



Central Coast Council

Minutes of the Ordinary Meeting of Council Held remotely - online on 12 October 2020

Present

Mayor Lisa Matthews and Councillors Greg Best, Jillian Hogan, Kyle MacGregor, Doug Vincent, Troy Marquart, Chris Burke, Chris Holstein, Bruce McLachlan, Jilly Pilon, Rebecca Gale, Louise Greenaway, Jeff Sundstrom, Richard Mehrtens and Jane Smith.

In Attendance

Jamie Loader (Acting Chief Executive Officer), Boris Bolgoff (Director Roads, Transport, Drainage and Waste), Julie Vaughan (Director Connected Communities), Scott Cox (Director Environment and Planning), Ricardo Martello (Executive Manager Innovation and Futures), Krystie Bryant (Executive Manager People and Culture) and Shane Sullivan (Unit Manager Governance and Business Services).

The Mayor, Lisa Matthews, declared the meeting open at 6.33pm.

At the request of the Mayor, Mr Jamie Loader, Acting Chief Executive Officer advised that the meeting will be held remotely in accordance with section 747A of The Local Government Act 1993 clause 1(a)(i) and section 413L of The Local Government (General) Regulation 2005. Councillors were also reminded to adhere to the relevant policies and procedures including the Code of Meeting Practice and Code of Conduct.

The Mayor, Lisa Matthews, advised in accordance with the Code of Meeting Practice that the meeting is being recorded and read an acknowledgement of country statement.

The reports are recorded in their correct agenda sequence.

Apologies

Time commenced: 6.36pm

Moved: **Councillor MacGregor**

Seconded: **Councillor Sundstrom**

Resolved

1033/20 That Council note that Councillor Gale was granted leave of absence from this meeting at the 28 September 2020 Ordinary Meeting. Councillor Gale contacted the Chief Executive Officer prior to the meeting and advised that she would be attending this meeting.

For:
Unanimous

1.1 Disclosures of Interest

Time commenced: 6.37pm

3.7 Council Representative for Hunter and Central Regional Planning Panel

Councillor Sundstrom declared a pecuniary interest in the matter as he is a Council appointed delegate to the Joint Regional Planning Panel. Councillor Sundstrom left the meeting at 10.17pm, returned at 10.30pm and did not participate in discussion on this matter.

Councillor Smith declared a pecuniary interest in the matter as she is a Council appointed alternate delegate to the Joint Regional Planning Panel. Councillor Smith left the meeting at 10.17pm, returned at 10.30pm and did not participate in discussion on this matter.

Moved: Councillor Gale
Seconded: Councillor Hogan

Resolved

1034/20 That Council receive the report on Disclosure of Interest and note advice of disclosures.

For:
Unanimous

1.2 Confirmation of Minutes of Previous Meeting

Time commenced: 6.43pm

Moved: Councillor Gale
Seconded: Councillor MacGregor

Resolved

1035/20 That Council confirm the minutes of the Ordinary Meeting of Council held on the 28 September 2020.

For:
Unanimous

Procedural Motion

Time commenced: 6.44pm

Moved: Mayor Matthews
Seconded: Councillor Sundstrom

Resolved

1036/20 That Council defer all items with the exception of the following to an Extraordinary meeting to be conducted remotely on Monday, 19 October 2020 at 6.30pm:

- **Item 1.3 – Notice of Intention to Deal with Matters in Confidential Session**
- **Item 1.4 - Mayoral Minute – Staff Matter**
- **Item 1.5 - Mayoral Minute – Establishment of a Finance Committee to Oversee Council’s Forensic Financial Audit and 100-Day Action Plan to Recovery**
- **Item 3.7 – Council Representative for Hunter and Central Regional Planning Panel (Late Report)**
- **Item 3.8 – Serious Financial Situation (Late Report)**
- **Notice of Motion 6.2 – Collapse of Confidence in Council’s Internal Controls and Financial Management**

1037/20 That in accordance with clause 10.32 of the Code of Meeting Practice Council recognise this issues for consideration tonight are of great importance to the whole of the Central Coast and as such the time limit on debate in accordance with clause 10.31 of the Code of Meeting Practice is to be lifted for this meeting.

