

The following document is the minutes of the Council and Committee meeting held on 12 February 2015. These minutes are subject to confirmation as to their accuracy at the next meeting to be held on 26 February 2015 and therefore subject to change. Please refer to minutes of 26 February 2015 for confirmation.



COFFS HARBOUR CITY COUNCIL
ORDINARY MEETING
COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR
12 FEBRUARY 2015

Contents

ITEM	DESCRIPTION	PAGE
NOTICE OF MOTION		
NOM15/1	RENAMING OF RESERVE	2
BUSINESS SERVICES DEPARTMENT REPORTS		
BS15/1	BANK AND INVESTMENT BALANCES FOR DECEMBER 2014	3
BS15/2	QUARTERLY BUDGET REVIEW STATEMENT FOR DECEMBER 2014	4
BS15/3	FIT FOR THE FUTURE IMPROVEMENT PROPOSAL UPDATE	5
BS15/4	COFFS HARBOUR CITY COUNCIL RESOURCING STRATEGY 2015/2016 TO 2024/2025	6
BS15/5	APPLICATION FOR A SPECIAL RATE VARIATION (2015/2016 AND 2016/2017)	7
BS15/6	SUPPLY OF ELECTRICITY FOR LARGE CONTESTABLE SITES AND STREET LIGHTING	8
BS15/7	CONTRACT NO RFT-689-TO PROVISION OF INVESTMENT ADVISORY SERVICES	10

ITEM	DESCRIPTION	PAGE
SUSTAINABLE INFRASTRUCTURE DEPARTMENT REPORTS		
SI15/1	FUNDING ALLOCATION FOR S94 CORINDI BEACH DEVELOPMENT AREA	10
SI15/2	PROPOSED LEASE - WESTSIDE TENNIS FACILITY	11
GENERAL MANAGER'S REPORT		
GM15/1	LEGAL APPEAL - APPLICATION TO REVIEW DETERMINATION OF MODIFICATION APPLICATION 43/14DM (955/12DA) - LOT 5 DP 876129, NO. 81D OLD BUCCA ROAD, MOONEE BEACH - ANIMAL ESTABLISHMENT (DOG BOARDING FACILITY)	13



COFFS HARBOUR CITY COUNCIL

ORDINARY MEETING

12 FEBRUARY 2015

Present: Councillors D Knight (Mayor), J Arkan, N Cowling, R Degens, G Innes, B Palmer, K Rhoades, M Sultana and S Townley

Staff: General Manager, Director Sustainable Infrastructure, Director Sustainable Communities, Director Business Services and Executive Assistant

The meeting commenced at 5.00 pm with the Mayor, Cr D Knight in the chair.

We respectfully acknowledge the Gumbaynggirr Country and the Gumbaynggirr Aboriginal peoples who are traditional custodians of the land on which we meet and their Elders both past and present.

The Mayor reminded the Chamber that the meeting was to be recorded, and that no other recordings of the meeting would be permitted.

DISCLOSURES OF INTEREST

The General Manager read the following disclosure of interest to inform the meeting:

Councillor	Item	Type of Interest
Cr Rhoades	BS15/6 Supply of Electricity for Large Contestable Sites and Street Lighting	Pecuniary Interest as he is a Director of Local Government Procurement

APOLOGY

No apologies

PUBLIC FORUM

No public forums

PUBLIC ADDRESS

No public addresses

CONFIRMATION AND ADOPTION OF MINUTES

- 1 **RESOLVED** (Degens/Palmer) that the minutes of the Ordinary meeting held on 18 December 2014 be confirmed as a true and correct record of proceedings.

Cr Cowling informed that Cr Innes was recorded within a division called on item MM14/5 General Manager's Performance Review 2014, Cr Innes was an apology for the meeting.

NOTICE OF MOTION

NOM15/1 RENAMING OF RESERVE

MOVED (Cowling/Sultana) that Reserve No Lot 1 DP 599577 be named Brian Navin Reserve.

The **MOTION** on being put to the meeting was **LOST**.

- 2 **MOVED** (Rhoades/Innes) that item GM15/1 be referred to confidential session at the end of the meeting for the reasons set out in the report.

