

MINUTES

South Australian Local Government Financial Management Group Executive Committee

27 July 2018 at 11am

Council Chambers, District Council of Mount Remarkable – 3 Stuart Street, Melrose

1. Present

Executive Committee:

- Clive Hempel (President), Mid Murray Council
- Kate George (Vice President), City of Salisbury
- Alexander Oulianoff (Treasurer), Mount Barker District Council
- Elizabeth Williams (Secretary), Alexandrina Council (via teleconference)
- Craig Mudge, District Council of Mount Remarkable
- Michael Wetherall, City of Port Adelaide Enfield (via teleconference)
- Norman Biggs, City of West Torrens
- Ray Barnwell, City of Marion
- Simon Zbierski, City of Campbelltown

Proxies:

- Anne O'Reilly, Port Augusta City Council

Observers/Guests:

- Davin Lambert, LGFA

It is important to note that on occasion it may be necessary for the Executive Committee to discuss an item in confidence and in those circumstances, observers and guests will be asked to leave the room for that item.

2. Apologies

- Annette Martin, City of Charles Sturt
- Anthony Amato, Town of Gawler
- Chris Birch, City of Prospect
- Diane Eckermann, City of Onkaparinga
- Eion Williamson, District Council of Grant
- Leta Northcott, City of Unley
- Mark Lague, The Barossa Council
- Mike Carey, Adelaide Hills Council
- Shane Sody, Local Government Association of SA

3. Presentations

3.1 Craig Mudge – District Council of Mount Remarkable

Craig provided an introductory presentation for the Council.

3.2 Davin Lambert – LGFA Update

Davin provided an update on issues the LGFA is currently working on.

The LGFA would like to ensure they are filling the needs of Councils going forward and are trying to evolve the business. 'Monthly Interest' goes 'live' at the end of this month (as of 1 August), and they are moving away from the quarterly cycle with term deposits. A new statement is coming out too, they are trying to granulise statements and trying to break down transactions, similar to bank statements.

The website was updated at the start of the year and will likely be updated again soon. There is now a new IT Programmer at the LGFA, and they are hoping to re-form the website similar to the look and feel of a bank site.

They are wanting to move toward transaction capability and the Executive Committee advised that they would like different levels of security (different types of users on the site – users who can make changes and users who can view), transaction notifications could be issued to the authorisers.

The Executive Committee raised the issue of when a third party makes a payment to a Council through the LGFA accounts – could there be a notification to advise that it has occurred in real time, the LGFA will look into this.

In terms of a 30 year loan facility, the LGFA could do a 30 year CAD facility but any longer will require negotiation and it would become more commercial. Rate capping will likely drive up Councils needing to borrow money.

The Executive Committee would like to see 'live' transactions rather than overnight transactions. This work is not currently scoped but the LGFA will see if it is achievable.

4. Confirmation of Minutes

Moved: Simon Zbierski

Seconded: Norm Biggs

Recommendation: *That the minutes of the meeting held on 22 June 2018 be confirmed as a true and correct record.*

CARRIED

5. Business Arising from the Minutes

Nil.

6. Treasurer's Report

Alex provided an update on the current financial status and end of year financials. There is currently a Net Surplus of \$13,739.

Ian McDonald has confirmed that he will provide auditing services for the 2018/19 financial year.

The Xero accounting software has now been migrated. It still needs a few areas to be set up. Events software (Arlo) will now need to be set up and integrated.

Moved: Kate George

Seconded: Craig Mudge

Recommendation: That the financial statements for June 2018 be noted.

CARRIED

Moved: Kate George

Seconded: Norm Biggs

Recommendation: That the SALGFMG Executive Committee recommends to the Annual General Meeting that Ian McDonald be appointed the Auditor for 2018/19.

CARRIED

Treasurer's Report			
Action Items	Meeting	Responsible	Status
Buy a gift for Maria and thank Maria formally.	27/04/18	President/ Secretariat	Completed
Purchase and setup XERO and Arlo.	27/04/18	Treasurer	In progress.

