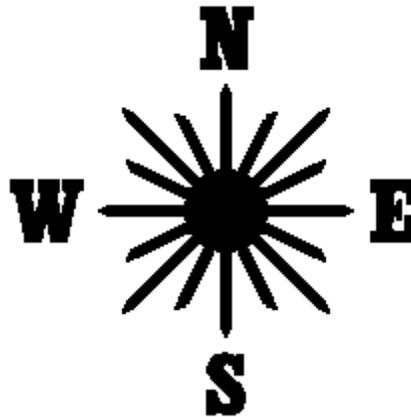


Mission Statement

To promote the Central Darling Shire area by encouraging development through effective leadership, community involvement and facilitation of services

CENTRAL DARLING



SHIRE COUNCIL

Minutes

For an Extraordinary Meeting

Tuesday 10th December 2013 10:29am

at

Wilcannia

Council dedicated to serving its Communities

Any public discussion of Council or Committee reports and recommendations is on the basis that such reports or recommendations do not have effect until adopted by a full meeting of Council.

The above-mentioned Meeting of Council will be held in the Council Chambers, Wilcannia Tuesday 10th December 2013 commencing at 10:29am.

ORDER OF BUSINESS

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SECTION 1. RECEIPT OF APOLOGIES

COUNCILLORS PRESENT:

Ray Longfellow
Clive Linnett
Lorraine Looney
Ron Page
Dennis Standley
Honor Liversidge
Eamon Sammon
Peter Sullivan
Garry Astill

STAFF PRESENT:

Leeanne Ryan	Acting General Manager (Acting GM)
Reece Wilson	Manager Technical and Engineering Services (MTES)
David Cuming	Acting Manager Corporate and Community Services (Acting MC&CS)
Paul Gavin	Acting Finance Manager (Acting FM)
Adelaide Elliott	Executive Assistant (EA)

SECTION 2. GRANTING OF LEAVE OF ABSENCE

Nil

SECTION 3.

MOVED CLR SULLIVAN / CLR ASTILL

That the report on Ministerial Meeting 5th December 2013 be dealt with.

1-12-13 resolved

MOTION CARRIED

3.1 REPORT ON MINISTERIAL MEETING 5TH DECEMBER 2013

The Acting MC&CS provided a briefing on this report and the schedule of potential cost reductions. He identified a reduction in Council's immediate overdraft position through implementing cash management strategies such as paying large creditors progressively over a period of months as opposed to one lump sum. He also advised Council that a further strategy to manage cash flow could be through leasing buses for health related arrangements as opposed to outright purchase. He advised Council if these two strategies were introduced it would manage cash to remain below the \$2m overdraft limit. These actions would give Council time to consider cost saving measures but still provides services, and would see the overdraft remain under \$2m until 31 March 2013.

A list of potential cost saving measures was distributed to Council in an attachment by the Acting MC&CS. The Mayor requested that each item on the list be considered.

The Council considered casual employees and it was requested that further assessment of costs for all casual employees be undertaken and a report prepared and presented to the February 2014 Council meeting.

Clr Sullivan raised the matter of employee leave entitlements and suggested that these entitlements should be considered as a matter of priority. Acting GM stated she agreed with these comments.

The Mayor raised the concept of closing the swimming pools. It was the consensus of the Council that cutting the funding for Council owned and operated swimming pools is not to be considered as a cost cutting measure at this time.

Clr Astill left the meeting at 11:01am returning 11:07am

Clr Astill queried what is the total income from fees and charges? He indicated that we should increase our fees and charges by 15%. Acting GM advised that some fees were set by legislation and could not be increased. The Mayor requested further information on fees and charges be provided in February 2014. It was agreed that those fees that could be increased would be further looked at.

MTES noted that there were two casual employees within the Engineering Department that were being stood down as of this Friday. MTES went on further to state that road maintenance crews will be stood down this Thursday and there will be no grading crews operating after this Thursday. Unless there is a major rain event there won't be any road grading for some time due to dry conditions and lack of water.

Clr Liversidge left the meeting at 11:22am returning 11:25am

Clr Astill queried whether there was a need for three Engineers? Acting GM advised that Council has had three Engineers in the Engineering Department for many years. Clr Page queried whether there was a need for overseers and roads gangers? MTES responded and advised that if instructed he will go through and review staff levels within Engineering. The Mayor stated we need to revisit these matters and have a look at them.

