



Brighton Council

MINUTES OF THE **FINANCE COMMITTEE MEETING**
OF THE BRIGHTON COUNCIL HELD
IN THE COUNCIL CHAMBER, COUNCIL OFFICES
OLD BEACH AT 5.05 P.M. ON TUESDAY,
12TH NOVEMBER, 2013

PRESENT: Cr Foster (Chairperson); Cr Garlick, Cr Gray and Cr Jeffries.

IN ATTENDANCE: Cr Geard; Cr Owen; Mr G Davoren (Deputy General Manager) and Mrs J Banks (Manager Governance & Human Services).

1. APOLOGIES:

Cr Jeffries moved, Cr Garlick seconded that an apology be received from Cr Williams.

CARRIED

VOTING RECORD

In favour	Against
Cr Foster	
Cr Garlick	
Cr Gray	
Cr Jeffries	

2. QUESTION TIME & DEPUTATIONS:

As there were no members in the gallery there was no requirement for question time.

3. DECLARATION OF INTEREST:

In accordance with Part 5, Section 48 of the *Local Government Act 1993*, the Chairman of a meeting is to request Councillors to indicate whether they have, or are likely to have an interest in any item on the agenda; and

Part 2 Regulation 8 (7) of the Local Government (Meeting Procedures) Regulations 2005, the Chairman of a meeting is to request Councillors to indicate whether they have, or are likely to have, a pecuniary interest in any item on the agenda.

Accordingly, Councillors are requested to advise of any interest they may have in respect to any matter appearing on the agenda, or any supplementary item to the agenda, which the Council has resolved to deal with, in accordance with Part 2 Regulation 8 (6) of the Local Government (Meeting Procedures) Regulations 2005.

There were no declarations of interest.

4. BUSINESS:

4.1 BRIGHTON SENIOR CITIZENS CLUB PUBLIC LIABILITY INSURANCE FUNDING:

FILE REFERENCE:

AUTHOR: Council Services Officer
(Mrs C Harper)

Background:

The Brighton Senior Citizens Club has been operating in the municipality for many years. In recent time the number of members has significantly reduced and subsequently their income has also reduced. Even though it is a small group of approximately twelve to fifteen members, they are a vital social group in the municipality who provide positive interactions for its members.

Due to overlooking the timeframe for the Community Grants program they are requesting Council assistance to pay for their Public Liability Insurance premium of \$454.30.

Consultation:

Janine Banks (Manager Governance & Human Services), Barbara Walker (Brighton Senior Citizens Club), Cathy Harper (Council Services Officer).

Risk Implications:

Nil

Financial Implications:

The Senior Citizens club receives a discounted hire fee on the use of the Old Council Chambers building. Council has assisted other groups with payment of public liability insurance as these fees are becoming increasingly difficult for small groups to fund. The fee is smaller than some other groups at \$454.30.

Other Issues:

N/A.

Assessment:

The Senior Citizens group had intended to apply for a Council Community Grant for this funding, however due to circumstances failed to lodge an application. As Council has funded other groups in similar circumstances it would be appropriate to fund this group for this amount, to enable them to continue providing this social outlet for its members.

Options:

1. As per the recommendation.
2. That Council not provide the funds to pay for the public liability insurance for the Senior Citizens Group.

RECOMMENDATION:

That Council provide funding of \$454.30 for the Brighton Senior Citizens Group as requested, and that it be recognised as a donation by Council.

DECISION:

Cr Jeffries moved, Cr Garlick seconded that the recommendation be adopted.

CARRIED

VOTING RECORD

In favour	Against
Cr Foster	
Cr Garlick	
Cr Gray	
Cr Jeffries	

4.2 ST ANN'S INC RATE EXEMPTION:

FILE REFERENCE: STANFI/24

AUTHOR: Deputy General Manager
(Mr G Davoren)

Background:

Council has had ongoing correspondence with St. Ann's Homes Inc. who have requested an exemption of rates under *Section 87(1)(d) of the Local Government Act 1993* for their Verve Retirement Village and Verve Grocer Shop at 24 Stanfield Drive, Old Beach. (St. Ann's do not pay rates on the Nursing Home) Council sought legal advice that did not support a legal responsibility to provide for a rate exemption so staff were obliged to rate in accordance with Council's rate resolution.

St. Ann's has now requested through a lobbyist to seek an exemption to be granted through a decision by Council outside the rate resolution.

Consultation:

Abetz Curtis Lawyers, Senior Rates Officer, Deputy General Manager.

Risk Implications:

Nil

Financial Implications:

Currently we have 19 residential apartments and 1 commercial property rated on the Verve site with a total general or averaged area rate for 2013/14 of \$17,035.

