



AGENDA

CORPORATE SERVICES AND FINANCE COMMITTEE MEETING

9 June 2015

5.30pm

City of Albany Council Chambers

**CITY OF ALBANY
COMMUNITY STRATEGIC PLAN (ALBANY 2023)**

VISION

Western Australia's most sought after and unique regional city to live, work and visit.

VALUES

All Councillors, Staff and Volunteers at the City of Albany will be...

Focused: on community outcomes

This means we will listen and pay attention to our community. We will consult widely and set clear direction for action. We will do what we say we will do to ensure that if it's good for Albany, we get it done.

United: by working and learning together

This means we will work as a team, sharing knowledge and skills. We will build strong relationships internally and externally through effective communication. We will support people to help them reach their full potential by encouraging loyalty, trust, innovation and high performance.

Accountable: for our actions

This means we will act professionally using resources responsibly; (people, skills and physical assets as well as money). We will be fair and consistent when allocating these resources and look for opportunities to work jointly with other directorates and with our partners. We will commit to a culture of continuous improvement.

Proud: of our people and our community

This means we will earn respect and build trust between ourselves, and the residents of Albany through the honesty of what we say and do and in what we achieve together. We will be transparent in our decision making and committed to serving the diverse needs of the community while recognising we can't be all things to all people.

TERMS OF REFERENCE

(1) Function:

The Corporate Services and Finance Committee will monitor and comment on the financial health and strategies of Council and will be responsible for the delivery of the following Civic Leadership Objectives contained in the City of Albany Strategic Plan:

- (a) To establish and maintain sound governance structures;
- (b) To provide strong, accountable leadership supported by a skilled and professional workforce;
- (c) To engage effectively with our community.

(2) It will achieve this by:

- (a) Monitoring and commenting on the financial health and strategies of Council;
- (b) Developing policies and strategies;
- (c) Establishing ways to measure progress;
- (d) Receiving progress reports;
- (e) Considering officer advice;
- (f) Debating topical issues;
- (g) Providing advice on effective ways to engage and report progress to the Community; and
- (h) Making recommendations to Council.

(3) Chairperson: Deputy Mayor, Councillor Stocks

(4) Membership: All elected members

(5) Meeting Schedule: As required

(6) Meeting Location: Council Chambers

(7) Executive Officer: Deputy Chief Executive Officer

(8) Delegated Authority: None

CORPORATE SERVICES AND FINANCE COMMITTEE
AGENDA – 9/06/2015

TABLE OF CONTENTS

	Details	Pg#
1.	DECLARATION OF OPENING	4
2.	PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS	4
3.	RECORD OF APOLOGIES AND LEAVE OF ABSENCE	4
	ELECTION OF DEPUTY CHAIR	
4.	DISCLOSURES OF INTEREST	5
5.	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE	5
6.	PUBLIC QUESTION TIME	5
7.	PETITIONS AND DEPUTATIONS	5
8.	CONFIRMATION OF MINUTES	5
9.	PRESENTATIONS	5
10.	UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS	5
11.	MINUTES AND RECOMMENDATIONS OF COMMITTEES	
	Corporate Services and Finance Committee	
CSF171	FINANCIAL ACTIVITY STATEMENT – APRIL 2015	6
CSF172	LIST OF ACCOUNTS FOR PAYMENT – APRIL 2015	8
CSF173	DELEGATED AUTHORITY REPORTS – APRIL/MAY 2015	10
CSF174	COUNCIL POLICY: PAYMENTS TO EMPLOYEES ABOVE CONTRACT OR AWARD WHEN FINISHING EMPLOYMENT WITH THE CITY	12
12.	NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF COUNCIL	26
13.	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	26
14.	REPORTS OF CITY OFFICERS	26
15.	MEETING CLOSED TO PUBLIC	26
	CSF175 – PROPOSED RESUMPTION	
16.	CLOSURE	

1. DECLARATION OF OPENING

2. PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS

“Heavenly Father, we thank you for the peace and beauty of this area. Direct and prosper the deliberations of this Council for the advancement of the City and the welfare of its people. Amen.”

“We would like to acknowledge the Noongar people who are the Traditional Custodians of the Land.

We would also like to pay respect to Elders both past and present”.

3. RECORD OF APOLOGIES AND LEAVE OF ABSENCE

Mayor

Mayor D Wellington

Councillors:

Member	G Stocks (Chair)
Member	R Sutton
Member	A Goode JP
Member	B Hollingworth
Member	N Mulcahy
Member	C Dowling
Member	A Hortin JP
Member	R Hammond
Member	G Gregson
Member	S Bowles
Member	J Price

Staff:

Chief Executive Officer	G Foster
Deputy CEO	G Adams
Manager Finance	D Olde
Meeting Secretary	H Bell

Apologies:

CORPORATE SERVICES AND FINANCE COMMITTEE
AGENDA – 9/06/2015

4. DISCLOSURES OF INTEREST

Name	Committee/Report Item Number	Nature of Interest

5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

6. PUBLIC QUESTION TIME

7. PETITIONS AND DEPUTATIONS

8. CONFIRMATION OF MINUTES

DRAFT MOTION

THAT the minutes of the Corporate Services and Finance Meeting held on 12 May 2015, as previously distributed, be CONFIRMED as a true and accurate record of proceedings.