7. Projects/Work Groups – Update/Status

7.1 Seminars – Clive Hempel (Chairperson)

7.1.1 AGM to be held on 31 August 2018 at the Adelaide Zoo Sanctuary.

Clive advised that all arrangements for the AGM have been made and guest speaker Andrew Leunig has had his briefing call.

7.1.2 Workshop and Conference to be held on 29 and 30 November 2018 at Adelaide Oval.

Clive advised that the program topics have now been worked through and potential presenters are being contacted.

Seminars			
Action Items	Meeting	Responsible	Status
Setup a Facebook group for the workgroup to see how it works.	31/03/17	Seminar Workgroup	Facebook group created – yet to complete active testing.

7.2 Membership & Communication – Eion Williamson (Chairperson)

7.2.1 Draft Membership Guidelines

Clive advised that the draft Membership Guidelines agreed to at the June Executive Committee meeting were circulated to the membership for feedback and some changes have been suggested. The Executive Committee discussed the changes and resolved to not include them.

Moved: Ray Barnwell

Seconded: Kate George

Recommendation: *That the SALGFMG Executive Committee adopts the Membership Guidelines as amended at the June Executive Committee meeting.*

CARRIED

7.2.3 Honorary and Life Member Nominations

Moved: Norm Biggs

Seconded: Kate George

Recommendation: *That the SALGFMG Executive Committee recommends to the Annual General Meeting that Mick Wetherall be offered Honorary Membership.*

CARRIED

Membership & Communication			
Action Items	Meeting	Responsible	Status
Information Sharing Platform - LinkedIn, Facebook or a website forum to be investigated with the help of Irene Scales.	31/03/17	Membership Workgroup	Seminars Workgroup to trial Facebook Group.
Draft an application form for the engagement of distant FMG Members. The form will act as an 'expression of interest' for those members to request to attend FMG Executive Committee meetings free of travel expenses.	23/03/18	Clive Hempel	
Selection for one free attendance to the end of year Conference is offered each year to at least one Regional Council (location >200km from Adelaide CBD). The selection process is based on specified criteria used and as recommended to the Executive Committee by the Membership Group.	22/06/18	Membership Workgroup	

7.3 Rating and Valuation – Norm Biggs (Chairperson)

No update. No meeting has been held since the last Executive Committee meeting.

Rating and Valuation			
Action Items	Meeting	Responsible	Status
Rate rebate policy – a possible LGR&D Scheme application to be prepared for funding to update the 2008 policy. Workgroup to seek a quote from Michael Kelledy (original author of the policy) to see how much it would cost to have the policy updated.	24/02/17	Rating & Valuation Workgroup	Revenue Professionals SA have applied for LG R&D funding for the rewrite of the Rebate Information paper.

7.4 Local Government Price Index – Chris Birch

No update.

Local Government Price Index			
Action Items	Meeting	Responsible	Status
Speak with the SA Centre for Economics regarding forecasting and commentary for the LGPI and provide feedback to the Executive Committee.	18/03/16 & 29/04/16	Chris Birch / LGPI Workgroup	Awaiting result of the Rate Capping Bill to determine whether a forecasting indicator is required.
Organise a meeting with Lisa Teburea to discuss Rate Capping – how do we influence the information.	25/05/18	President	Completed

7.5 Newsletter / Website – Elizabeth Williams (Chairperson)

Elizabeth advised that the Winter edition of the newsletter was issued last week and contained a lot of good articles. The Executive Committee would like the articles on accounting standards to be a regular item.

7.6 Financial Management Framework – Mark Lague (Chairperson)

No update.

Financial Management Framework			
Action Items	Meeting	Responsible	Status
Discuss ideas from Councils for best practice in relation to AASB124 Related Party Disclosures.	22/09/17	Financial Management Framework Workgroup	Mark has received information from John Wright, Tim Muhlhausler and David Maxwell. It is still confusing so it is recommended that a paper, guide or a table ideally needs to be prepared.