If there were no further development on the site, and with assumed CPI increases each year nullifying any diminishing return, a simple calculation could be applied of the current \$17,035, say over a 20 year period resulting in a remission of \$340,300 at today's value.

Obviously these figures would increase if rate relief is granted to any further development. The Verve plan includes an additional 100 apartments and additional commercial and recreational facilities.

Other Issues:

Nil

Assessment:

Council currently provides a rate exemption to the St. Ann's Nursing home as it complies with an exemption of rates under *Section 87(1)(d) of the Local Government Act 1993*.

Legal advice sought does not however, provide for an exemption for the Verve Retirement Village as it is considered the houses are not occupied exclusively for charitable purposes and the Verve Grocer shop is occupied exclusively for commercial purposes. Therefore, any exemption of rates must be considered on an ex gratia basis.

Options:

1. As per the recommendation.
2. Grant a full rate exception for 24 Stanfield Drive, Old Beach.
3. Grant a partial rate exception for 24 Stanfield Drive, Old Beach (advised by Council)

RECOMMENDATION:

To rate 24 Stanfield Drive, Old Beach in accordance with Brighton Council rate resolution.

DECISION:

Cr Garlick moved, Cr Jeffries seconded that the recommendation be adopted.

CARRIED

VOTING RECORD

In favour	Against
Cr Foster	
Cr Garlick	
Cr Gray	
Cr Jeffries	

4.3 SALE OF SURPLUS LAND – 275 BASKERVILLE ROAD, OLD BEACH

FILE REFERENCE: 275 Baskerville Road, Old Beach

AUTHOR: Deputy General Manager
(Mr G Davoren)

Background:

Council has a number of vacant blocks throughout the municipality that have been identified as surplus land. The land was acquired by Council for public open space in 1982 in lieu of payment.

Councillors have expressed an interest to sell surplus land and to use the proceeds to further develop reserves throughout the municipality.

Consultation:

Nil

Risk Implications:

Nil

Financial Implications:

275 Baskerville Road, Old Beach has a government valuation as at July 1, 2012 of \$150 000.

All capital returns will be set aside for reserve expenditure of a capital nature.

In addition to the capital return on sale, an increase in rates and decrease in land tax would be available.

Other Issues:

Nil

Assessment:

275 Baskerville Road, Old Beach is identified as surplus land.

This property has a land area of 2.548 ha. Currently the land is zoned public recreation space, as this would need to be removed from title prior to sale.

Options:

1. As per the recommendation.
2. Do not sell 275 Baskerville Road, Old Beach

RECOMMENDATION:

Authorise the sale of 275 Baskerville Road, Old Beach in accordance with the *Local Government Act 1993*.

DECISION:

Cr Gray moved, Cr Garlick seconded that the recommendation be adopted.

CARRIED

VOTING RECORD

In favour	Against
Cr Foster	
Cr Garlick	
Cr Gray	
Cr Jeffries	

4.4 MONTHLY FINANCE REPORT AS AT 31 October 2013:

FILE REFERENCE: 0103

AUTHOR: Deputy General Manager
(Mr G Davoren)

Background:

The finance reports were submitted for consideration.

They comprised the summarised financial position and revenue and expenses of the Council for the first four months of the 2013/14 financial year.

Consultation:

Nil

Risk Implications:

Nil

Financial Implications:

Not Applicable

Other Issues:

Nil

Assessment:

Nil

Options:

1. As per the recommendation.
 2. Not receive the reports.
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RECOMMENDATION:

That the reports be received.

DECISION:

Cr Jeffries moved, Cr Garlick seconded that the recommendation be adopted.

CARRIED

VOTING RECORD

In favour	Against
Cr Foster	
Cr Garlick	
Cr Gray	
Cr Jeffries	

4.5 COMPLETE SET OF FINANCIAL STATEMENTS 2012/13:

FILE REFERENCE:

AUTHOR: Deputy General Manager
(Mr G R Davoren)

The Complete set of Financial Statements for the year ending 2012/13 is formally submitted for consideration.

The Tasmanian Audit Office has given its opinion that the Financial Statements presents fairly, in all material respects, the consolidated entities' financial position as at 30 June 2013, and of its financial performance, cash flows, and changes in equity for the year ended. The report is in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

The Financial Statements have again been passed without any qualifications by the Tasmanian Audit Office.

The Tasmanian Audit Office is now responsible for the report to be completed in accordance with section 84(3) of the *Local Government Act 1993*.

The report format also complies with the Australian Equivalent to International Reporting Standards (AIFRS). The format is not generally user friendly due to its compliance to these standards so a summary has been provided below.