9. PRESENTATIONS

10. UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS Nil

CSF171: FINANCIAL ACTIVITY STATEMENT – APRIL 2015

Proponent : City of Albany
Attachments : Financial Activity Statement
Report Prepared by : Financial Accountant (S Beech)
Responsible Officer : Deputy Chief Executive Officer (G Adams)

Responsible Officer's Signature:



RECOMMENDATION

CSF171: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the Financial Activity Statement for the period ending 30 April 2015.

BACKGROUND

1. The Statement of Financial Activity for the period ending 30 April 2015 has been prepared and is attached.
2. In addition to the statutory requirement to provide Council with a Statement of Financial Activity, the City provides Council with a monthly investment summary to ensure the performance of the investment portfolio is in accordance with anticipated returns and complies with the Investment of Surplus Funds Policy.

DISCUSSION

3. In accordance with section 34(1) of the *Local Government (Financial Management) Regulations 1996*, the City of Albany is required to prepare each month a Statement of Financial Activity reporting on the revenue and expenditure of the local authority.
4. The requirement for local governments to produce a Statement of Financial Activity was gazetted in March 2005 to provide elected members with a greater insight in relation to the ongoing financial performance of the local government.
5. Additionally, each year a local government is to adopt a percentage or value to be used in Statements of Financial Activity for reporting material variances. Variations in excess of \$50,000 are reported to Council.
6. These financial statements are still subject to further yearend adjustments and have not been audited by the appointed auditor.

“Please note that rounding errors may occur when whole numbers are used, as they are in the reports that follow. The ‘errors’ may be \$1 or \$2 when adding sets of numbers. This does not mean that the underlying figures are incorrect.”

STATUTORY IMPLICATIONS

7. Section 34 of the *Local Government (Financial Management) Regulations 1996* provides:
 - (1) A local government is to prepare each month a statement of financial activity reporting on the source and application of funds, as set out in the annual budget under regulation 22 (1)(d), for that month in the following detail:
 - (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);

- (b) budget estimates to the end of the month to which the statement relates;
 - (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relate
 - (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
 - (e) the net current assets at the end of the month to which the statement relates.
- (2) Each statement of financial activity is to be accompanied by documents containing –
- (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
 - (b) an explanation of each of the material variances referred to in sub regulation (1)(d); and
 - (c) such other supporting information as is considered relevant by the local government.
- (3) The information in a statement of financial activity may be shown –
- (a) according to nature and type classification;
 - (b) by program; or
 - (c) by business unit
- (4) A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be –
- (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
 - (b) recorded in the minutes of the meeting at which it is presented.

POLICY IMPLICATIONS

- 8. The City's 2014/15 Annual Budget provides a set of parameters that guides the City's financial practices.
- 9. The Investment of Surplus Funds Policy stipulates that the status and performance of the investment portfolio is to be reported monthly to Council.

FINANCIAL IMPLICATIONS

- 10. Expenditure for the period ending 30 April 2015 has been incurred in accordance with the 2014/15 proposed budget parameters. Details of any budget variation in excess of \$50,000 (year to date) follow. There are no other known events which may result in a material non recoverable financial loss or financial loss arising from an uninsured event.

File Number (Name of Ward)	:	FM.FIR.2 - All Wards
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CSF172: LIST OF ACCOUNTS FOR PAYMENT – MAY 2015

Proponent : City of Albany
Attachments : List of Accounts for Payment
Report Prepared by : Financial Accountant (S Beech)
Responsible Officer : Executive Director Corporate Services (G Adams)

Responsible Officer's Signature:



RECOMMENDATION

CSF172: RESPONSIBLE OFFICER RECOMMENDATION

That Council received the list of accounts authorised for payment under delegated authority to the Chief Executive Officer for the period ending 15 MAY 2015 totalling \$6,510,848.98.

BACKGROUND

1. Council has delegated to the Chief Executive Officer the exercise of its power to make payments from the City's municipal and trust funds. In accordance with Regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid by the Chief Executive Officer is to be provided to Council.

DISCUSSION

2. The table below summarises the payments drawn from the municipal fund for the period ending 15 May 2015. Further details of the Members Report/Information Bulletin.

