

## MINUTES OF THE EXTRA ORDINARY MEETING

**Meeting Date:** Monday, 20 November 2023

**Location:** Council Chambers, City Administrative Building, Bridge Road, Nowra

**Time:** 5.35pm

The following members were present:

Clr Amanda Findley - Chairperson

Clr Moo D'Ath

Clr Gillian Boyd

Clr Matthew Norris

Clr John Kotlash (Remotely)

Clr Serena Copley

Clr Paul Ell

Clr Evan Christen

Clr Patricia White

Clr John Wells

Clr Greg Watson (Remotely)

Clr Tonia Gray (Remotely)

The Chairperson read a statement advising those present that the proceedings of this meeting (including presentations, deputations and debate) will be webcast and may be recorded and broadcast under the provisions of the Code of Meeting Practice.

### Apologies / Leave of Absence

An apology was received from Clr Kitchener

### Declaration of Interests

Nil

### MAYORAL MINUTE

Nil

## DEPUTATIONS AND PRESENTATIONS

### CL23.420 – Financial Sustainability Review

Mr Stephen Tierney, addressed the meeting to speak AGAINST the recommendation.

#### Procedural Motion – Committee of the Whole

**RESOLVED** (Clr Christen / Clr Copley)

MIN23.665

That the Extra Ordinary Meeting move into the Committee of the Whole.

FOR: Clr Findley, Clr D'Ath, Clr Boyd, Clr Norris, Clr Kotlash, Clr Copley, Clr Eil, Clr Christen, Clr White, Clr Wells, Clr Watson and Clr Gray

AGAINST: Nil

CARRIED

The meeting moved into the Committee of the Whole, the time being 5.45pm.

#### Procedural Motion - Resumption of Meeting

**RESOLVED** (Clr Wells / Clr Copley)

MIN23.666

That the Extra Ordinary Meeting resume Standing Orders.

FOR: Clr Findley, Clr D'Ath, Clr Boyd, Clr Norris, Clr Kotlash, Clr Copley, Clr Eil, Clr Christen, Clr White, Clr Wells, Clr Watson and Clr Gray

AGAINST: Nil

CARRIED

The Extra Ordinary Meeting resumed Standing Orders, the time being 7.28pm.

The following members were present:

Clr Amanda Findley - Chairperson  
Clr Moo D'Ath  
Clr Gillian Boyd  
Clr Matthew Norris  
Clr John Kotlash (Remotely)  
Clr Serena Copley  
Clr Paul Eil  
Clr Evan Christen  
Clr Patricia White  
Clr John Wells  
Clr Greg Watson (Remotely)  
Clr Tonia Gray (Remotely)

## REPORTS

### CL23.420 Financial Sustainability Review

**HPERM Ref:  
D23/459874**

#### Recommendation

That Council:

1. Receive the Financial Sustainability Review November 2023 report prepared by AEC Group
2. Adopts the following policy positions:
  - a. Council should budget for and maintain an unrestricted cash reserve of at least \$15 Million.
  - b. That no new or increased services or infrastructure be taken on without a full business case being in place, including full assessment of lifecycle costs of the service or asset.
  - c. Grant applications that have a negative impact on the financial position of Council must be approved by Council. Where there is insufficient time to do this, they may be approved by agreement between the Mayor and CEO.
3. Explores options to rationalise land and facilities assets.
4. Implements the asset management improvements identified in the financial sustainability review including the establishment of a project management office and project management framework.
5. Creates a program to strategically review/update its asset management plans and asset condition data, commencing with road assets in early 2024.
6. Adopts a target of \$3 Million in efficiency savings to be found over the next four years.
7. Engages with the community to obtain their input on the service areas which Council will target for cost efficiencies.
8. Informs the community of the proposed Special Rate Variation (SRV) options as detailed in the report and attachments.
9. Place the updated draft Resourcing Strategy 2022-2026 attached to the report on public exhibition for 28 days.
10. Receives a report on the outcomes and feedback from the exhibition of the updated draft Resourcing Strategy at the Council meeting scheduled for 29 January 2024.

