



CITY FINANCE AND GOVERNANCE COMMITTEE MINUTES

for the Reconvened meeting

Tuesday, 27 August 2024

in the Colonel Light Room, Adelaide Town Hall

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Present – The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith
Councillor Dr Siebentritt (Chair)
Councillor Elliott (Deputy Chair)
Deputy Lord Mayor, Councillor Snape and Councillors Abrahimzadeh, Couros, Davis,
Giles, Hou, Li and Noon

The Chair requested leave of the meeting to bring forward Item 10.1 – Delegation to Award Contract, to be considered prior to Item 6.1 - LTFP Update - Workshop 3.

Leave was granted

9 Exclusion of the Public

Moved by Councillor Giles,
Seconded by Lord Mayor -

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE:

1. Having taken into account the relevant consideration contained in section 90(3) (b) and (d) and section 90(2) & (7) of the Local Government Act 1999 (SA), this meeting of the City Finance and Governance Committee dated 20 August 2024 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 10.1 [Delegation to Award Contract] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

Grounds and Basis

This Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to identify the proponent and to confer a commercial advantage on a person with whom the council is conducting business and prejudice the commercial position of the council, with the potential to confer a commercial advantage to a third party competitor of a person with whom the council is conducting business.

Public Interest

The Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information may result in release of information prior to the finalisation of 'commercial in confidence' negotiation with the proponent and because the disclosure of Council's commercial position may severely prejudice Council's ability to discuss/participate or influence a proposal for the benefit of the Council and the community in this matter and in relation to other contract negotiations.

2. Pursuant to section 90(2) of the Local Government Act 1999 (SA) (the Act), this meeting of the City Finance and Governance Committee dated 20 August 2024 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 10.1 [Delegation to Award Contract] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (b) and (d) of the Act.

Carried

Members of the public and corporation staff not involved with Item 10.1 left the Colonel Light Room at 5.32 pm.

10 Confidential Reports for Recommendation to Council

10.1 Delegation to Award Contract

The meeting reopened to the public at 5.35 pm.

Item 10.1 - Delegation to Award Contract

Confidentiality Order

Authorises that, in accordance with Section 91(7) and (9) of the Local Government Act 1999 (SA) and because Item 10.1 [Delegation to Award Contract] listed on the Agenda for the meeting of the City Finance and Governance Committee held on 20 August 2024 was received, discussed and considered in confidence pursuant to Section 90(3) (b) and (d) of the Local Government Act 1999 (SA), this meeting of the City Finance and Governance Committee do order that

1. The resolution, the report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2030.
2. The confidentiality of the matter be reviewed in December 2025.
3. The Chief Executive Officer be delegated the authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked.

6 Workshops

6.1 LTFP Update - Workshop 3

Discussion Facilitators:

Anthony Spartalis, Chief Operating Officer
Nicole Van Berkel, Acting Manager Finance and Procurement

Precis of Topic:

To discuss the lever settings for the 2024/25 Long Term Financial Plan, including revenue assumptions, service delivery and borrowings.

During the discussion:

- Councillor Abrahamzadeh entered the Colonel Light Room at 5.37 pm
- Councillor Davis entered the Colonel Light Room at 5.39 pm
- Lord Mayor left the Colonel Light Room at 5.55 pm and re-entered at 5.56 pm
- Deputy Lord Mayor, Councillor Snape left the Colonel Light Room at 6.04 pm and re-entered at 6.08 pm

It was then –

Moved by Lord Mayor,
Seconded by Councillor Noon -

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE

1. Notes the workshop presentation as presented in Attachment A to Item 6.1 on the Agenda for the meeting of the City Finance and Governance Committee held on 20 August 2024, as background for discussion on final assumptions to build into the 2024/25 Long Term Financial Plan.

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Approves the following assumptions to incorporate into the draft 2024/25 LTFP to be presented to the City Finance and Governance Committee at its meeting scheduled for 17 September 2024 for recommendation to Council:
 - 1.1. Renewals and ARFR assumptions:
 - 1.1.1. Transition to 100% ARFR over 8 years
 - 1.1.2. Adjust program to fund \$69m per annum average over the 10 years
 - 1.1.3. Deliver the Asset Renewal Repair Fund over 3 years, utilising borrowings to temporarily fund the shortfall during the transition period

- 1.2. Adelaide Bridge assumptions:
 - 1.2.1. Renew with existing load bearing
 - 1.2.2. CoA funds 75% (net \$45m) over 2 years
 - 1.2.3. Advocate for financial assistance for 50% funding contribution from State / Federal bodies
- 1.3. Torrens Weir assumptions:
 - 1.3.1. Renew like for like
 - 1.3.2. CoA funds 33% (net \$13.3m) over 2 years
 - 1.3.3. Advocate for financial assistance for 2/3rds funding contribution from State / Federal bodies
- 1.4. Rundle UPark assumptions
 - 1.4.1. Reinstate to LTFP
 - 1.4.2. Extend useful life (assume \$15m over 2 years)
 - 1.4.3. Reinstate associated net revenue in LTFP
- 1.5. New and upgraded assets assumptions:
 - 1.5.1. Maintain current commitments (including Mainstreets & Park Lands buildings)
 - 1.5.2. Adjust program in outer years to fit within current Prudential Borrowings Limits (after considering all other LTFP components)
 - 1.5.3. Assumed allowance subject to Business Cases
- 1.6. Fees and charges assumptions:
 - 1.6.1. Reinstate Rundle UPark net income from 2029/30
 - 1.6.2. Fees and Charges increase in line with CPI
- 1.7. Service delivery assumptions (including strategic projects):
 - 1.7.1. Reinstate Rundle UPark Net Income from 2029/30
 - 1.7.2. Current service delivery and projects levels are maintained at current levels and increase in line with CPI
- 1.8. Rates revenue impact assumptions:
 - 1.8.1. CPI increase
 - 1.8.2. Growth at 1%
 - 1.8.3. Asset Renewal Repair fund over 3 years
 - 1.8.4. Asset Renewal Funding Ratio transition over 8 years

Discussion continued, during which with the consent of the mover and seconder, it was agreed the motion would be taken in parts.

Parts 1 and 1.1 of the motion, were then put and carried
Part 1.2 of the motion, was then put and carried
Part 1.3 of the motion, was then put and carried
Part 1.4 of the motion, was then put and carried
Part 1.5 of the motion, was then put and carried
Part 1.6 of the motion, was then put and carried
Part 1.7 of the motion, was then put and carried
Part 1.8 of the motion, was then put and carried

Closure

The meeting closed at 6.30 pm

Councillor Dr Siebentritt
City Finance and Governance Committee Chair

Documents Attached:

Nil