BUSINESS SERVICES DEPARTMENT REPORTS

BS15/1 BANK AND INVESTMENT BALANCES FOR DECEMBER 2014

EXECUTIVE SUMMARY:

The purpose is to report on Council's Bank Balances and Investments as at 31 December 2014. Council receives independent advice and invests surplus funds in accordance with Councils Investment Policy to maximise investment income and preserve capital to assist with funding requirements for projects listed under the Coffs Harbour 2030 Community Strategic Plan.

3 RESOLVED (Rhoades/Innes) that:

1. The bank balances and investments totaling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and forty seven million, eight hundred and eighteen thousand, seven hundred and seventy four dollars (\$147,818,774) as at 31 December 2014 be noted.
2. The general fund unrestricted cash and investments totaling two hundred and ninety nine thousand, nine hundred and seventy five dollars (\$299,975) as at 31 December 2014 be noted.

BS15/2 QUARTERLY BUDGET REVIEW STATEMENT FOR DECEMBER 2014

EXECUTIVE SUMMARY:

The Office of Local Government has developed a minimum set of budget reports to assist Council in meeting their legislative requirements under Clause 203 of the Regulation. This regulation requires a council's responsible accounting officer to submit quarterly budget review statements to the governing body of Council. These minimum statements are contained within the attachments to this report.

This report summarises the proposed budget adjustments for the quarter and the impact upon the projected budget position for the current financial year. Reference is made to the above Responsible Accounting Officer's (RAO) statement regarding Councils financial position.

4 RESOLVED (Innes/Palmer) that:

1. The Quarterly Budget Review Statements be noted.
2. The budget adjustments be approved and the current budget position be noted.

Estimated budget position as at 31 December 2014:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 22 May 2014	(1,557) (S)	3,237,535 (D)	2,536,225 (D)
Approved Variations to September 2014	Nil	Nil	400,000 (D)
Approved Variations for October 2014	(51,359) (S)	(219,967) (S)	156,985 (D)
Approved Variations for November 2014	(59,059) (S)	Nil	Nil
Recommended variations for month ending 31 December 2014	32,000 (D)	Nil	71,377 (D)
Estimated result 2014/15 as at 31 December 2014	<u>(79,975) (S)</u>	<u>3,017,568 (D)</u>	<u>3,164,587 (D)</u>

EXECUTIVE SUMMARY:

This report is to update Council on the results from the Fit for the Future self-assessment tool, progress on the preparation of Council's Improvement Proposal and the interrelationship between Council's current Financial Sustainability Strategies and the Fit for the Future action plan.

Fit for the Future is the State Government's response to the final report from the Independent Local Government Review Panel released in early 2014. The process requires councils to submit proposals to show how they will credibly improve toward meeting the Fit for the Future requirements in four areas:

- Scale and Capacity
- Sustainability
- Effective Infrastructure and Service Management
- Efficiency

Scale and capacity was assessed by the Independent Local Government Review Panel and Coffs Harbour City Council was deemed to satisfy this criterion and therefore no immediate merger was recommended. The Improvement Proposal template addresses each of the other three areas through the use of benchmarks. The ratios are focussed on General Fund only with water and sewerage sustainability assessed using a different process. Council is required to demonstrate its improvement toward these benchmarks by 2019/2020 through strategies and associated action plans.

Council since 2011 has been focussed on developing, adopting and now implementing several Financial Sustainability Strategies to become operationally and financially sustainable for the longer term. Based on Council's Financial Sustainability Strategies and the indicative benchmark results, the internal working group is currently drafting the necessary action plans for the Improvement Proposal. The draft Fit for the Future Improvement Proposal will be presented to Council for adoption in due course.

- 5 RESOLVED** (Palmer/Degens) that Council note the Fit for the Future Improvement Proposal update.

EXECUTIVE SUMMARY:

Every NSW council is required to develop a Resourcing Strategy as part of its Integrated Planning and Reporting (IPR) framework. The Resourcing Strategy comprises a Long Term Financial Plan, an Asset Management Strategy and a Workforce Management Plan. The Draft Coffs Harbour City Council 2015/2025 Resourcing Strategy is submitted as an attachment to this report.

The adopted 2014/2024 Resourcing Strategy reflected an application made by Council for a three-year Special Rate Variation. The SRV was sought as part of a multi-faceted approach to address the critical issue of Council's financial sustainability in trying to maintain infrastructure and deliver services for the community. The Independent Pricing and Regulatory Tribunal (IPART) clearly acknowledged the need for the increase in revenue was justified but approved only the first year of the SRV, with the reasoning that Council's community engagement process was ambiguous with respect to the percentage increase in the general rate.

