

<b>MINUTES OF THE ANNUAL GENERAL MEETING OF THE CLARENCE CITY COUNCIL HELD AT THE COUNCIL CHAMBERS, BLIGH STREET, ROSNY PARK, ON MONDAY 3 DECEMBER 2018</b>
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**PRESENT:** The Meeting commenced at 7.00pm with the Mayor (Ald D Chipman) in the Chair and with Aldermen:

B A Blomeley  
H Chong  
L Edmunds  
D Ewington  
R H James  
W Kennedy  
T Mulder  
J Peers  
S von Bertouch  
J Walker  
B Warren; present

**APOLOGIES:** Nil

**IN ATTENDANCE:** General Manager  
(Mr A Paul)

Chief Financial Officer  
(Ms Miriam Coleman)

Corporate Secretary  
(Mr I Nelson)

Group Manager Engineering Services  
(Mr R Graham)

Manager City Planning  
(Mr R Lovell)

Manager Health and Community Development  
(Mr J Toohey)

**1. OPENING**

The Mayor declared the Meeting open at 7.00pm.

**2. INTRODUCTION OF ALDERMEN**

The Mayor introduced the Aldermen who were present at the Meeting.

**3. APOLOGIES FROM ALDERMEN**

Refer to cover page.

**4. MEETING PROCEEDINGS**

The Mayor referred to the Meeting procedures in the agenda papers.

**5. CONFIRMATION OF MINUTES OF 2017 ANNUAL GENERAL MEETING**

<b>Decision:</b>	<b>MOVED</b> Ald Chong <b>SECONDED</b> Ald von Bertouch  “That the Minutes of the Annual General Meeting held on Monday, 27 November 2017, as circulated, be taken as read and confirmed”.  <b>CARRIED UNANIMOUSLY</b>
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## **6. ANNUAL REPORT**

### **A. ANNUAL REPORT 2017/18**

#### **• GENERAL OVERVIEW OF ACHIEVEMENTS**

The Mayor tabled the Annual Report and made reference to the Mayor's message contained therein and provided a general overview of Council's achievements and highlights which occurred during 2017/2018.

The Mayor conveyed his appreciation to Aldermen, the General Manager and Staff for their support to the residents of Clarence.

### **B. PRESENTATION OF COUNCIL'S 2017-2018 FINANCIAL REPORT**

The Chief Financial Officer gave a detailed overview of the Financial Statements in the Annual Report and Council's overall financial performance and answered questions arising.

**Decision:** **MOVED** Ald Peers **SECONDED** Ald James

"That the 2017/2018 Financial Report be adopted".

**CARRIED UNANIMOUSLY**

### **C. SUMMARY OF SUBMISSIONS RECEIVED**

The Mayor advised the Meeting that there were no submissions on the Annual Report received prior to the meeting.

### **D. DISCUSSION ON SUBMISSIONS RECEIVED**

As there had been no submissions no discussion occurred in respect to this item.

### **ADOPTION OF ANNUAL REPORT**

**Decision:** **MOVED** Ald Kennedy **SECONDED** Ald Peers

"That the Annual Report including the Mayor's Report be adopted".

**CARRIED UNANIMOUSLY**

## **7. MOTIONS ON NOTICE**

The Mayor advised that there had been no Motions on Notice received prior to the Annual General Meeting.

## **8. QUESTIONS ON NOTICE**

The General Manager provided the following answer to the question from Mr P Taylor.

### **Question**

This question seeks advice on surpluses reported in the Annual Report – (total recurrent income being greater than total expenditure).

In the five financial years from 2014 to 2018 the Council has reported a Surplus of \$4.510 million in 2014, \$11.536 million in 2015, \$14.638 million in 2016, \$16.7811 million in 2017 and \$21.162 million in 2018.

As a percentage of Total Recurrent Income, the Surplus (total recurrent incomes minus total expenditure) has grown from 8% in 2014, 18% in 2015, 21% in 2016, 23% in 2017 and 27% in 2018.

It should be noted that over the same period, Rates are 67% to 75% of the total recurrent income (2014 – 75%, 2015 – 67%, 2016 – 69%, 2017 – 70% and 2018 – 70%). The surplus is being created, in part, from Rates Income.

The Accumulated Surplus has grown from \$403.775 million in 2014 to \$551.265 million in 2018, a 37% increase.

The Total Change in Equity in the 2014 to 2018 period was from \$590.747 million in 2014 to \$774.762 million in 2018, a 31% increase.

Why are Rates, the major source of income, increased annually, when the Surplus (total recurrent income minus total expenditure) has grown from 8% in 2014 to 27% in 2018?

