



Corporate & Works Committee Minutes

Minutes: *Corporate & Works Committee*

Date: *Monday 31 August 2015*

Time: *6.00pm*

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Monday 31 August 2015

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**Minutes of the Meeting held on
31 August 2015 at 6.00pm.**

Present: Councillors Peter Cavanagh (Chair)
Andrew Petrie
Matthew Robertson
Susan Wynne

Staff Craig Bennett (Manager – Governance - & Council Support)
Minnie Cai (Property Officer)
Stephen Dunshea (Director – Corporate Services)
Paul Fraser (Manager – Open Space & Trees)
Gary James (General Manager)
Don Johnston (Chief Financial Officer)
Zubin Marolia (Manager – Property & Projects)
Tom O’Hanlon (Director – Technical Services)
Anthony Sheedy (Senior Property Officer)

Also in Attendance: Andrew Vallner (Council’s Investment Adviser)

Leave of Absence and Apologies

Note: Leave of absence has previously been granted to

- Councillor Jeff Zulman for the 31 August 2015

An apology was received and accepted from Councillor Deborah Thomas and leave of absence granted.

Late Correspondence

Late correspondence was submitted to the committee in relation to items R2

Declarations of Interest

Nil

Items to be Decided by this Committee using its Delegated Authority

Item No: D1 Delegated to Committee
Subject: **CONFIRMATION OF MINUTES OF MEETING HELD ON 17 AUGUST 2015**
Author: Sue O'Connor, Secretarial Support - Governance
File No: 15/117571
Reason for Report: The Minutes of the Corporate & Works Committee of 17 August 2015 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.

(Wynne /Petrie)

Resolved:

THAT the Minutes of the Corporate & Works Committee Meeting of 17 August 2015 be taken as read and confirmed.

Item No: D2 Delegated to Committee
Subject: **26-28 CRANBROOK ROAD, BELLEVUE HILL - PROPOSED ROAD CLOSURE AND SALE (SC 1015)**
Author: Minnie Cai, Property Officer
Approvers: Zubin Marolia, Manager - Property & Projects
Tom O'Hanlon, Director - Technical Services
File No: 15/112019
Reason for Report: To give consideration to the closure and subsequent sale of unmade roadway adjoining the property.

(Wynne /Petrie)

Resolved:

THAT neighbours be advised that the proposed road closure and sale is to be considered by the Corporate & Works Committee on 21 September 2015.

Items to be Submitted to the Council for Decision with Recommendations from this Committee

Item No: R1 Recommendation to Council
Subject: **HOLDSWORTH COMMUNITY CENTRE INCORPORATED -
LEASE OF THE HOLDSWORTH COMMUNITY CENTRE (SC 363)**
Author: Anthony Sheedy, Senior Property Officer
File No: 15/79474
Reason for Report: Grant of Lease for Holdsworth Community Centre

(Wynne /Robertson)

Recommendation:

- A. THAT Council enter into a 5 year term plus 5 year option period lease agreement for a peppercorn rent (\$1 if demanded), commencing 1 January 2014 with Holdsworth Street Community Centre Woollahra Incorporated for the Holdsworth Street Community Centre at 64 Holdsworth Street, Woollahra.
- B. THAT Council authorise the General Manager to execute all legal documents required to enter into a lease agreement with Holdsworth Street Community Centre Woollahra Incorporated.

Item No: R2 Recommendation to Council
Subject: **DOUBLE BAY BOWLING CLUB - 42 GLENDON ROAD, DOUBLE
BAY - REMOVAL OF RESTRICTIVE COVENANT D796733 ON
LOT 9 DP 32788 (SC 2775)**
Author: Minnie Cai, Property Officer
Approvers: Zubin Marolia, Manager - Property & Projects
Tom O'Hanlon, Director - Technical Services
File No: 15/84530
Reason for Report: To consider the request from Double Bay Bowling Club Limited to release the restrictive covenant from Property Title

Note: Late correspondence was tabled by Council's Property Officer, Minnie Cai.

(Wynne /Robertson)

Recommendation:

- A. THAT Council proceed with the release of the Covenant D796733 following advice from Council's consultant lawyer HWL Ebsworth Lawyers by undertaking the following actions:
- i. Notifying the Club of Council's agreement to release the Covenant subject to creation of a new covenant on title of Lot 9 DP 32788 that neither the land or any part of the land (including any lot having strata title) must never be sold and in the event of any such sale, that Council is entitled to monetary compensation by a method agreed between Council and the Club. All of Council's costs including but not limited to legal and registration fees are to be paid by the Club.
 - ii. The wording for A(i) above be drafted by Council's lawyers and included in the relevant legal documentation.
- B. THAT upon completion of Part A, Council authorise the Mayor and General Manager to execute and affix the Council Seal to all necessary documentation to effect the removal of the covenant from Lot 9 DP 32788 only and creation of the new covenant.