Council has renewed and expanded its community engagement on the organisation's financial challenges and the need for additional revenue, and with a clearer focus on the increase in the general rate, with a view to making a new application to implement years 2 and 3 of the original SRV proposal, in 2015/2016 and 2016/2017.

The Resourcing Strategy has now been re-drafted to support Council's application to IPART for a Special Rate Variation and provide a platform for the development of Council's Draft 2015/2019 Delivery Program. Further, the Strategy will support ongoing work in the preparation of Council's *Fit for the Future* Improvement Proposal.

6 RESOLVED (Palmer/Innes) that:

Council adopt the Draft 2015/2025 Resourcing Strategy to support:

1. Council's application to the Independent Pricing and Regulatory Tribunal for a Special Rate Variation;
2. The development of the Draft 2015/2019 Delivery Program and the 2015/2016 Operational Plan; and
3. The development of Council's *Fit for the Future* Improvement Proposal.

DIVISION

MOVED (Cowling/Sultana) that a division be called, and those members voting for and against the motion were recorded:

VOTED FOR	VOTED AGAINST
Cr Degens	Cr Cowling
Cr Innes	Cr Arkan
Cr Townley	
Cr Knight	
Cr Sultana	
Cr Palmer	
Cr Rhoades	

BS15/5 APPLICATION FOR A SPECIAL RATE VARIATION (2015/2016 AND 2016/2017)

EXECUTIVE SUMMARY:

In 2014, Council applied for a permanent Special Rate Variation (SRV) to be phased in over three years to generate revenue to address a \$6.2 million shortfall in funding for infrastructure maintenance and renewal across Coffs Harbour.

The Independent Pricing and Regulatory Tribunal (IPART) acknowledged the merit of the application but approved only the first year of the SRV (2014/2015), suggesting that the extent of the 'rate rise' in percentage terms was communicated ambiguously.

In October 2014, Council initiated a new community engagement program to seek feedback on a proposal to pursue the year 2 and year 3 components of the original SRV package. Intensively promoted in the media, online, at information booths and via a printed brochure mailed out to all ratepayers, the latest community engagement has been far-reaching. Almost 6,000 people responded to a postal and web-based survey. A large majority of the general respondents do not support the rate rise proposal with affordability being the major concern. The statistically valid Online Survey Panel results were 29% support, 71% do not support.

Without additional rate revenue, asset service levels will decline as community assets deteriorate. This will impact on Council's ability to deliver outcomes sought in the Coffs Harbour 2030 Community Strategic Plan. Previous consultation has shown that the community wants Council assets and services to be maintained at current levels.

Through its Transformation to Sustainability (T2S) project, Council is also pursuing productivity and efficiency savings and new revenue opportunities to address a separate underlying operating deficit. The annual asset maintenance and renewal funding gap (\$4.2 million) is still to be filled.

The progression of the SRV application is recommended; however, in recognition of the affordability issue for households, it is also recommended that increases in other rates and charges for the average residential ratepayer be reduced so that the total increase in all rates and charges for each of 2015/2016 and 2016/2017 is no greater than 3.9%.

MOTION

7 RESOLVED (Townley/Knight) that:

1. Makes a Special Rate Variation Application to the Independent Pricing and Regulatory Tribunal (IPART) for a permanent rate increase to be phased in over two years, pursuant to Section 508(A) of the Local Government Act, 1993 which will result in Council's Notional General Income increasing by 8.14% for 2015/16 and 7.75% for 2016/17.

Cont'd

**BS15/5 Application for a Special Rate Variation (2015/2016 and 2016/2017)
...(Cont'd)**

2. Through the annual planning and budget process, Council requires that the overall increase in rates and charges for an average residential ratepayer with full services for 2015/16, 2016/17 and 2017/18 to be no greater than 3.9%.
 3. Management bring a report back to Council prior to the end of the first year of this proposed Special Rate Variation summarising overall results from the current Special Rate Variation, the Transformation to Sustainability project and other key initiatives such as the commercialisation of City Works, thereby enabling Council to decide, by resolution, whether the SRV in 2016/17 is still warranted.
 4. Through the annual planning and budget process, Council requires that the setting of fees for onsite septic inspection be adjusted to provide relief in line with the relief provided for the sewerage and water access charges.
-

DIVISION

MOVED (Sultana/Cowling) that a division be called, and those members voting for and against the motion were recorded:

VOTED FOR	VOTED AGAINST
Cr Degens	Cr Cowling
Cr Innes	Cr Arkan
Cr Townley	Cr Sultana
Cr Knight	
Cr Palmer	
Cr Rhoades	

Cr Rhoades declared an interest in the following item, vacated the chamber and took no part in the discussion or voting, the time being 6.48pm.

