

**Report to General Manager**

Attachments:

1. Minutes - 9 September 2019

SUBJECT: Governance and Finance Committee - 9 September 2019**AUTHOR:** Ian Curry, Manager Governance & Committee Services**ENDORSED BY:** Margaret Palmer, Director Corporate Services**EXECUTIVE SUMMARY:**

This report presents the recommendations of the last meeting of the Governance and Finance Committee held on 9 September 2019 for Council adoption. The Minutes are attached for information.

FINANCIAL IMPLICATIONS:

Nil.

RECOMMENDATION:

1. **THAT** the report on Investments and Loan Borrowings held as at 31 August 2019 be received. (GF01)
 2. **THAT** Council move to ensure all investments undertaken (short and long term) are with institutions that meet the minimum criteria of investment grade (BBB- and above). (GF01)
 3. **THAT** Councillors note that nominations for the position of Deputy Mayor close at 12pm on Wednesday 18 September 2019. (GF02)
 4. **THAT** the election of the Deputy Mayor for the period from 1 October 2019 to 5 September 2020 take place at the Council meeting to be held on Monday 23 September 2019. (GF02)
 5. **THAT** the Customer Feedback and Complaints Report: 1 January to 30 June 2019 be received. (GF03)
 6. **THAT** Option 1 be selected as Council's preferred option for the revised North Sydney Council Ward boundaries. (GF04)
 7. **THAT** the NSW Electoral Commission be advised of Council's resolution. (GF04)
 8. **THAT** a further report be submitted to Council following public advertising of the approved option. (GF04)
 9. **THAT** Council make a submission to the Office of Local Government in respect of the Review of the Local Government Rating System as outlined in this report. (GF05)
 10. **THAT** Council congratulate the staff responsible for preparing the submission. (GF05)
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LINK TO COMMUNITY STRATEGIC PLAN

The relationship with the Community Strategic Plan is as follows:

Direction: 5. Our Civic Leadership

Outcome: 5.3 Council is ethical, open, accountable and transparent in its decision making

BACKGROUND

In accordance with Council's Code of Meeting Practice:

20.24 The minutes of meetings of each Committee of the Council must be confirmed at a subsequent meeting of the committee.

The Charter of the Governance and Finance Committee states:

11.3 The recommendations arising at Committee meetings are to be submitted to the next available Council meeting for adoption. Any Councillor, irrespective of whether that Councillor is a member that Committee may be the mover or seconder of such recommendations.

CONSULTATION REQUIREMENTS

Community engagement is not required.

SUSTAINABILITY STATEMENT

The sustainability implications are of a minor nature and as such did not warrant a detailed assessment.

DETAIL

This report presents the recommendations of the last meeting of the Governance and Finance Committee held on 9 September 2019 for adoption by Council. The Minutes are attached for information.

NORTH SYDNEY COUNCIL**REPORT OF GOVERNANCE & FINANCE COMMITTEE**

SUBJECT: PROCEEDINGS OF COMMITTEE MEETING HELD IN THE SUPPER ROOM AT THE COUNCIL CHAMBERS, NORTH SYDNEY, ON MONDAY 9 SEPTEMBER 2019 AT 6.00PM.

PRESENT

Councillor Gibson in the Chair, Councillors Baker, Brodie, Carr, Drummond, Keen and Mutton.

Staff: Ken Gouldthorp, General Manager
Margaret Palmer, Director Corporate Services
Rob Emerson, Director Open Space and Environmental Services
Garry Ross, Manager Financial Services
Ian Curry, Manager Governance and Committee Services

Visitors: Stu Burns and Michael Chandra (Imperium Markets)

Apologies were received from Councillors Barbour, Beregi.

At the commencement of business (6.04pm) Councillors present were:
Councillor Gibson in the Chair, Councillors Baker, Brodie, Carr, Drummond, Keen and Mutton.

Declarations of Interest

Nil

13. Minutes

The Minutes of the previous meeting held on 17 June 2019, copies of which had been previously circulated, were taken as read and confirmed.

The Motion was moved by Councillor Keen and seconded by Councillor Drummond.

Voting was as follows:

For/Against 7/0

Councillor	Yes	No	Councillor	Yes	No
Gibson	Y		Barbour	Absent	
Beregi	Absent		Drummond	Y	
Keen	Y		Gunning	Absent	
Brodie	Y		Mutton	Y	
Carr	Y		Baker	Y	

14. GF01: Investments and Loan Borrowings Held as at 31 August 2019

Report of Garry Ross, Manager Financial Services

Investment Advisory Services were recently tendered and Imperium Markets have been appointed for the 3-year term. This report has been prepared with their assistance and representatives of Imperium have been invited to give a brief presentation to outline their proposed investment strategy for North Sydney Council. Councillors will have an opportunity to address any concerns or issues associated with the current Investment portfolio and be involved in the review of the Financial Investment Policy.

