

Wednesday 24<sup>th</sup> January 2007

Dear Elected Member

I wish to give notice that a Special Council Meeting will be held on Thursday 25<sup>th</sup> January 2007 at the Council Chambers, Smillie Street, Robe commencing at 8.00am.  
Please find below the Agenda Report for the meeting.

Yours sincerely

Glenn Sanford  
**Acting Chief Executive Officer**

## **AGENDA**

### **PRESENT**

### **APOLOGIES**

### **Absent**

#### **1. OPENING OF MEETING**

#### **2. AGENDA ITEMS**

##### **2.1) Retaining the services of Mr. Peter Duffy and Mr. Ian Smith for the Robe Marina Corporation.**

Dean Newbery & Partners (DNP) have made an evaluation of the work performed by Mr. Duffy for the RMC including for all administrative, accounting, works and marketing records that are maintained. DNP advise that with the exception of works documentation, all the RMC records are up to date, complete and are reliable. DNP recommend that the services of Mr. Duffy be retained by the RMC, at least until completion of the outstanding

marina works and sales of berths flagged to be sold under 99 year underlease agreements.

In addition, DNP and their appointed engineer (Mr. Dominic Vieceli) have met with Mr. Ian Smith and as a result recommend that he also be now engaged by the RMC to assist in the management of the outstanding marina works.

## **2.2) Board of Management of the Robe Marina Corporation and need for a Second Cheque Signatory**

DNP recommend that a new Board be appointed by Council once they (DNP) have issued their overall report as a result of their review of the marina project.

DNP advise that the need to appoint a second RMC cheque signatory is becoming urgent (Mr. Duffy is currently the only signatory – two are required). In that regard DNP recommend that Council's Acting CEO now be a cheque signatory for the RMC.

## **2.3) Council's short term cash flow requirements**

Council's Auditors, Galpins, together with the Administration, have identified the need for an immediate increased short term credit facility with the LGFA – from the existing \$300,000 limit to a limit of \$1,500,000. The increase is to fund outstanding trade creditors and Council's operating expenditures net of income and internally borrowing from reserve funds over the coming 6 months. DNP have reviewed the cash flow projections of Council's operations prepared by the Auditors in conjunction with the Administration and confirm that the funding is required. DNP also confirm that the increased funding requirement will negate the need for the Council to draw any approved but yet to be drawn loan funds.

## **2.4) Appointment of a new Chief Executive Officer for the District Council of Robe**

### **Background**

Council's former CEO, Mr. Rob Kay, has previously tendered his resignation from the Council with an effective date of 13 July 2007. Mr. Kay has formally advised that he will be on leave until that date. Council by previous resolution has accepted Mr. Kay's resignation. Legal advice is to the effect that under Section 97(2)(a) of the Local Government Act 1999, the CEO's appointment is terminated where the CEO resigns by notice in writing to the Principal Member of the Council.

Council is now obligated under Section 98(1) of the Act to fill the vacancy in the office of CEO and that under Section 98(3), the Council must invite applications by advertising in a newspaper circulating throughout the State. Further, Council under Section 98(4) must appoint a selection panel to assess

applications and to make recommendations (to the Council) on an appointment, as it is the Council that must make the appointment to the position of CEO.

Given the legal advice received and the need to fill the position of CEO, it is recommended that the Council authorise the Mayor to take such steps as necessary to commence the recruitment process. In this regard, it is recommended that the Mayor instruct Council's lawyers, Wallmans, to place an appropriate advertisement in the Advertiser newspaper at the earliest time. Further, it is recommended that the selection panel comprise all Elected Members of the Council.

### **2.5) Media Release by the Mayor concerning the review by Mr. Venn of the Robe Marina Project**

The Mayor will present at the meeting a draft media release for the consideration of the Council. The release will centre on the independent review into the marina project that is currently in progress.

## **3. Recommendations**

1. That Council support the recommendation of DNP regarding the RMC retaining the services of Mr. Peter Duffy and Mr. Ian Smith as consultants to the marina project. Mr. Duffy in the role of administration, marketing and accounting and Mr. Smith as assisting in the management of outstanding marina works.
2. That Council defer the appointment of a new Board of Management for the RMC until finalisation of the review by DNP.
3. That Council approve an increase in the short term credit facility with the LGFA from \$300,000 to \$1,500,000 in accordance with the resolution as outlined below:
  - That for the temporary accommodation of the Council application be made to the Local Government Finance Authority of South Australia pursuant to Section 26 of the Local Government Finance Authority Act 1983 as amended and Section 134 of the Local Government Act 1999 for loan funds by way of floating rate temporary loan funds of up to \$1.5 million replacing the existing Short Term Loan of \$300,000 with the proceeds of such facility to be credited to Account No. 757135840 in the name of the District Council of Robe.
  - That the loan funds will constitute direct, general unconditional, unsecured and unsubordinated obligations of the Council ranking equally in all respects with all other present or future outstanding, unsubordinated indebtedness of the Council to any third party.

- That the loan is not (either wholly or in part) for the purposes of a project requiring a Prudential Issues Report pursuant to Section 48 of the Local Government Act 1999.
  - That it is noted that the percentage of the Council's general rate revenue required to service all existing loans including self servicing loans is 22.2%.
  - The amount of the loan plus interest accrued, at the rate or rates to be negotiated with the Authority, is to be repaid to the bank account of the Local Government Finance Authority of South Australia in accordance with arrangements made with the Authority.
4. That Council authorise the Mayor to now commence the recruitment process for the vacant position of Chief Executive Officer of the District Council of Robe and further that the Mayor now engage Wallmans, Lawyers, to assist in that process.
  5. That Council appoint a selection panel for the purposes of assessing applications for the position of Chief Executive Officer, comprising all Elected Members.
  6. That the Council endorse the media release by the Mayor, as settled by the Council at the Special Meeting held 8.00 am Thursday 25<sup>th</sup> January 2007.