1038/20 That Council formally resolve to conduct an Extraordinary Meeting remotely on Monday, 19 October 2020 at 6.30pm for the purpose of considering those items not dealt with at the meeting tonight and that appropriate notice be given of this meeting.

1039/20 That Council consider Item 3.8 – Serious Financial Situation and Item 6.2 – Notice of Motion - Collapse of Confidence in Council’s Internal Controls and Financial Management concurrently to allow Councillors to record their lack of support or otherwise on each part of the motion.

For:
Mayor Matthews, Councillors Best, Burke, Gale, Hogan, Holstein, MacGregor, Marquart, Mehrtens, Pilon, Smith, Sundstrom and Vincent

Against:
Councillors Greenaway and McLachlan

1.3 Notice of Intention to Deal with Matters in Confidential Session

Time commenced: 6.51pm

Moved: Mayor Matthews

Seconded: Councillor Smith

That Council resolve that the following matters be dealt with in closed session, pursuant to s.10A(2)(a) of the Local Government Act 1993 for the following reasons:

Item 1.4 – Staff Matter

Reason for considering in closed session:

That Council resolve that these matters be dealt with in closed session, pursuant to s.10A(2)(a) and (i) of the Local Government Act 1993 for the following reason:

2(a) personnel matters concerning particular individuals other than councillors

Amendment Moved: Councillor Best

Amendment Seconded: Councillor Greenaway

That Council defer consideration of Item 1.4 – Mayoral Minute – Staff Matter to the Extraordinary Meeting to be held on 19 October 2020.

For:
Councillors Best, Burke, Gale, Greenaway,
Holstein, Marquart, McLachlan and Pilon

Against:
Mayor Matthews, Councillors Hogan,
MacGregor, Mehrtens, Smith, Sundstrom
and Vincent

The amendment was put to the vote and declared CARRIED and therefore become the motion.

A procedural motion was moved and Item 1.3 – Notice of Intention to Deal with Matters in Confidential Session was recommitted, the time being 7.11pm.

Moved: Councillor Best

Seconded: Councillor Greenaway

Resolved

1040/20 That Council defer consideration of item 1.4 – Mayoral Minute – Staff Matter to the Extraordinary Meeting to be held on 19 October 2020 as a confidential item.

For:
Councillors Best, Burke, Gale, Greenaway,
Holstein, Marquart, McLachlan and Pilon

Against:
Mayor Matthews, Councillors Hogan,
MacGregor, Mehrtens, Smith, Sundstrom
and Vincent

Procedural Motion – Recommit Item 1.3

Moved: **Councillor Vincent**

Seconded: **Mayor Matthews**

Resolved

1041/19 That Council recommit Item 1.3 – Notice of Intention to Deal with Matters in Confidential Session, the time being 7.11pm.

For:

Unanimous

1.5 Mayoral Minute - Establishment of a Finance Committee to Oversee Council's Forensic Financial Audit and 100-Day Action Plan to Recovery

Time commenced: 7.16pm

Moved: *Mayor Matthews*

- 1 *That Council acknowledge the distress this latest news has caused our community, including the impact of community confidence in Council.*
- 2 *That Council note the forensic internal audit of Council's finances underway, including the establishment of a working group to implement a 100-day action plan to recovery.*
- 3 *That Council establish a finance committee comprised of all Councillors, the Office of Local Government appointed independent financial expert and human resources adviser, DMB Consulting Pty Ltd and an independent legal adviser to oversee Council's forensic internal audit and 100-day action plan to recovery.*
- 4 *That further to the financial crisis and the liquidity issue that Council face, that Council move a vote of no confidence in the Chief Executive Officer.*
- 5 *That further Council seek to have an urgent review of the Chief Executive Officer delegations.*

Amendment Moved: *Councillor Marquart*

Amendment Seconded: *Councillor Best*

- 1 *That Council acknowledge the distress this latest news has caused our community, including the impact of community confidence in Council.*
- 2 *That Council note the forensic internal audit of Council's finances underway, including the establishment of a working group to implement a 100-day action plan to recovery.*
- 3 *That further to the financial crisis and the liquidity issue that Council face, that Council move a vote of no confidence in the Chief Executive Officer.*

- 4 That further Council seek to have an urgent review of the Chief Executive Officer delegations.