The performance of the Investment portfolio excluding cash deposits provided an annualised return of 2.97% for the year to date as at 31 August 2019, 1.15% above the reportable benchmark (BBSW Bank Bill Index). Interest returns remain consistently above the benchmark.

Borrowings:

Council has entered into a principal and fixed loan of \$9.5 million.

The 2019/20 budgeted returns on investments is estimated to be \$1,500,000.00. This is significantly less than previous returns due to the declining cash reserve balances and continued low interest rates. Any surplus funds generated in excess of adopted estimates will be transferred to Council's internally restricted reserves.

Investments and Loan borrowings funding comply with Council's Financial Management Policy.

Recommending:

1. THAT the report on Investments and Loan Borrowings held as at 31 August 2019 be received. (This report is provided to the Governance & Finance Committee on 9 September 2019 for information).

Stu Burns and Michael Chandra (Imperium Markets) addressed Council regarding this matter.

A Motion was moved by Councillor Brodie and seconded by Councillor Drummond.

1.THAT the report on Investments and Loan Borrowings held as at 31 August 2019 be received.

2.THAT a further report reviewing Council's Investment Policy and the current low risk market be submitted to Council as soon as possible.

An Amendment was moved by Councillor Carr and seconded by Councillor Baker

1.THAT the report on Investments and Loan Borrowings held as at 31 August 2019 be received.

2.THAT Council move to ensure all investments undertaken (short and long term) are with institutions that meet the minimum criteria of investment grade (**BBB** - and above)

The Amendment was put and carried

Voting was as follows:

For/Against 4/3

Councillor	Yes	No	Councillor	Yes	No
Gibson		N	Barbour	Absent	
Beregi	Absent		Drummond		N
Keen	Y		Gunning	Absent	
Brodie		N	Mutton	Y	
Carr	Y		Baker	Y	

The Amendment became the Motion and was put and carried

Voting was as follows:

For/Against 5/2

Councillor	Yes	No	Councillor	Yes	No
Gibson		N	Barbour	Absent	
Beregi	Absent		Drummond		N
Keen	Y		Gunning	Absent	
Brodie	Y		Mutton	Y	
Carr	Y		Baker	Y	

Resolved to Recommend:

1. THAT the report on Investments and Loan Borrowings held as at 31 August 2019 be received.

2. THAT Council move to ensure all investments undertaken (short and long term) are with institutions that meet the minimum criteria of investment grade (**BBB - and above**)

15. GF02: Election of Deputy Mayor - Call for Nominations

Report of Ian Curry, Manager Governance & Committee Services

The term of office for the Deputy Mayor will expire on 30 September 2019. The election of the Deputy Mayor for the period from 1 October 2019 to 5 September 2020 (the day prior to the NSW Council elections) will take place at the Council meeting to be held on Monday 23 September 2019.

This report calls for nominations for the position of Deputy Mayor to close at 12.00pm on Wednesday 18 September 2019.

Recommending:

1. THAT Councillors note that nominations for the position of Deputy Mayor close at 12pm on Wednesday 18 September 2019.

2. THAT the election of the Deputy Mayor for the period from 1 October 2019 to 5 September 2020 take place at the Council meeting to be held on Monday 23 September 2019.

The Motion was moved by Councillor Baker and seconded by Councillor Mutton.

The Motion was put and carried.

Voting was as follows:

For/Against 7/0

Councillor	Yes	No	Councillor	Yes	No
Gibson	Y		Barbour	Absent	
Beregi	Absent		Drummond	Y	
Keen	Y		Gunning	Absent	
Brodie	Y		Mutton	Y	
Carr	Y		Baker	Y	

Resolved to Recommend:

1. **THAT** Councillors note that nominations for the position of Deputy Mayor close at 12pm on Wednesday 18 September 2019.
2. **THAT** the election of the Deputy Mayor for the period from 1 October 2019 to 5 September 2020 take place at the Council meeting to be held on Monday 23 September 2019.

16. **GF03: Customer Feedback and Complaints Report: 1 January to 30 June 2019**

Report of Ian Curry, Manager Governance & Committee Services

The purpose of this report is to provide a summary of the complaints, both justified and partially justified, and compliments received during the period 1 January to 30 June 2019. A comparison is made to the total number of customer contacts that Council received during the same period.

Recommending:

1. **THAT** the Customer Feedback and Complaints Report: 1 January to 30 June 2019 be received.