Municipal Fund

Trust	\$0.00
Credit Cards	\$28,181.86
Payroll	\$1,690,430.44
Cheques	\$159,413.30
Electronic Funds Transfer	\$4,632,823.38

TOTAL

\$6,510,848.98

3. As at 15 May 2015, the total outstanding creditors, stands at \$560,957.66 and made up as follows:-

Current	\$287,423.69
30 Days	\$260,159.44
60 Days	\$9,374.55
90 Days	\$3,999.98

TOTAL **\$560,957.66**

Cancelled cheques: None.

STATUTORY IMPLICATIONS

4. Regulation 12(1)(a) of the *Local Government (Financial Management) Regulations 1996*, provides that payment may only be made from the municipal fund or a trust fund if the Local Government has delegated this function to the Chief Executive Officer or alternatively authorises payment in advance.
5. The Chief Executive Officer has delegated authority to make payments from the municipal and trust fund.
6. Regulation 13 of the *Local Government (Financial Management) Regulations 1996* provides that if the function of authorising payments is delegated to the Chief Executive Officer, then a list of payments must be presented to Council and recorded in the minutes.

POLICY IMPLICATIONS

7. Expenditure for the period to 15 May 2015 has been incurred in accordance with the 2014/2015 budget parameters.

FINANCIAL IMPLICATIONS

8. Expenditure for the period to 15 May 2015 has been incurred in accordance with the 2014/2015 budget parameters.

SUMMARY CONCLUSION

9. That list of accounts have been authorised for payment under delegated authority.

File Number (Name of Ward)	:	FM.FIR.2 - All Wards
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CSF173: DELEGATED AUTHORITY REPORTS

Proponent : City of Albany
Attachments : Executed Document and Common Seal Report
Report Prepared by : Personal Assistant to the DCEO (H Bell)
Responsible Officer : Chief Executive Officer (G Foster)

Responsible Officer's Signature:



RECOMMENDATION

CSF173: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the Delegated Authority Reports up until 15 May 2015.

CSF174: COUNCIL POLICY: PAYMENTS TO EMPLOYEES ABOVE CONTRACT OR AWARD WHEN FINISHING EMPLOYMENT WITH THE CITY

Proponent : City of Albany
Attachments : Nil
Report Prepared by : Manager Governance & Risk Management (S Jamieson)
Responsible Officer : Deputy Chief Executive Officer (G Adams)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014-2018:
 - a. **Key Theme:** 5. Civic Leadership
 - b. **Strategic Objective:** 5.1. To establish and maintain sound business and governance structures.
 - c. **Strategic Initiative:** 5.1.1 Develop informed and transparent decision making processes.

In Brief:

- The Local Government Act 1995 requires that a local government prepare a policy in relation to employees whose employment with the local government is finishing in respect to payments in addition to contract or award.

RECOMMENDATION

CSF174: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council ADOPT the new Policy – Payments to Employees above Contract or Award When Finishing Employment with the City, as detailed in the report.

BACKGROUND

2. Historically, the subject policy position was encapsulated in the Operational Human Resource Policy Manual, which was rescinded by Council in 2011.
3. A compliance review of the *Local Government Act 1995* (the Act), highlighted that the Council does not have a formal policy position in regards to this matter, as required by the Act.

DISCUSSION

4. The Act requires that a local government prepare a policy in relation to employees whose employment with the local government is finishing, setting out:
 - a. the circumstances in which the local government will pay an employee an amount in addition to any amount to which the employee is entitled under a contract of employment or award relating to the employee; and
 - b. the manner of assessment of the additional amount, and cause local public notice to be given in relation to the policy.

Recognition of Service

5. A payment to an employee finishing with the local government is not to exceed that prescribed by regulations and may take the form of cash and / or a non-monetary award.
6. A scale of cash payments dependent on the number of years of (continual) service could be used to offer recognition by Council of the years of service given by the employee to the City of Albany.
7. Sums that could be considered are included in the table below:

Completed Continuous Years of Service	Proposed Monetary Value	Previous Monetary Value
10 years	\$250	\$150
15 years	\$500	\$225
20 years	\$750	\$300
25 years +	\$1,000	\$375
30 years	As above	\$450

Voluntary Severance

8. A severance payment can be offered to employees who accept voluntary severance. This payment must be made in accordance with the Regulations pertaining to such a payment (see Regulation 19A *Local Government (Administration) Regulations 1996*).

Proposed Policy Position:

The *Local Government Act 1995* requires that a local government prepare a policy in relation to employees, whose employment with the local government is finishing, setting out:

- a. the circumstances in which the local government will pay an employee an amount in addition to any amount to which the employee is entitled under a contract of employment or award relating to the employee; and
- b. the manner of assessment of the additional amount, and cause local public notice to be given in relation to the policy.
- c. payment is not to exceed that prescribed by regulations.

Assessment:

Periods of Service:

In recognition of long periods of service to the City of Albany, Council will therefore consider the payment to an employee who is finishing, of an additional cash amount to which they would be entitled.