7.7 Fees and Charges – Elizabeth Williams (Chairperson)

Elizabeth advised that BDO have made some progress with the ATO. Elizabeth has received three tables providing an update. Elizabeth will now meet with Stephen from BDO next week to work through the tables to provide any clarification needed so the work can be finalised.

7.8 Costing Principles – Alex Oulianoff (Chairperson)

Alex advised that this group is hoping to have a meeting in September. Feedback on David Hope’s paper is needed and should be sent to Alex.

Councils who believe they may have been subsidising their wastewater businesses may want to consider their ability to continue to do so given the proposed rate capping legislation.

7.9 Asset Management – Pep Piscioneri (Chairperson)

No update.

7.10 Long Term Financial Plan – Kate George (Chairperson)

Kate advised that LG Solutions have started working on the “lite” version.

Long Term Financial Plan			
Action Items	Meeting	Responsible	Status
Review the Coalface Long Term Financial Model and its future.	25/11/16	LTFP Workgroup	

7.11 Dog and Cat Management – Simon Zbierski (Chairperson)

Simon advised that DACO is now up and running. The Dog and Cat Management Board is currently receiving 600 to 800 queries per day and the system has experienced some crashes. There have been some minor issues identified with the system that are being worked through.

All notices have been sent now as at 13 July – they were a staggered release. A review will occur once the registration period has finished and there may be a User Group created.

8. Correspondence

Nil

9. Confidential Discussion Items

Nil

10. Other Business

10.1 Draft Constitution

Clive advised that the draft Constitution agreed to at the June Executive Committee meeting were circulated to the membership for feedback and some changes have been suggested. The Executive Committee discussed the changes and resolved to not include them.

Moved: Kate George

Seconded: Norm Biggs

Recommendation: *That the SALGFMG Executive Committee recommends to the Annual General Meeting that the Constitution be adopted as amended at the June Executive Committee meeting.*

CARRIED

10.2 Rate Capping 2018/19

Clive advised that thirty eight Councils have supplied the impact of rate capping to their current Long Term Financial Plan, as per the modelling spreadsheet that was emailed to all FMG members on 12 July 2018. All responses have been forwarded to the LGA to enable an analysis of the effect of the potential capping across the different categories of Councils. The Liberal Government has just advised that the Bill will be going to the Legislative Council on Friday 27 July for debate in a move to push Labor into disclosing their position on the Bill. To this stage the Labor party have advised that they are still presently in consultation with the Local Government sector and the general public.

Thanks to the following Councils that supplied the capping information:- Alexandrina, Barossa, Barunga West, Berri Barmera, Burnside, Campbelltown, Ceduna, Charles Sturt, Coorong, Copper Coast, Gawler, Goyder, Grant, Holdfast Bay, Karoonda East Murray, Kimba, Light, Marion, Mid Murray, Mitcham, Mount Barker, Mount Remarkable, Northern Areas, Norwood Payneham & St Peters, Playford, Port Augusta, Port Lincoln, Robe, Salisbury, Streaky Bay, Tatiara, Tumby Bay, Unley, Wakefield Regional, Walkerville, Wattle Range, West Torrens and Yorke Peninsula.

We need to work out the next step for the FMG and will need to discuss any alternatives to the legislation in terms of the index and cap calculation. Clive will approach ESCOSA to view the draft guidance paper and to offer the FMG's assistance as well as request that the FMG volunteer to be part of a working group.

10.3 Stronger Communication between SALGFMG and LGITSA

Clive advised that contact was made with Chris James, President of Local Government Information Technology South Australia (LGITSA) to investigate opportunities of the two groups sharing information in the future.