**BS15/6 SUPPLY OF ELECTRICITY FOR LARGE CONTESTABLE SITES
AND STREET LIGHTING**

EXECUTIVE SUMMARY:

Regional Procurement (a division of Hunter Councils Incorporated) have approached Council to consider participating as a group member in the calling of a reverse auction for the supply of electricity for our large contestable sites (using greater than 160MWh electricity per annum) as well as our street lighting. It is proposed to test the market by way of a reverse auction with a view to obtaining the best possible outcome.

Cont'd

BS15/6 Supply of Electricity for Large Contestable Sites and Street Lighting ...(Cont'd)

Council has received expert advice that approaching nine (9) months out from the expiry of our current contract Council should seek a possible twenty-four (24) or thirty-six (36) month contract to maximise the benefit of what are presently extremely low prices in the retail market. The current contracts for both large contestable sites and street lighting expire on the 31 December 2015.

The advantage for Council in participating in the Reverse Auction process is that it will be undertaken in March 2015 and the timing schedule will still allow Council to participate in an upcoming LGP tender for the supply of Electricity and Street Lighting if the outcome is not cost effective. Recent reverse auction results for the supply of Electricity for Large Contestable Sites have realised approximate savings of 9% to 23% for some Local Government Councils based on their current contract rates.

The Reverse Auction process will not include a quotation bidding process for the supply of renewable energy. However, after the reverse auction Council will have the opportunity to negotiate 'green' energy with the assistance of Regional Procurements' business partners Energy Action. A further report will be provided to Council before the reverse auction takes place to enable Council to form a contemporary policy position of the level of 'green' supply.

8 RESOLVED (Degens/Innes) that Council:

1. Approves the undertaking of a reverse auction for the supply of electricity for our large contestable sites and street lighting, with Regional Procurement Initiative and their partners Energy Action;
2. Notes the timeframes of this process as set out above in the implementation Date / Priority section of this report; and
3. Notes that a further report will be provided before the reverse auction takes place to enable Council to form a contemporary policy position on the level of 'green' energy supply.

Cr Rhoades returned to the meeting, the time being 6.54pm.

**BS15/7 CONTRACT NO RFT-689-TO PROVISION OF INVESTMENT
ADVISORY SERVICES**

EXECUTIVE SUMMARY:

The objective of the report is to report to Council on tenders received for the provision of investment advisory services, Contract RFT-689-TO and to gain Council approval to accept a tender. Council's investment policy is to appoint an independent investment advisor to provide expert advice and assistance with the management of Council's investment portfolio. Tenders were received from five tenderers, all were reviewed in detail with the top three scoring tenders invited to make a presentation to Council. Tendering procedures were carried out in accordance with Council policy. The tender with the highest weighted score is the recommended tender.

9 RESOLVED (Palmer/Sultana) that:

1. Council accept the conforming tender of Laminar Group Pty Limited for Contract RFT-689-TO Provision of Investment Advisory Services, for the rate as tendered.
2. The contract documents be completed under Seal of Council.

SUSTAINABLE INFRASTRUCTURE DEPARTMENT REPORTS

**SI15/1 FUNDING ALLOCATION FOR S94 CORINDI BEACH
DEVELOPMENT AREA**

EXECUTIVE SUMMARY:

The purpose of this report is to seek Council approval to allocate remaining Section 94 funding associated with the Corindi Beach development plan. It is recommended that this funding serve to enable the replacement of an existing tennis court found with a multipurpose tennis and basketball facility found within the Corindi Crown Reserve, and the construction of Stage 1 of a shared path to connect Corindi Beach with Red Rock. See Attachments for map locations.

Community consultation has been undertaken previously regarding the various priorities for community infrastructure improvements. The abovementioned projects have been recently reconfirmed with the Corindi Community Group as being still consistent with the expectations of the community for the remaining funding.