Highlights of the General Purpose Financial Report include:

Consolidated Statement of Comprehensive Income (P/L)

- Unqualified Audit Opinion by the Tasmanian Audit Office for Brighton Council including Microwise Australia Pty Ltd and Brighton Industrial Housing Corporation.
- Total Income \$15,403,781. Including capital income from capital grants specifically for new or upgraded assets \$630,197, contributions from non-monetary assets of \$2,183,841, less a loss on disposal of assets of \$8,764.

- Other Comprehensive Income, not from Continuing Operations, included a loss on net asset revaluations of \$4,181,413. A total revaluation of our municipal properties was predominately responsible for this loss. The only other loss to Other Comprehensive Income followed a revaluation of our share in the water authority which identified a loss to Brighton Council of \$10,858.
- Total Operating Expenditure was \$12,300,477 up from \$11,050,408, last year. Expenditure includes: \$2,799,755 in depreciation. The increase in expenditure predominately reflects a CPI increase and the growth of our community.
- A positive surplus representing the Continuing Operations of Recurrent Income and Total Expenditure of \$3,103,304. Even with the removal of contributions of non-monetary assets, Brighton Council would still have produced a surplus of \$919,463. This is a very positive result, confirming Brighton Council is operating within its financial means. The operating surplus represents one of the Auditor General's key sustainability indicators and we have consistently succeeded the benchmark.
- Microwise Australia paid \$125,607 last financial year to Brighton Council by way of consultancy and fees. This amount was used to reduce Brighton Council wages, admin and IT expenditure. Brighton Council paid Microwise \$22,427 by way of software licence fees. Microwise Australia produced \$288,357 of external revenue with external expenditure of \$120,708. This represents an external profit of \$167,649 for the financial year ending June 2013. Brighton Council's total equity in Microwise Australia has risen to \$838,308
- Brighton Industrial and Housing Corporation paid \$20,464 last financial year to Brighton Council by way of consultancy and fees. This amount was used to reduce Brighton Council wages and admin expenditure. Brighton Council did not pay Brighton Industrial and Housing Corporation any internal fees. Brighton Industrial and Housing Corporation produced \$855,164 of external revenue with external expenditure of \$638,908. This represents an external profit of \$216,256 for the financial year ending June 2013. Brighton Council's total equity in Brighton Industrial and Housing Corporation is \$184,767 after adjusting for the internal expenditure.
- Our professional Service which supports other Councils provided a revenue stream of \$320,339 with expenditure of \$206,575. This equates to a profit to Brighton Council of \$113,764. The financial benefit of this service does not include the direct labour savings to Brighton Council. Significant savings in Brighton Council wages are achieved when Brighton staff consults to other Councils.

Consolidated Statement of Financial Position (Balance Sheet)

All our key economic indicators are in superb shape. The following balance sheet statistics provide an excellent overall picture of our financial position at year end.

- Our current assets are 185% of our current liabilities. The benchmark recognised by the Auditor General is >100%

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- Our total assets have decreased from \$194,066,150 to 193,821,832. A slight decrease mainly due to the revaluation of land and buildings.
- Our total liabilities are relatively steady now that we are debt free but have increased from \$1,572,140 to \$2,416,789 predominately due to accrued expenses and in particular the purchase of 84 Jetty Road, purchased in 2012/13 but paid for in 2013/14.
- Our total equity has decreased from \$192,494,010 to \$191,405,043 during the financial year. This equity decrease was mainly effected by the decreased revaluation of our land and buildings.
- Our total cash held at the end of the year decreased from \$4,492,399 to \$3,724,528. Cash was affected by the timing of the Federal Assistance Grant and Council's contribution towards the new Medical Clinic in Brighton.

In summary, the report outlines a strong position in the key financial management ratios of Brighton Council.

Council is now recognised as a state leader in financial performance thanks to responsible Councillors who recognise the benefits that flow from long term sustainability and sound financial management. Our rates have now been pegged to CPI for 17 years and even with the lowest rates per capita in Tasmania, Brighton Council sits at the top of most of the key state financial sustainability ratios

Consultation:

Tasmanian Audit Office

Risk Implications:

Nil

Financial Implications:

As stated

Other Issues:

Not applicable

Assessment:

Not applicable

Options:

1. As per the recommendation.
2. That Council not receive the report.

RECOMMENDATION:

That the report be received.

DECISION:

Cr Gray moved, Cr Jeffries seconded that the recommendation be adopted.

CARRIED

VOTING RECORD

In favour	Against
Cr Foster	
Cr Garlick	
Cr Gray	
Cr Jeffries	

The meeting closed at 5.25 p.m.

Confirmed:

(Mayor)

Date:

19th November 2013