For:
Councillors Best, Gale, Marquart, McLachlan and Pilon

Against:
Mayor Matthews, Councillors Burke, Greenaway, Hogan, Holstein, MacGregor, Mehrtens, Smith, Sundstrom and Vincent

The amendment was put to the vote and declared LOST.

The Mayor at 9.35pm withdrew her motion and as a result the following become the motion.

Further Motion Moved: Mayor Matthews

Further Motion Seconded: Councillor Smith

Resolved

1042/20 That Council acknowledge the distress this latest news has caused our community, including the impact of community confidence in Council.

1043/20 That Council note the forensic internal audit of Council's finances underway, including the establishment of a working group to implement a 100-day action plan to recovery.

1044/20 That Council establish a finance committee comprised of all Councillors, the Office of Local Government appointed independent financial expert and human resources adviser and an independent legal adviser to oversee Council's forensic internal audit and 100-day action plan to recovery. Further that consideration be given to the inclusion of the relevant consultant.

For:
Mayor Matthews, Councillors Burke, Greenaway, Hogan, Holstein, MacGregor, Mehrtens, Smith, Sundstrom and Vincent

Against:
Councillors Best, Gale, Marquart, McLachlan and Pilon

Procedural Motion

Councillor Hogan left the meeting at 8.08pm and returned at 8.10pm.

Councillor Gale left the meeting at 8.13pm and returned at 8.15pm

Moved: Councillor Sundstrom

Seconded: Mayor Matthews

Resolved

1045/20 That Council move into confidential session to consider legal advice regarding item 1.5 – Mayoral Minute - Establishment of a Finance Committee to Oversee Council's Forensic Financial Audit and 100-Day Action Plan to Recovery the time being 7.25pm.

For:
Mayor Matthews, Councillors Best, Burke, Greenaway, Hogan, Holstein, MacGregor, McLachlan, Mehrstens, Smith, Sundstrom and Vincent

Against:
Councillors Gale, Marquart and Pilon

Procedural Motion

Moved: Councillor MacGregor
Seconded: Mayor Matthews

Resolved

1046/20 That Council adjourned the meeting and will move into open session at 8.45pm.

For:
Unanimous

Procedural Motion

Moved: Councillor MacGregor
Seconded: Councillor Greenaway

That Council deals with Item 1.5 - Mayoral Minute - Establishment of a Finance Committee to Oversee Council's Forensic Financial Audit and 100-Day Action Plan to Recovery in seriatim.

For:
Councillors Gale, Greenaway, Smith, MacGregor and Sundstrom

Against:
Mayor Matthews, Councillors Best, Burke, Hogan, Holstein, Marquart, McLachlan and Pilon

Abstained: Councillors Mehrstens and Vincent

2.1 Deferred Item - Planning Proposal RZ /6/2016 Warnervale and Virginia Rd, Warnervale

Council deferred the consideration of item 2.1 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

3.1 Planning Proposal 84/2015 for land on the corner of Collingwood Drive and Matcham Road, Matcham

Council deferred the consideration of item 3.1 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

3.2 Proposed Council Meeting Dates

Council deferred the consideration of item 3.2 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

3.3 Establishment of Alcohol Free Zones

Council deferred the consideration of item 3.3 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

3.4 Hawkesbury-Nepean River Coastal Management Program Stage 1 Scoping Study

Council deferred the consideration of item 3.4 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

3.5 Management of Coastal Land Parcels at The Entrance North and Wamberal

Council deferred the consideration of item 3.5 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

3.6 Meeting Record of the Catchments and Coast Committee Brisbane Water and Gosford Lagoons and Terrigal Water Quality Sub-Committee meetings held 25 August 2020

Council deferred the consideration of item 3.6 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

3.7 Council Representatives for Hunter and Central Regional Planning Panel

Time commenced: 10.17pm

Councillor Sundstrom declared a pecuniary interest in the matter as he is a Council appointed delegate to the Joint Regional Planning Panel. Councillor Sundstrom left the meeting at 10.17pm, returned at 10.30pm and did not participate in discussion on this matter.