Completed Continuous Years of Service	Proposed Monetary Value
10 years	\$250
15 years	\$500
20 years	\$750
25 years +	\$1,000

Achievement:

In recognition of exceptional performance in achieving major organisational challenges and goals can be given within the prescribed limits by the Chief Executive Officer, after consultation with the Mayor.

GOVERNMENT & PUBLIC CONSULTATION

9. A review of other policy position across the sector has been reviewed in preparation of this report, in particular the City of Kwinana.
10. A local public notice is to be given as soon as practicable of any payment to an employee that is in excess of the amounts provided for in this Policy.

Note: A payment in excess of this Policy must still be within the limits prescribed in the Act and Regulations.

STATUTORY IMPLICATIONS

11. Detailed in the “In Brief” section of the report.

POLICY IMPLICATIONS

12. **Local Government Act 1995. Section 2.7 Role of council:**

(1) The council —

(a) governs the local government’s affairs; and

(b) is responsible for the performance of the local government’s functions.

(2) Without limiting subsection (1), the council is to —

(a) oversee the allocation of the local government’s finances and resources; and

(b) determine the local government’s policies.

13. **Section 5.50. Payments to employees in addition to contract or award:**

(1) A local government is to prepare a policy in relation to employees whose employment with the local government is finishing, setting out —

(a) the circumstances in which the local government will pay an employee an amount in addition to any amount to which the employee is entitled under a contract of employment or award relating to the employee; and

(b) the manner of assessment of the additional amount, and cause local public notice to be given in relation to the policy.

(1a) A local government must not make any payment of the kind described in subsection (1)(a) unless the local government has adopted a policy prepared under subsection (1).

(2) A local government may make a payment —

(a) to an employee whose employment with the local government is finishing; and

(b) that is more than the additional amount set out in the policy prepared under subsection (1) and adopted by the local government, but local public notice is to be given in relation to the payment made.

(3) The value of a payment or payments made to a person under this section is not to exceed such amount as is prescribed or provided for by regulations.

(4) In this section a reference to a payment to a person includes a reference to the disposition of property in favour of, or the conferral of any other financial benefit on, the person.

14. **Local Government (Administration) Regulations 1996:**

19A. Payments in addition to contract or award, limits of (Act s. 5.50(3))

(1) The value of a payment or payments made under section 5.50(1) and (2) to an employee whose employment with a local government finishes after 1 January 2010 is not to exceed in total —

(a) the value of the person’s final annual remuneration, if the person —

(i) accepts voluntary severance by resigning as an employee; and

(ii) is not a CEO or a senior employee whose employment is governed by a written contract in accordance with section 5.39;

or

(b) in all other cases, \$5 000.

(2) In this regulation — final annual remuneration in respect of a person, means the value of the annual remuneration paid, or payable, to the person by the local government which employed that person immediately before the person’s employment with the local government finished.

RISK IDENTIFICATION & MITIGATION

15. The risk identification and categorisation relies on the City’s Enterprise Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Legal & Compliance. <i>If a policy position is not adopted, none compliance with the Act will result.</i>	<i>Unlikely</i>	<i>Moderate</i>	<i>Medium</i>	<i>City Officer’s work with Council to address any areas of concern with the proposed policy position and represent for adoption.</i>

FINANCIAL IMPLICATIONS

16. There will be some minor impacts to the City and budgetary considerations are included on an annual basis.

LEGAL IMPLICATIONS

17. There are no direct legal implications related to this report. However, the Council must adopt a policy position to ensure compliance with the Act.

ENVIRONMENTAL CONSIDERATIONS

18. There are no direct environmental implications related to this report.

ALTERNATE OPTIONS

19. Council may consider it appropriate to determine other monetary values.

SUMMARY CONCLUSION

20. It is recommended that the Responsible Officer's Recommendation is adopted.

Consulted References	:	<i>Local Government Act 1995</i>
File Number (Name of Ward)	:	CM.STD.7 (All Wards)
Previous Reference	:	OCM 15/11/2011 Report Item 1.1.1, Resolution 2.

CSF175: PROPOSED RESUMPTION

Land Description : REDACTED
Owner : REDACTED
Attachments : Confidential Photograph
Confidential Letters
Report Prepared by : Nikki Crook, Senior Lands Officer
Responsible Officer : Garry Adams, Deputy Chief Executive Officer

Responsible Officer's Signature:



CONFIDENTIAL REPORT

In accordance with section 5.23 (2)(b) of the *Local Government Act 1995*, this report will be dealt with as a confidential item, as it pertains to the personal affairs of a person.

- 12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF COUNCIL**
- 13. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 14. REPORTS OF CITY OFFICERS**
- 15. MEETING CLOSED TO THE PUBLIC**
CSF175 – PROPOSED RESUMPTION
- 16. CLOSURE**