Possible ideas raised:-

- Sharing agendas/minutes;
- Access to each other's websites;
- Sharing information on our initiatives;
- Sharing expertise on suitable projects;
- Listening to what the FMG wants to see from technology in SA LG;
- Shared professional development eg LGITSA will be running NFP Director training via the AICD for new Board members in late 2018. They could fit in some of the FMG Committee Members on that training;
- Member rates for conference attendance; and
- LGITSA allowing 2 free attendance to their annual conference for FMG Committee Members or general Members (subject to Treasurer sanction).

Our expression of interest in building stronger communications between the two groups will be presented to the LGITSA Board meeting in August.

Other Business			
Action Items	Meeting	Responsible	Status
Possibility of having an Eyre Peninsula Financial Managers Group (sub group of LGFMG) to assist with keeping in touch with industry changes and Eyre Peninsula city counter parts - President to contact Michelle Tucker and advise her of the Executive Committee's discussion and then contact Regional LGA's to seek their feedback.	31/10/14	President	Continue to investigate options.
Speak with the LGA regarding "Charge's against the land", such as Outstanding Block Clearing Fees and charges under the SA Health Act. Can these be placed on the assessment (rate notice) and charged fines/interest?	23/03/18	President	
Speak to the Auditors to see if they are happy to continue on next financial year.	22/06/18	Treasurer	Completed
Prepare a letter of thanks for Anna-Lucia Draper who has resigned from the Executive Committee.	22/06/18	Secretariat	In progress for all outgoing Executive Committee Members.
Rate Capping - Approach ESCOSA to view the draft guidance paper and to offer the FMG's assistance as well as request that the FMG volunteer to be part of a working group.	27/07/18	President	

11. Next Meeting

21 September 2018 at the City of Salisbury.

Standing and Future Items	Meeting	Frequency
Sponsorship Proposal for the next financial year	March	Annually
AGM Matters and Recommendations: <ul style="list-style-type: none"> • Constitution Draft • Membership Guidelines Draft • Membership Fees Recommendation to AGM • Honorary & Life Member Nominations • Auditor Appointment Recommendation to AGM • Executive Committee Nominations 	June	Annually
<ul style="list-style-type: none"> • Davin Lambert – LGFA update • Constitution Recommendation to AGM • Membership Guidelines adoption 	July	Annually
<ul style="list-style-type: none"> • New Committee Members • Workgroup allocations • Proxy/Deputy Chairperson for each of the workgroups • Meeting dates for next 12 months • Event registration fees for the financial year 	September	Annually

12. Close

For further information regarding topics raised at the FMG Executive Committee meetings, please see contact details below:

FMG President, Clive Hempel: chempel@mid-murray.sa.gov.au.

- Asset Management Workgroup Chairperson, Pep Piscioneri: p.piscioneri@adelaidecitycouncil.com
- Costing Principles Workgroup Chairperson, Alex Oulianoff: aoulianoff@dcmtbarker.sa.gov.au
- Dog and Cat Management Chairperson, Simon Zbierski: szbierski@campbelltown.sa.gov.au
- Fees and Charges Workgroup Chairperson, Elizabeth Williams: elizabeth.williams@alexandrina.sa.gov.au
- Financial Management Framework Workgroup Chairperson, Mark Lague: mlague@barossa.sa.gov.au
- Local Government Price Index Workgroup Chairperson, Chris Birch: chris.birch@prospect.sa.gov.au
- Long Term Financial Plan Workgroup Chairperson, Kate George: kgeorge@salisbury.sa.gov.au
- Membership & Communication Workgroup Chairperson, Eion Williamson:
eion.williamson@dcgrant.sa.gov.au
- Newsletter & Website Workgroup Chairperson, Elizabeth Williams:
elizabeth.williams@alexandrina.sa.gov.au
- Rating and Valuation Workgroup Chairperson, Norm Biggs: nbiggs@wtcc.sa.gov.au
- Seminars Workgroup Chairperson, Clive Hempel: chempel@mid-murray.sa.gov.au