Councillor Smith declared a pecuniary interest in the matter as she is a Council appointed alternate delegate to the Joint Regional Planning Panel. Councillor Smith left the meeting at 10.17pm, returned at 10.30pm and did not participate in discussion on this matter.

Moved: Councillor MacGregor

Seconded: Councillor Burke

Resolved

1047/20 That Council, pursuant to [Part 2 Division 2.4 c. 2.13 of the Environmental Planning and Assessment Act 1979](#), re-appoint the following Councillors to be members of the Hunter and Central Coast Regional Planning Panel:

- a. Councillor MacGregor**
- b. Councillor Burke**

1048/20 That Council, pursuant to [Part 2 Division 2.4 c. 2.13 of the Environmental Planning and Assessment Act 1979](#) re-appoint the following two Councillors, as an alternate of the Councillors above to the Hunter and Central Coast Regional Planning Panel:

- a. Councillor Sundstrom**
- b. Councillor Smith**

1049/20 That Council maintain the remuneration to be paid to each nominee when exercising functions as a member of the Hunter and Central Coast Regional Planning Panel at \$700.00 per meeting, inclusive of GST and expenses.

1050/20 That Council note that the re-appointment to the Hunter and Central Coast Regional Planning Panel will be for a term of one year.

1051/20 That Council request the Chief Executive Officer notify the secretariat of Hunter and Central Coast Regional Planning Panel in writing of the above.

For:

Unanimous

That the meeting be adjourned at 10.20pm and resumed at 10.30pm.

3.8 Serious Financial Situation

Time commenced: 10.31pm

Councillor Gale left the meeting at 11.00pm and returned at 11.05pm.

Mayor Matthews left the meeting at 11.15pm and returned at 11.16pm

Councillor Sundstrom left the meeting at 11.22pm and returned at 11.23pm

This item was considered in seriatim as resolved by Council (minute 966/20)

Moved: Councillor MacGregor

Seconded: Councillor Hogan

Resolved

1052/20 That Council consider the draft 100-day recovery action plan and financial forensic scope documentation at a workshop to be held on Thursday 15 October 2020.

For:

Unanimous

Moved: Councillor Burke

Seconded: Councillor Sundstrom

Resolved

1053/20 That Council request that the Chief Executive Officer write to the Minister for Local Government seeking urgent assistance with the following matters:

- **Seek approval to borrow from restricted funds including the Developer contributions under the EP&A Act, the Developer servicing plan contributions under the Water Management Act, Domestic Waste management funds and unrestricted cash within the water and sewer funds comprising income from user and service charges, and advice on the process to obtain such approval; or**
- **Secure necessary external borrowing up to \$100 million from TCorp or any other emergency funding sources for the purposes of maintaining liquidity in the Council until such time as the actions within the draft 100-day recovery action plan are implemented; and**
- **Confirmation on the timing, scope and terms of reference for the previously committed financial and human resources advisors**

For:

Mayor Matthews, Councillors Burke, Greenaway, Hogan, Holstein, MacGregor, Mehrrens, Smith, Sundstrom and Vincent

Against:

Councillors Best, Gale, Marquart, McLachlan and Pilon

A division was called by Councillors Marquart and Best

For:
**Mayor Matthews, Councillors Burke,
Greenaway, Hogan, Holstein, MacGregor,
Mehrtens, Smith, Sundstrom and Vincent**

Against:
**Councillors Best, Gale, Marquart,
McLachlan and Pilon**

Moved: Mayor Matthews
Seconded: Councillor Sundstrom

Resolved

1054/20 That Council resolve to utilise current scheduled Councillor Workshops Saturday 31 October 2020 for the purposes of reviewing the actions taken to date.