Clr Astill left the meeting at 11:27am returning at 11:29am

The Mayor noted that we would consider if necessary to call a Council meeting in January 2014.

Clr Liversidge left the meeting at 11:29am returning 11:32am

Clr Page moved, Clr Astill seconded that a report be brought to the Council by MTES with the information on possible cost cutting of staff within Engineering Department.

MOVED CLR PAGE /CLR ASTILL

The Manager Technical and Engineering Services brings a report back to Council on the potential reductions of staff across the Engineering Department; this report is to be presented to Council in February 2014.

2-12-13 resolved

MOTION CARRIED

Clr Linnett left the meeting at 11:35am returning at 11:37am

Discussions continued focusing on overtime payments and penalty rates. MTES and Acting GM advised that some overtime and penalty rates were necessary to ensure safe operation of swimming pools and water filtration plants over weekend periods and public holidays, being a need for monitoring of chemical balances and record keeping of chemical readings under legislation. MTES went on further to say that grading and road crews worked 10 day periods as opposed to 5 day periods, and it is found to be more productive, although does incur overtime and penalty rates to Council employees. Clr Standley advised it is not cost effective to not have a 10 day working period for engineering road crews. MTES explained Council's road crews are far more productive doing a 10 day period, as evident by the work undertaken by Central Darling as opposed to neighbouring councils who don't work under such arrangements.

Clr Astill raised the matter of the community transport buses? Acting MC&CS advised Council that public transport generally doesn't run at a profit, however modelling that had been done for Council to run the buses had a profit factor margined in. Clr Sullivan stated that the community buses were originally funded out of Health; and Council were funded to run them. Acting MC&CS advised that Council may need more money to purchase the buses and NSW Transport were favourable to this. Clr Sullivan stated we can't say we won't run the community buses because Council is paid to run these services. The Mayor queried whether it is the wish of the Council that we continue with Community Transport services.

Discussion was had on the possibility of reducing working hours to 3 days per week for administration, finance and environmental staff. Acting GM advised that staff would not be favourable and would leave due to insufficient work hours. Specialist staff would seek other employment opportunities. It was noted that any such proposal would require extensive consultation and discussions prior to being considered. Acting MC&CS said these arrangements would impact on staff RDO's. The Mayor requested a comparison report providing information on a 3 day week, a 4 day week and the current 5 day week be brought back to Council.

Discussions continued, and the contracted positions of Finance Manager and Manager Corporate & Community Services were raised.

The Acting FM and Acting MC&CS left the meeting at 11.50am

Council queried the amounts paid to these two positions and the hours worked. Acting GM provided Council with information outlining costs and hours currently worked to produce financial documents. The Acting GM went on further to state that both contractors were recruited by the previous General Manager. The Mayor reinforced that this was the case. The Acting GM also stated that due to lack of corporate knowledge due to staff leaving and lack of successful succession planning over past years within the finance department - that no other staff had sufficient knowledge on Council's current financials. She highlighted that Council had not recruited an Accountant due to lack of funds to employ such a person; as per cuts to Council's 2013/14 budget. The Acting GM also noted that recruitment of staff to the two positions had commenced, however due to recent developments regarding Council's financial state it would be irresponsible to enter into employment contracts with new fulltime staff members under Council's current financial environment.

Clrs considered the situation and stated that recruitment to these two positions needed to continue. It was also discussed by Council that the contractors remain until recruitment processes has been completed.

MOVED CLR LINNETT /CLR STANDLEY

That recruitment to the positions of Finance Manager and Manager Corporate & Community Services continues.

3-12-13 resolved

MOTION CARRIED

Clr Astill left the meeting at 12:00 noon returning 12:11pm

MOVED CLR ASTILL /CLR SULLIVAN

That the Finance position hours be capped at 21 hours

4-12-13 resolved

MOTION LOST

MOVED CLR LIVERSIDGE /CLR SULLIVAN

That the Finance Manager and Manager Corporate & Community Services hours be capped at 40 hours.

5-12-13 resolved

MOTION CARRIED

The Acting FM and Acting MC&CS returned to the meeting at 12.15pm

Council considered the current sitting fees paid to Councillors. Acting GM advised that Clrs currently receive the maximum fee available. Clr Liversidge advised she would be happy not to be paid for Council meetings held in White Cliffs. Clr Astill advised that Councillors had been paid a pittance for years, and people won't put their hand up to be a Councillor if it is not worth it. Clr Sullivan advised it was necessary for everyone to be paid the same, without some Clrs accepting the fee and some not. The Mayor advised there is an option to Councillors to take the minimum fee rather than the maximum fee. Clr Sullivan advised that when the budget is prepared Council must make allowance for the applicable fees. Clr Page moved, Clr Astill seconded that sitting fees remain as they are.

