



MINUTES OF THE MEETING OF THE FINANCE ADVISORY COMMITTEE

commencing at 3 pm on

MONDAY 25 SEPTEMBER 2023

Council Chambers
11 Manning Street, KIAMA NSW 2533

**MINUTES OF THE
FINANCE ADVISORY COMMITTEE
HELD IN THE COUNCIL CHAMBERS, KIAMA,
ON MONDAY 25 SEPTEMBER 2023 AT 3 PM**

PRESENT: Graeme Gherashe (Chair), Anna-Leena Risku, Elizabeth Kelly,
Jim Thomson and Councillor Karen Renkema-Lang

IN ATTENDANCE: Chief Operating Officer – Joe Gaudiosi
Chief Financial Officer – Olena Tulubinska
Director Planning, Environment and Communities – Jessica Rippon
Daryl Hagger – Public Officer

1 APOLOGIES

Mark Greaves
Chief Executive Officer – Jane Stroud
Mayor, Councillor Neil Reilly

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.”

2.1 New Members

The Chair thanked Councillor Jodi Keast for her contribution to the Finance Advisory Committee meetings. The Chair welcomed Councillor Renkema-Lang to the meeting as the newest member.

3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 Finance Advisory Committee meeting held on 26 June 2023

23/024FAC

Resolved that the Minutes of the Finance Advisory Committee meeting held on 26 June 2023 and endorsed by Council at the 18 July 2023 ordinary meeting, be received and accepted.

(Members Kelly and Thomson)

4 DECLARATIONS OF INTEREST

Nil

5 STANDARD REPORTS

5.1 Monthly Financial Report – July 2023

23/025FAC

Resolved that the Finance Advisory Committee receives and notes the Monthly Financial Report

(Members Kelly and Risku)

- **Action:** CFO to include a Forward Cashflow report for the next 12 months as a standard report in the agenda.
- **Action:** FAC meetings to be aligned with the most recent monthly financial reports

5.2 2021/2022 Annual Financial Statements

23/026FAC

Resolved that the Finance Advisory Committee note the report and the Finance Team be commended for their input and efforts over the 2021-22 period.

(Member Gherashe and Cr Renkema-Lang)

- Cr Renkema-Lang requested detail on the significance of the fair value adjustments.
- The CFO advised it represented the fair value in the market compared to other similar businesses and gives an indication of where Council stands if there was business as usual.
- The COO advised it materially impacts the bottomline of the balance sheet.
- Committee members discussed the comparison between the 2020-21 and 2021-22 financial statements. There remains an urgent need to address the operating deficit and its impacts on future operations.
- The Committee highlighted that releasing funds from the Internally Restricted Land Development Reserve should not continue if not needed. Instead, Council needs a better understanding of future cash flow requirements.
- The Committee noted that the budget has a staffing vacancy rate of 7%, we are operating at 5%. This increases costs versus budget but does provide needed resources for the operations. A vacancy rate in the current employment market is favourable.
- Cr Renkema-Lang asked if Blue Haven Terralong Street should be included in the Service Reviews. It was further noted that the 4 service reviews have been approved by Council and no capacity exists to take on additional Reviews until these are completed. The Committee highlighted the urgency of the Service Reviews to look at costs versus community benefits.

- The Chair commented that the narrative has improved as a result of the work undertaken by staff but needs enduring operational defecits and cash flow issues to be plainly communicated.

5.3 Statement of Investments - August 2023

23/027FAC

Resolved that the Finance Advisory Committee:

Receives and notes the information relating to the Statement of Investments as at 31 August 2023.

(Members Kelly and Thomson)

- Cr Renkema-Lang asked regarding the \$28.2million decrease in total investments and at what point should Council be reconsidering this approach?
- The Chair advised that until costs are aligned with income this cannot change.

5.4 Blue Haven Bonaira Sale Update - September 2023

23/028FAC

Resolved that the Finance Advisory Committee notes the information update pertaining to the sale of Blue Haven Bonaira and updated activities.

(Members Gherashe and Thomson)

5.5 Financial Sustainability - Update September 2023

23/029FAC

Resolved that the Finance Advisory Committee receives and notes the update on financial sustainability across Council.

(Member Thomson and Cr Renkema-Lang)

- Details on the timeframe for savings was discussed and the Committee was advised that savings were based on operational improvements as a result of the sale of Blue Haven Bonaira.
- The Committee requested an update on progression of the recommendations provided by the temporary advisor if Council has or had not adopted any.
- Clr Renkema-Lang requested an update on the progress of the property divestment strategy.
- **Action:** COO agreed to report back to the Committee on this request regarding the property divestment strategy, noting that a briefing session was recently held 1 August 2023 with Councillors.

5.6 Blue Haven ILU Pricing Review

23/030FAC

Resolved that the Finance Advisory Committee receives and notes an average accommodation entry price increase of 7% to Blue Haven Bonaira and Terralong Independent Living Units.

(Members Kelly and Risku)

6 ACTIONS ARISING

6.1 Service Review Presentation and update

- The Director, Planning Environment & Communities outlined the work being undertaken by the Executive Leadership Team to prepare the service reviews across areas of Council.
- The Chair requested benchmarks be included in the service reviews.
- The Chair will confirm the Finance Advisory Committee member who will be part of the Project Control Group for individual service reviews.
- The Chair thanked the Director for the presentation and update.

6.2 Action tracker update - September 2023

23/031FAC

Resolved that the Finance Advisory Committee receives the action tracker updates for September 2023.

(Members Gherashe and Kelly)

Action: That the COO ensures all action items include a status update and more detail provided on each task.

7 REPORTS FOR INFORMATION

7.1 Blue Haven - Review of Financial Performance

23/032FAC

Resolved that the Finance Advisory Committee note and receive the report on the financial performance for Blue Haven 2022 v 2023.

(Members Risku and Kelly)

Action: CFO to provide financial reports for ILUs to future meetings.

8 GENERAL BUSINESS

Action: That the CFO prepare a report on short term rental accommodation, given the position being taken by other LGA's (Eg Byron Bay), and this to be included in the next meeting.

9 CLOSURE

There being no further business the meeting closed at 4.59pm.

These Minutes were confirmed at the Ordinary Meeting of Council held on
17 October 2023.



Chair