For:
Unanimous

Moved: Councillor MacGregor
Seconded: Councillor Mehrtens

Resolved

1055/20 That should the Minister for Local Government not be able to assist in securing borrowing through Tcorp that Council authorise the Chief Executive Officer to present a loan proposal for its consideration at a future meeting of Council for the sum of up to \$100 million.

For:
**Mayor Matthews, Councillors Burke,
Greenaway, Hogan, Holstein, MacGregor,
Mehrtens, Smith, Sundstrom and Vincent**

Against:
**Councillors Best, Gale, Marquart,
McLachlan and Pilon**

Procedural Motion

Time commenced: 11.25pm

Moved: Councillor Smith
Seconded: Councillor Greenaway

That Council defer consideration of item 6.2 - Notice of Motion - Collapse of Confidence in Council's Internal Controls and Financial Management to the Extraordinary Meeting 19 October 2020.

For:
Councillors Burke, Greenaway, Marquart,
McLachlan and Smith

Against:
Mayor Matthews, Councillors Best, Gale,
Hogan, Holstein, MacGregor, Mehrrens, Pilon,
Sundstrom and Vincent

The motion was put to the vote and declared LOST.

4.1 Meeting Record for the Catchments and Coast Committee Tuggerah Lakes meeting held on 26 August 2020

Council deferred the consideration of item 4.1 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

4.2 Meeting Record of the Gosford CBD and Waterfront Advisory Committee meeting held 13 August 2020

Council deferred the consideration of item 4.2 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

4.3 Meeting Record of the Social Inclusion Advisory Committee meeting held 11 August 2020

Council deferred the consideration of item 4.3 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

4.4 Activities of the Social Impact Taskforce

Council deferred the consideration of item 4.4 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

4.5 The Entrance Channel - Studies and Reports

Council deferred the consideration of item 4.5 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

4.6 The Entrance Beach North - Coastal Erosion Update

Council deferred the consideration of item 4.6 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

6.1 Deferred Item - Notice of Motion - Leveraging Jobs Hub off \$250M State Government Rail Investment at Kangy Angy

Council deferred the consideration of item 6.1 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

6.2 Notice of Motion - Collapse of Confidence in Council's Internal Controls and Financial Management

Time commenced: 11.28pm

Councillor Greenaway left the meeting at 11.28pm and returned at 11.29pm

Councillor Greenaway left the meeting at 11.37pm and returned at 11.40pm

Councillor Smith left the meeting at 11.42pm and returned at 12.32pm

Councillor Hogan left the meeting at 11.52pm and returned at 11.57pm

Councillor Gale left the meeting at 11.53pm and returned at 11.54pm

This item was considered in seriatim as resolved by Council (minute 966/20)

Moved: Councillor Best

Seconded: Councillor McLachlan

Resolved

1056/20 That Council notes with great concern the recent Audit Report by the NSW Audit Office around Council's "internal controls" over local infrastructure contributions (LICs) where serious concerns were raised around risks associated with Administration of LICs highlighting that up until June 2019 this Council unlawfully accessed \$13.2 million for unapproved administration activities.

For:
Mayor Matthews, Councillors Best, Burke, Hogan, Holstein, MacGregor, Marquart, McLachlan, Mehrtens, Pilon, Smith, Sundstrom and Vincent

Against:
Councillor Greenaway

Moved: Councillor Vincent

Seconded: Councillor Best

Resolved

1057/20 Further Council's confidence is significantly eroded in the knowledge that now two Chief Financial Officers, two interim internal Chief Financial Officers (returned to their substantive positions) and four Governance Directors, have resigned or been replaced in the past three years and that this Council is currently again recruiting.