MOVED CLR PAGE / CLR ASTILL

That the Councillor sitting fees remain the same.

6-12-13 resolved

MOTION CARRIED

Discussion moved onto cashflow issues, and Acting MC&CS distributed a cashflow sheet to Senior Staff, Acting GM and Councillors. He then gave an update on Council's current cashflow situation, noting the problem of not enough income. Cllr Sullivan advised that the early payment of the FAG puts Council behind the eight ball already due to the grant being utilised in the previous year to account for expenses, and he was surprised that Council were still receiving it early.

Acting MC&CS advised the TCorp report showed Council was in overdraft for the past 4 years.

Cllr Sullivan advised that without action Council was postponing the inevitable, and the overdraft will soon be pushing \$3m. He queried whether Council had started to pay compound interest?

Acting MC&CS advised that was the reason why Council had been banging the drum for years that income was insufficient.

Cllr Page advised that 138 Councils are in the same predicament as Central Darling.

Cllr Sullivan queried whether the overdraft made allowance for employee leave entitlements? Acting MC&CS advised all grants and employee leave entitlements had disappeared due to there being no restricted cash. Acting GM queried what action would be taken if we need to pay a long serving employee, how would this be paid? Acting MC&CS advised this would need to be paid out of the overdraft. The Mayor noted that this would be no different if there was an Administrator.

Adjourned for lunch at 12:28pm meeting resumed at 1:30pm

After lunch, the Mayor tabled a letter that had been received from the Department of Local Government during the lunch break. The Mayor read the letter out; it was a Notice of Intention to Suspend Central Darling Shire Council under Section 438I of the Local Government Act 1993. The Mayor went through the letter, and also read out the guide attached to the back of the letter. A copy of the document in its entirety was provided to all Councillors. The letter called for a submission from Council within 7 days in response to the content of the notice.

The Mayor advised that this is a matter of urgency and that a response must be prepared and submitted within the 7 days.

The Mayor invited Mr Peter Coulton from LGNSW to provide Council with advice on the matter. Peter advised that this is new legislation; however the process must be followed. He advised the date of the notice is today, and that Council has to make a submission within 7 days. Peter further advised that there are a few options that Council could request in the submission, these being an order to undertake performance measures along with the provision of an adviser as opposed to an administrator.

The Mayor advised that a written response to the Department will be prepared and submitted to the Department within the required 7 days. The submission will include the recommendations from today's extraordinary meeting. It is also sensible that Council welcome a temporary adviser.

Clr Sullivan advised it probably wouldn't take long for suspension to be considered after the submission is lodged; and it is likely they would want to do this before Christmas. Peter Coulton advised that the critical date of 16/12/13 was the timeframe given by Council to the Department of Local Government that; that was the day that Council advised the Minister would the day that council would breach the overdraft limit; it is likely they are mindful of this date. Acting MC&CS advised that this date was no longer critical as measures were being taken to ensure the \$2m overdraft would not be breached at this date, and that the overdraft would be \$1.9m on the 16/12/13. The Acting MC&CS advised that the \$2m overdraft would not be breached until March 2014. He noted that this doesn't change the answer or the outcome in the future.

The Mayor stated that staff will meet the deadline of next Tuesday to have the submission prepared. It was noted that the submission will be adopted by Council at the December Council meeting.

MOVED CLR PAGE /CLR ASTILL

1. That advice from the Division of Local Government, NSW Department of Premier and Cabinet as provided in this report be noted.

2. The Council identify actions that it may take to address issues arising from Item 1 above, including opportunities for increasing income, decreasing expenditure and reviewing the organisational structure and operational plan.

3. That Council endorses and supports the actions of the Mayor in progressing this issue to date.

4. That Council under the signature of the Mayor, advises the Minister for Local Government of this report and recommendations adopted.

7-12-13 resolved

MOTION CARRIED

MOVED CLR SULLIVAN /CLR ASTILL

That the Notice of Intention to Suspend Central Darling Shire Council Under Section 438I of the Local Government Act 1993 has been tabled at todays meeting and a copy issued to all Councillors.

8-12-13 resolved

MOTION CARRIED

There being no further business, Council meeting concluded at 2:05pm