The Motion was moved by Councillor Baker and seconded by Councillor Keen.

The Motion was put and carried.

Voting was as follows:

For/Against 7/0

Councillor	Yes	No	Councillor	Yes	No
Gibson	Y		Barbour	Absent	
Beregi	Absent		Drummond	Y	
Keen	Y		Gunning	Absent	
Brodie	Y		Mutton	Y	
Carr	Y		Baker	Y	

Resolved to Recommend:

1. **THAT** the Customer Feedback and Complaints Report: 1 January to 30 June 2019 be received.

17. **GF04: Review of Ward Boundaries**

Report of Ian Curry, Manager Governance and Committee Services

Under section 211 of the *Local Government Act 1993*, councils which are divided into Wards are required to keep those Ward boundaries under review to ensure that a difference in elector numbers of no greater than 10% exists between Wards. If a council determines it is necessary to alter its Ward boundaries, the council is required to, amongst other things, consult the Australian Statistician and the NSW Electoral Commission.

The closing date for submissions to the NSW Electoral Commission of Ward boundary alterations for the 2020 Local Government elections is 9 December 2019.

Recommending:

1. **THAT** Option 1 be selected as Council's preferred option for the revised North Sydney Council Ward boundaries.
2. **THAT** the NSW Electoral Commission be advised of Council's resolution.
3. **THAT** a further report be submitted to Council following public advertising of the approved option.

The Motion was moved by Councillor Keen and seconded by Councillor Mutton.

The Motion was put and carried.

Voting was as follows:

For/Against 7/0

Councillor	Yes	No	Councillor	Yes	No
Gibson	Y		Barbour	Absent	
Beregi	Absent		Drummond	Y	
Keen	Y		Gunning	Absent	
Brodie	Y		Mutton	Y	
Carr	Y		Baker	Y	

Resolved to Recommend:

1. **THAT** Option 1 be selected as Council's preferred option for the revised North Sydney Council Ward boundaries.
2. **THAT** the NSW Electoral Commission be advised of Council's resolution.
3. **THAT** a further report be submitted to Council following public advertising of the approved option.

18. GF05: Local Government Rating System Review - Draft Submission

Report of Jenny Gleeson, Manager Integrated Planning and Special Projects

The NSW Minister for Local Government released the following reports on 21 June 2019, prepared by the Independent Pricing and Regulatory Tribunal (IPART), as part of the local government reform process that commenced back in 2011:

- a) Review of the Local Government Rating System (Rating System Review);
- b) Review of Reporting and Compliance Burdens on Local Government; and
- c) Review of Local Government Compliance and Enforcement.

The Office of Local Government (OLG) is seeking feedback on IPART's recommendations. Council at its meeting of 22 July 2019 (Min. No. 191) resolved to prepare submissions responding to each review.

This report presents the draft submission in response of the Rating System Review (Attachment 1) for endorsement prior to lodging the submission by 13 September 2019. The draft submission has been informed by commissioned independent economic analysis.

In 2018/19, Council revenue from rates and annual charges comprised 44% of its general income (\$58.8M). The draft submission has been prepared in-house. To inform its submission, independent advice was commissioned at a cost of \$37,000. There are no other direct financial impacts to Council as a result of this submission. It is noted however, that should the NSW Government resolve to implement some or all IPART's recommendations there may be an impact to both Council and its ratepayers. Until such time as the Capital Improved Value (CIV) methodology is known and rating categories and minimum rates are confirmed, detailed modelling cannot occur to give an indication of the impacts (positive and negative).

Recommending:

1. **THAT** Council make a submission to the Office of Local Government in respect of the Review of the Local Government Rating System as outlined in this report.

A Motion was moved by Councillor Gibson and seconded by Councillor Mutton.

1. **THAT** Council make a submission to the Office of Local Government in respect of the Review of the Local Government Rating System as outlined in this report.
2. **THAT** Council congratulate the staff responsible for preparing the submission.

The Motion was put and carried.

Voting was as follows:

For/Against 7/0

Councillor	Yes	No	Councillor	Yes	No
Gibson	Y		Barbour	Absent	
Beregi	Absent		Drummond	Y	
Keen	Y		Gunning	Absent	
Brodie	Y		Mutton	Y	
Carr	Y		Baker	Y	

Resolved to Recommend:

1. **THAT** Council make a submission to the Office of Local Government in respect of the Review of the Local Government Rating System as outlined in this report.
2. **THAT** Council congratulate the staff responsible for preparing the submission.

The meeting concluded at 7.20pm.

CHAIRPERSON

GENERAL MANAGER