

Corporate & Works Committee Minutes

Monday 21 September 2009

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Corporate & Works Committee Minutes

**Minutes of the Meeting held on
Monday 21 September 2009 at 6.00pm**

Present: His Worship The Mayor, Councillor Andrew Petrie ex-officio
Councillors Greg Medcraft (Chair)
Anthony Boskovitz
Peter Cavanagh
Nicola Grieve
Ian Plater
Isabelle Shapiro

Staff: S Dunshea (Director – Corporate Services)
W Hatton (Director – Technical Services)
G James (General Manager)
D Johnston (Manager Finance)
A Sheedy (Property Officer)

Also in Attendance: Nil

Leave of Absence

Leave of Absence previously granted by Council: Nil

Apologies: Nil

Late Correspondence

Late correspondence was submitted to the committee in relation to Items: D2

Declarations of Interest

Nil

Items Decided by this Committee using its Delegated Authority (Items D1 to D2)

Item No: D1 Delegated to Committee
Subject: **Confirmation of Minutes of Meeting held on 7 September 2009**
Author: Les Windle, Manager – Governance
File No: See Council Minutes
Reason for Report: The Minutes of the Meeting of Monday 7 September 2009 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.

(Cavanagh/Shapiro)

Resolved:

That the Minutes of the Corporate and Works Committee Meeting of 7 September 2009 be taken as read and confirmed.

Item No: D2 Delegated to Committee
Subject: **Monthly Financial Report – August 2009**
Author: Don Johnston, Manager Finance
File No: 349G
Reason for Report: To present the monthly financial report for August 2009

Note: Late correspondence from Mr Don Johnston, Council's Finance Manager, was tabled.

(Plater/Cavanagh)

Resolved:

- A. That the monthly financial report for August 2009 be received and noted.
- B. That the Corporate & Works Committee note the update from the Investment Working Party and its decision to sell its holding in the Henly CDO in accordance with the investment advice received on Friday 18 September 2009.
- C. That the Investment Working Party undertake an assessment on a quarterly basis on whether Council continues to hold or sell its CDO investments.
- D. That Council's Floating Rate Note investments be valued quarterly on a mark-to-market basis and details provided in future monthly investment reports.

**Items with Recommendations from this Committee
Submitted to the Council for Decision (Items R1 to R4)**

Item No: R1 Recommendation to Council
Subject: **Stage 3 – Streatfield Road, Bellevue Hill Road, Footpath and Drainage Reconstruction Works**
Author: David Byatt – Purchasing Coordinator
File No: Tender No 09/15
Reason for Report: To recommend to Council the acceptance of a Tender

(Cavanagh/Grieve)

Recommendation:

- A. That Council enter into a Contract with Melhemcorp for Streatfield Road, Bellevue Hill - Civil Infrastructure Project for the lump sum of \$169,625 (excluding GST), and provisional rates used.
- B. That successful and unsuccessful tenderers be advised accordingly.

Item No: R2 Recommendation to Council
Subject: **31 Chester Street, Woollahra - Road Reserve Encroachment**
Author: Anthony Sheedy, Property Officer
File No: 96.31
Reason for Report: To give consideration to the formalisation of existing encroachments by granting of an easement to permit existing structures to remain on roadway adjoining the property.

(Grieve/Cavanagh)

Recommendation:

- A. That the encroachments on Attunga Street and Chester Street road reserve adjoining 31 Chester St, Woollahra, be formalised by granting of an Easement to Permit Encroaching Structures to Remain, to continue for the life of the building, or the redevelopment of the site, or the redevelopment of the structure, whichever occurs first.
- B. That compensation of \$14,867 (plus any applicable GST), and all Council's costs in this matter, be payable to Council by the owner of 31 Chester Street, Woollahra in return for granting the Easement.

