate to members an update of the table outlining the recommendations made by FAC to Council and which of those recommendations have been actioned.
- Changes to collection of waste revenue will be made to accurately reflect environmental and regulatory services that are currently being attributed to waste.
- The FAC would like the service review of Waste Services elevated.

5.5 Update on TCorp repayment due August 2023**23/013FAC**

Resolved that the Finance Advisory Committee note the information in the update on the TCorp repayment due in August 2023.

(Members Risku and Thomson)

5.6 Timeline for sale of Blue Haven Bonaira**23/014FAC**

Resolved that the Finance Advisory Committee note the report and the timeline for the proposed sale of Blue Haven Bonaira pending the reclassification process.

(Members Thomson and Risku)

Noted:

- Convening an internal PCG to oversee the sale project.
- KMC has received and unsolicited proposal from an aged care operator which will be reported to the May Council meeting.
- Timeline for the proposed sale (pending reclassification) has been discussed with TCorp and anticipated sale proceeds moved to 2024 in the cashflow forecast.

5.7 Declaration of Business Activities**23/015FAC**

Resolved that the Finance Advisory Committee note the following have been declared as Business Activities of Kiama Municipal Council from the 2021/22 financial year:

- a) Category One Business Activities
 - Blue Haven
 - Holiday Parks
- b) Category Two Business Activities
 - Commercial Waste & Hire Services
 - The Pavilion

(Members Kelly and Risku)

6 ACTIONS ARISING

6.1 Action tracker update - May 2023

23/016FAC

Resolved that the Finance Advisory Committee notes the action tracker updates for May 2023.

(Members Kelly and Gherashe)

7 GENERAL BUSINESS

Nil.

8 CLOSURE

There being no further business the meeting closed at 4.50pm.

These Minutes were confirmed at the Ordinary Meeting of Council held on 16 May 2023.


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Chair