For:

Unanimous

Councillor Smith left the meeting at 11.42pm and returned at 12.32pm

Moved: Councillor Best

Seconded: Councillor McLachlan

- 3 *As Elected Representatives and trusted custodians of the Ratepayer purse, this year budget alone reflecting \$573 million 2020 FY, with \$335.5 million of this being Rates and Charges, this Council having regard to the issues outlined below a-k, now formally seeks independent advice and assistance from the Office of Local Government and the Office of the Auditor General to better understand this Council's compliance with our financial control standards, internal controls, transparency and probity.*
- a That this Council in FY19/20 budgeted for an \$18 million loss with a now Q3 result of \$41 million loss with preliminary adjustments forecast resulting in full year loss eclipsing \$80 million. Compounding this, Council notes it's exhibited Budget FY20/21 also reflects a multi-million dollar loss.*
 - b That Council's internal controls in the FY18/19 were unable to deliver the Accounts for some nine months past their due date requiring several Departmental extensions understandably exacerbating the crafting of the FY19/20 budget.*
 - c The scathing commentary attached to the recently released Audit Office's Independent Report.*
 - d Council also notes the extraordinary waste of millions of dollars through actively terminating binding Contracts and willingly paying extensive damages.*
 - e That Council's lack of internal controls and transparency have resulted in this Council abandoning its \$171 million Civic Project known as the Gosford Art Centre and Library costing millions.*
 - f The escalating NSW Court List associated with this Council, again costing millions.*
 - g Council's confidence is further highly eroded due to the recognition that the current recruitment process on foot for a new Chief Financial Officer will be our fifth Chief Financial Officer in this term of Council alone.*
 - h Further to the Auditor General's Report, Council notes the exponential worsening of its now more than \$200 million infrastructure spending backlog.*
 - i Council's processes leading up to the extinguishment and refund of a \$5 million State Government Grant for a Community Walkway that had already commenced.*
 - j Budgeted staffing levels as advised by the Chief Executive Officer now up by some 500 FTEs since the Amalgamation with total Council employment being approximately 2,500 Staff plus \$9 million in Contractors, some being remunerated at \$1,300 a day.*
 - k Council's recent \$50 million borrowing with \$25 million being new money that forms part of Council's current \$232 million borrowing. Note this ratio is not excessive, however the interest rate is 6.25% in the current market.*
 - l That Council also notes the importance of sound internal controls as a result of its decisions around looming issues such as the Coastal Erosion and Property Losses and the extraordinary risks Council now faces with regard to its stance on the Airport.*

For:
Councillors Best, Burke, Gale, Holstein,
Marquart, McLachlan and Pilon

Against:
Mayor Matthews, Councillors Greenaway,
Hogan, MacGregor, Mehrtens, Sundstrom
and Vincent

The motion was put to the vote and declared LOST on the casting vote of the Mayor.

Moved: **Councillor Best**
Seconded: **Councillor Marquart**

Resolved

1058/20 ***That having regard to the wide range of issues identified and the sobering commentary from the Office of the Auditor General, this Council now seeks to take a proactive, responsible and self-reporting position through reaffirming Councils support for requesting the Office of Local Government, the Audit Office and the Minister to step in and assist Council in embedding an appropriate Review Team in to the back end of Council's systems to identify the root cause and other relevant issues and welcome the resources that have been identified by the Office of Local Government, such are our concerns as the Elected Body and we look forward to being expedited as a matter of urgency.***

For:
Unanimous

6.3 Notice of Motion - Tradie led COVID recovery for the Central Coast

Council deferred the consideration of item 6.3 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

The confidential reports were deferred for consideration to the 19 October 2020 Extraordinary Meeting (minute 1036/20 and 1037/20);

7.1 Code of Conduct Investigation Report - INV25/2019

Council deferred the consideration of item 7.1 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

7.2 Code of Conduct Investigation Report - INV6/2020

Council deferred the consideration of item 7.2 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

1.4 Mayoral Minute – Staff Matter

Council deferred the consideration of item 1.4 to the 19 October 2020 Extraordinary Meeting (minute 1036/20).

The Meeting closed at 12.46 am.