#### **RESOLVED (RECOMMENDATION FROM THE COMMITTEE OF THE WHOLE)**

(Clr Christen / Clr Findley)

MIN23.667

That Council:

1. Thank the staff and AEC for the work done to date on the financial sustainability of Shoalhaven City Council. The work presented is a good starting place to investigate all options available to council to return council to a better financial position. In this acknowledgement we also understand that Council has been through the most tumultuous period in its history so far and has been heavily impacted upon by unforeseen events globally and locally. We further acknowledge that in responding to these events, Council has received significant financial support from the State and Federal Government. However even with that financial support the net cost of disasters, including the subsidies and waivers on fees and charges, and the \$300 per ratepayer COVID reimbursement reduced the unrestricted cash position of Council by \$14.6 million.
2. Receive the Financial Sustainability Review November 2023 report prepared by AEC Group which informs the community of the financial position of council.

3. Adopts the following policy positions:
  - a. Council should budget for and maintain an unrestricted cash reserve of at least \$15 Million to enable management of unforeseen circumstances such as those experienced between 2019/2022, mainly natural disaster and global pandemic.
  - b. That no new or increased services or infrastructure be taken on without a full business case being in place, including full assessment of lifecycle costs of the service or asset.
  - c. Grant applications must focus on projects that have a full business case and lifecycle costs and have been supported by the community and council. Grant applications that have a negative impact on the financial position of Council must be approved by Council.
  - d. In the event of a capital project not having commenced at the end of a financial year, that the project's priority be reconsidered and Council (re)vote on its continuation or otherwise.
  - e. Commit to reducing any duplication and rationalisation of services delivered with a structural review once a new Chief Executive Officer commences. This will provide much needed continuity on a project that will require full focus over the coming years.
4. Prepare a priority report to explore options to rationalise land and facilities assets with a clear timeline and budget for achieving swift results, including any efficiency savings that have already been identified with staff as part of the AEC Group review, that can be implemented swiftly and cost effectively.
5. Implements the asset management improvements identified in the financial sustainability review including the establishment of a project management office and project management framework, in order for projects to have tighter fiscal management and implementation.
6. Creates a program to strategically review/update its asset management plans and asset condition data, commencing with road assets in early 2024. Report back to council on a strategy to include other asset classes with quarterly reporting to council.
7. Adopts a minimum target of \$3 million in efficiency savings to be found over the next four years. This will be underpinned by a comprehensive calendar of service review with a quarterly report to council.
8. Engages with the community to obtain their input on the service areas which Council may reduce or increase service to and therefore either cut or increase costs.
9. Engages with the community for no less than 28 days on the proposed Special Rate Variation (SRV) noting that if Council applies for an SRV, and if approved by IPART, this will be the maximum rate Council can levy. Where cost savings (as outlined in this report), or proceeds from any potential asset sales is identified, Council may choose to not levy the maximum approved rate increase in accordance with s511 of the Local Government Act.
10. Place the Financial Sustainability Review (Nov 2023) and updated draft Resourcing Strategy 2022-2026 attached to the report on public exhibition for no less than 28 days. When placed on public exhibition there should also be a plain English summary and FAQs of these documents.
11. Receives a report on the outcomes and feedback from the exhibition of the updated draft Resourcing Strategy at the Council meeting scheduled for 29 January 2024, with the understanding that further refinement of the draft Resourcing Strategy will take place during 2024.
12. The report back on 29 January also include clear precise details of efficiency measures already underway and those proposed for the remainder of the Financial Year ending 30 June 2024 noting that as the service review program evolves options for ongoing efficiencies and productivity measures will be matters for consideration for each annual budget preparation period
13. Establish a get involved page and a community engagement plan to obtain community feedback on infrastructure and associated service costs for input into the finalisation of the

long term financial plan. This page should also include the progress report and a projections report on how Council is moving forward with the above.

14. Address the following areas of concern as raised by the Councillors:

- a. Internal legal team vs outsourcing.
- b. Holiday Haven Parks as a business entity with defined dividend to Council.
- c. Bereavement services as a business entity with defined dividend to Council.
- d. Quantity of deferred rates.
- e. Areas of major/significant procurement are assessed for cost efficiency.

FOR: Clr Findley, Clr D'Ath, Clr Boyd, Clr Norris, Clr Kotlash, Clr Christen and Clr Gray

AGAINST: Clr Copley, Clr Ell, Clr White, Clr Wells and Clr Watson

CARRIED

There being no further business, the meeting concluded, the time being 7.30pm.

Clr Findley  
CHAIRPERSON