Item No: R3 Recommendation to Council
Subject: **TENDER FOR THE SUPPLY OF VERGE TURF MOWING SERVICES (SC2849)**
Author: Nola Urquhart, Coordinator Assets & Parks Maintenance
Approvers: Paul Fraser, Manager - Open Space & Trees
Tom O'Hanlon, Director - Technical Services
File No: 15/101992
Reason for Report: To recommend to Council the acceptance of tender SC2849 – Supply of Verge Turf Mowing Services

(Wynne /Robertson)

Recommendation:

- A. THAT Council enter into a Contract with Prime Facility and Asset Management Pty Ltd for the Supply of Verge Turf Mowing Services for a 3 year period for the lump sum of \$238,140 ex GST with two 12 month options subject to satisfactory performance at Council's discretion.
- B. THAT unsuccessful tenderers be advised of the outcome of the tender process.

Item No: R4 Recommendation to Council
Subject: **REVIEW OF COUNCIL'S INVESTMENT POLICY (SC305)**
Author: Don Johnston, Chief Financial Officer
Approver: Stephen Dunshea, Director - Corporate Services
File No: 15/108118
Reason for Report: To provide the Committee with information on opportunities to improve investment returns and recommend the adoption of a revised Investment Policy.

Note: Council's Investments adviser Andrew Vallner addressed the Committee in relation to the draft Investment Policy.

(Wynne /Petrie)

Recommendation:

- A. THAT the report on opportunities to improve investment returns be received and noted.
- B. THAT Council's Investment Policy be amended to:
- i. move away from named institutions to a ratings based methodology;
 - ii. increase counterparty limits to the following levels:
 - a. 'AAA' category: 40%
 - b. 'AA' Category (or major Bank) 30%
 - c. 'A' Category 15%
 - d. 'BBB' Category 10%
 - e. Unrated ADIs 5%

- iii. allow up to 25% of the portfolio to be invested with BBB or unrated ADIs with individual counterparty limits of 10% and 5% of the portfolio respectively; and
 - iv. give effect to operational improvements
- C. THAT the revised Investment Policy presented as Annexure 1 inclusive of the amendments in Recommendation B above be adopted.

Item No: R5 Recommendation to Council
Subject: **KIAORA LANDS DEVELOPMENT REFINANCING OPPORTUNITIES (FY262-02)**
Author: Don Johnston, Chief Financial Officer
Approver: Stephen Dunshea, Director - Corporate Services
File No: 15/115607
Reason for Report: To respond to the Corporate & Works Committee's request at its meeting on 3 August 2015 for a further report in respect of the Kiaora Lands Development refinancing opportunities.

(Petrie/Wynne)

Recommendation:

- A. THAT Council receive and note the further report requested by the Corporate & Works Committee in relation to refinancing opportunities for the Kiaora Lands Development
- B. THAT Council agree in-principle to a further allocation of \$18.5m in Council Reserve funds towards the Kiaora Land development project in lieu of loan funds.
- C. THAT Council authorise the General Manager to continue negotiations and finalise with the major banks the refinancing of the \$58.25m loan related to Stage 1 of the Kiaora Lands Redevelopment project and to accept a loan offer in terms most favourable to Council.
- D. THAT Council adopt the following strategic approach to the retirement of the Stage 1 Woolworths loan facility:
 - i. Use \$39.75m of the re-financing loan referenced in Recommendation B above to retire part of the Stage 1 Woolworths 7.5% loan facility, leaving a balance of \$18.5m owing with the existing flexible repayment options;
 - ii. Use the remaining \$18.5m of the re-financing loan to fund the balance of Council's Stage 2 Development Fee obligation to Woolworths Ltd – noting the other \$17m of the total \$35.5m obligation is funded through Section 94 funds, Council's Property Reserve and other borrowings already obtained;
 - iii. Commit to repay the \$18.5m balance of the Stage 1 Woolworths loan facility by 30 June 2016 as term deposits mature - subject to cash flow requirements and other property related project commitments.
- E. THAT Council note the implementation of the strategy outlined in Recommendation B above results in a reduction in loan repayments in the order of \$2.5m per annum.
- F. THAT Council advise Woolworths Property Double Bay Ltd that it will not be taking up Stage 2 of the Kiaora Lands Redevelopment loan facility.
- G. THAT the Seal of Council be affixed to any required Bank loan documentation and Council authorise the Mayor and General Manager to execute any documentation relating to the loan.

- H. THAT annual debt service savings derived from refinancing be retained in the Kiaora Place Reserve to provide Council with the opportunity to review the level of any dividend it sees appropriate to receive from the Kiaora Place investment on an annual basis in conjunction with annual budget deliberations.
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There being no further business the meeting concluded at 6.35 pm.

We certify that the pages numbered 2618 to 2625 inclusive are the Minutes of the Corporate & Works Committee Meeting held on 31 August 2015 and confirmed by the Corporate & Works Committee on 21 September 2015 as correct.

Chairperson

Secretary of Committee