Council has previously accepted grant funding of \$320,000 to enable the construction of the abovementioned shared path however needs to contribute \$211,000 towards the project. No appropriate sources of funding have been identified, other than the available S94 funding for Corindi Beach development plan.

Cont'd

**SI15/1 Funding Allocation for S94 Corindi Beach Development Area
...(Cont'd)**

Approval to allocate the remaining funding to these projects will seek to provide the Corindi Beach community with improved recreational facilities and cycling infrastructure.

10 RESOLVED (Innes/Sultana) that:

Council resolve to allocate the remaining Section 94 Funding of \$440,000 associated with the Corindi Beach Estate development contribution plan to the projects below:

1. \$229,000 – Corindi Beach Tennis Court.
 2. \$211,000 – Stage 1 Red Rock Road Cycleway.
-

SI15/2 PROPOSED LEASE - WESTSIDE TENNIS FACILITY

EXECUTIVE SUMMARY:

Council considered a report on the proposed lease of the Westside Tennis Courts on 12 December 2013 and resolved to grant a lease of the facility to the Westside Tennis Club Incorporated. (See resolution 329)

In the process of finalising lease documentation it has been discovered that the built facility straddles the boundaries of Lot 3 in DP 7699 and Part Lot 2 in DP 533050. The original resolution refers only to Lot 3 in DP 7699.

This report and recommendation is submitted to address administrative details to enable finalisation of the lease documentation.

11 RESOLVED (Innes/Palmer) that:

1. Council, as the registered proprietor of Lot 2 in DP 533050 part being the southern portion of the Westside Tennis Facility (“the demised premises”), give public notice, pursuant to section 47 of the Local Government Act 1993, of the proposal to lease the Demised Premises to Westside Tennis Club Incorporated for an initial term of five (5) years with an option for a further five (5) years.
2. In the event there are no objections to the advertised proposed lease of Part Lot 2 DP 533050 to Westside Tennis Club Incorporated, that Council, as registered proprietor of the land, authorise the lease of the Demised Premises to Westside Tennis Club Incorporated for an initial period of five (5) years and an option for a further period of five (5) years.

REQUESTS FOR LEAVE OF ABSENCE

No requests for leave of absence.

MATTERS OF AN URGENT NATURE

No matters of an urgent nature.

QUESTIONS ON NOTICE

No questions on notice.

CLOSED SESSION – SECTION 10(A)

The Mayor requested a motion to close the meeting to consider a confidential report as outlined in the meeting agenda, the time was 7.03 pm.

- 12** **MOVED** (Degens/Innes) that the meeting be closed to the press and public during consideration of the following items for the reasons as stated:

GM15/1 Legal Appeal - Application to Review Determination of Modification Application 43/14DM (955/12DA) - Lot 5 DP 876129, No. 81d Old Bucca Road, Moonee Beach - Animal Establishment (Dog Boarding Facility)

This report was confidential for the reason of Section 10A(2) of the Local Government Act, 1993:

- (g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege

The **MOTION** on being put to the meeting was **CARRIED**.

The press and public vacated the chamber.

OPEN MEETING

The Mayor requested an appropriate motion to enable the meeting to resolve into Open Meeting, the time being 8.15pm.

- 14** **RESOLVED** (Innes/Sultana) that the Closed Session now move into Open Meeting.
-

**GM15/1 LEGAL APPEAL - APPLICATION TO REVIEW DETERMINATION OF
MODIFICATION APPLICATION 43/14DM (955/12DA) - LOT 5 DP
876129, NO. 81D OLD BUCCA ROAD, MOONEE BEACH - ANIMAL
ESTABLISHMENT (DOG BOARDING FACILITY)**

To consider legal advice provided by Council's legal representative in relation to a Land and Environment Court appeal.

The appeal is against Council's refusal to modify the deferred commencement condition relating to the bitumen sealing of the right of carriageway and remove the requirement for a separate development consent for the access and intersection upgrade works specified in the deferred commencement condition issued for an Animal Establishment, comprising a Dog Boarding Facility.

The General Manager notified the Open Meeting that the resolution considered in the Closed Session whilst adopted is to remain confidential until such time as it is practical to release and that would be at the conclusion of the court proceedings,

- 15 RESOLVED** (Townley/Sultana) that the resolutions of the Closed Session be adopted.

This concluded the business and the meeting closed at 8.18 pm.

Confirmed: 26 February 2015

.....
Denise Knight
Mayor