Item No: R3 Recommendation to Council
Subject: **General Purpose Financial Report for the Year Ended 30 June 2009**
Author: Don Johnston, Manager Finance
File No: 331G 2008/2009
Reason for Report: To present the General Purpose Financial Report for the year ended 30 June 2009 to the Committee and seek the adoption of Council's statement in relation to the Reports

(Plater/Cavanagh)

Recommendation:

1. That Council note the further information presented in the report regarding the valuations of Council's investments at 30 June 2009.
2. That Council, having noted the statement by the General Manager and Responsible Accounting Officer, adopt the following statement in relation to its Financial Report for the year ended 30 June 2009:

That, in relation to the Financial Report for the Year Ended 30 June 2009, Council is of the opinion that:

The Financial Report has been drawn up in accordance with:

- i. the Local Government Act 1993 (as amended) and Regulations made thereunder;
- ii. the Australian Accounting Standards and professional pronouncements; and
- iii. the Local Government Code of Accounting Practice and Financial Reporting

and to the best of our knowledge and belief the Report:

presents fairly Council's financial position and operating result for the year; and

accords with Council's accounting and other records;

and further, the signatories to the Report, to the best of our knowledge and belief, know of nothing that would make the report false or misleading in any way;

3. That Council formally refer the 2008/2009 Financial Reports for audit; and
 4. In anticipation of receiving the Auditor's Reports, set the Corporate & Works Committee meeting to be held on 19 October 2009 as the meeting at which the General Purpose Financial Report will be presented to the public.
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Item No: R4 Recommendation to Council
Subject: **IPART's Revenue Framework for Local Government Draft Report – July 2009**
Author: Stephen Dunshea, Director Corporate Services
File No: 87.G IPART
Reason for Report: To recommend to Council the forwarding of a submission in response to IPART's Revenue Framework for Local Government Draft Report – July 2009

(Cavanagh/Grieve)

Recommendation:

- A. That Council note the release of the IPART Revenue Framework for Local Government Draft Report and the reports Findings and Recommendations presented as Annexures 1 and 2 to this report.
- B. That Council note the two options (Option A and Option B) put forward by IPART in its Draft Report as a proposed framework for regulating local government rate increases.
- C. That Council make a submission to IPART in response to the Draft Report incorporating the following comments:
 - i. Welcoming IPART's review of the Revenue Framework for Local Government and the release of its Draft Report – July 2009.
 - ii. Highlighting the inconsistency of IPART's findings regarding the financial sustainability of NSW councils with the findings of the "*Independent Inquiry into the Financial Sustainability of Local Government 2006*" (The Percy Allan Report).
 - iii. Expressing Council's disappointment that IPART has not recommended an option that removed mandatory rate pegging as noted in Option 5 of the previous IPART Issues Paper released for public comment in July 2008.
 - iv. Recommending that IPART undertake further detailed investigation of Option 5 from their July 2008 Issues Paper, including consideration of a range of accountability measures that would apply to councils in order to qualify for an exemption from the default rate cap.
 - v. Welcoming the proposal for IPART to develop and publish an annual Local Government Cost Index.
 - vi. Recommending that the published Local Government Cost Index be used by councils to substantiate the level of rate increase proposed by the individual council to their community under a revised system that removed mandatory rate pegging.
 - vii. That in the absence of an alternate recommendation in IPART's final report that proposes the removal of mandatory rate pegging, Woollahra Council supports Option B as the preferred of the two recommended options presented in the Draft Report.
 - viii. Highlighting the difficulties associated with, and costs involved, in seeking and gaining community support to increase rates as suggested in the Draft Report that would be required for the Minister to approve special variations under both Option A and Option B.
 - ix. That the requirements for councils to earn their independence in setting the level of rate increase under Option B be amended to include a requirement to have in place appropriate financial and asset management policies and plans and be able to demonstrate a track record of improvement in implementing those policies and plans, rather than having a track record of positive operating results over the reporting cycle.

There being no further business the meeting concluded at 6.40pm.

We certify that the pages numbered 2903 to 2910 inclusive are the Minutes of the Corporate & Works Committee Meeting held on 21 September 2009 and confirmed by the Corporate & Works Committee on 6 October 2009 as correct.

Chairperson

Secretary of Committee