The Annual Report is silent on why the Accumulated Surplus has increased 37% in the last 5 years. Should the Annual Report directly report on the accumulation and the intended use of such reserves?

### **Answer**

Council's financial statements are prepared and reported in accordance with Australia Accounting Standards and the Local Government Act 1993, the financial report has been prepared on an accrual and going concern basis, the accumulated surplus increase as described by Mr Taylor has been significantly influenced by transactions that are capital in nature. Of the \$147 million increase for the period 2014-2018 the recognition of assets in accordance with accounting standards affected the surplus to the value of \$126 million. Note 39 on Page 80 of the Annual Report shows Council's underlying surplus for the period 2014-2018.

## QUESTIONS ON NOTICE /contd...

This measure reflects the surplus or deficit when capital related transactions are eliminated, in essence it reflects the outcome of operations using Council's own funds. For the period 2014-2018, Council has reported an underlying surplus with an accumulated value of \$22 million, which is 15% of the change in the accumulated surplus report and in the balance sheet that Mr Taylor refers to. Council is not immune to economic pressures such as inflation.

To ensure that Council continues to operate sustainably an increase in rate income, which is the key source of revenue for Council, is required in order to support the growing demands on Council infrastructure and the provision of services now and into the future. The average increase in rates from 2014 through to 2018 was 2.38% per annum. Details regarding the balance of the reserves are reported in Note 30 on Page 74 of the Annual Report, of the total value of the reserves 97% relates to the asset revaluation reserve that represents the net increments arising from the revaluation of non-current assets.

The General Manager advised that he would ensure that a written response is provided to Mr Taylor.

## 9. QUESTIONS WITHOUT NOTICE

The Mayor invited Questions without Notice from the floor.

Mr M Figg of Lauderdale put forward the following Question without Notice

### Question 1

Mr Figg asked whether members of the public could make submissions to the AGM.

The Mayor advised Mr Figg that he would need to interrupt on a Procedural Matter. The Mayor advised that the public does indeed have an opportunity to make submissions and ask questions in regard to the Annual Report but no submissions were received.

Mr Figg responded that usually in an AGM you can ask questions.

The Mayor advised Mr Figg that he now has the opportunity to ask questions.

Mr Figg asked about the ability of the community to ask a question on it which may raise difficulties with passing that function.

The Mayor asked the General Manager to address this question.

**Answer**

Through the Mayor, the General Manager advised that the Motion tonight to receive and adopt the Annual Report and the Financial Statements, there is nothing in relation to questions or that Council can do tonight that would change the financial report in any way, shape or form. It is what it is and it has been audited and an Audit Certificate has been produced for the financials as they are.

They Mayor asked Mr Figg if he had any further questions.

**Question 2**

Mr Figg asked that normally in a meeting if you are passing the Minutes of a previous meeting, the people that were at that meeting are the only ones able to vote, is that correct? How can they pass the minutes if they were not there?

**Answer**

The General Manager advised that it is common practice that generally the mover and seconder are people that attended the previous meeting. The rest of the people, all they are voting on are that the minutes are true and correct record. That is the standard moving protocol.

Mr Figg further stated that the distribution of these reports are far too late for the public to actually read them, we have about 5 or 10 minutes to read the Annual Report. I would like at least a week to read an annual report from such a large and discrete body like yourselves.

The General Manager advised that the Annual Report was advertised and was made publicly available and people had the opportunity to make submissions in relation to it, hence the question from Mr Taylor this evening.

Mr Figg commented that the reason he raised this issue is that Council's web page does not allow access. You were having some technical problems with your web page and that has been reported in the last week or two.

The Mayor advised that the web page was ok as last week he downloaded a copy of the report.

Mr Figg stated they have access to the draft AGM but the actual final report, what date does that come out?

The General Manager advised that it is produced following the meeting tonight.

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Mr Peter Taylor of Rosny put forward the following Question without Notice

**Question**

Mr Taylor sought further clarification regarding accumulation of funds.

**Answer**

Council's Chief Financial Officer responded that accumulated surpluses are detailed in the financial statements in the Balance Sheet and the Statement of the Changes of Equity. The accumulated reserves and what they are to be used for is provided in the financial statements in Note 30 Reserves. The underlying surplus for each year is shown in Note 39 Financial Management Indicators.

Mr Taylor responded that he understands that the financials are in the part of the Annual Report, however, asks why they are not discussed in the body of the Annual Report.

The General Manager stated that we misunderstood his questions and would undertake to give him a response in writing.

<b>10. CLOSE OF MEETING</b>
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There being no further business the Meeting was closed at 7.30pm.