



Finance Committee

Minutes

Wednesday 1 November 2023

CONFIRMED



Our Vision

Where environment, lifestyle and opportunity meet

Community Aspirations



KEY THEME 1

Environment

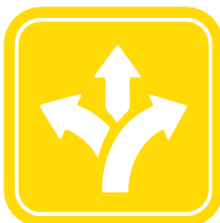
An environment that is valued, conserved and enjoyed by current and future generations.



KEY THEME 2

Lifestyle

A place that is relaxed, safe and friendly, with services and facilities that support positive lifestyles and wellbeing.



KEY THEME 3

Opportunity

A vibrant City with diverse opportunities and a prosperous economy.



KEY THEME 4

Leadership

A Council that connects with the community and is accountable in its decision making.

MINUTES

Minutes of a meeting of the Finance Committee held in the Council Chambers, Administration Building, Southern Drive, Busselton, on Wednesday 1 November 2023 at 11:00 am.

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1 OFFICIAL OPENING

The Chief Executive Officer opened the meeting at 11:03am.

The Chief Executive Officer welcomed Councillors, staff, guests and members of the public to the Finance Committee Meeting of 1 November 2023.

The Chief Executive Officer acknowledged the Wadandi and Bibbulmun people as the traditional custodians of this region and paid respects to Elders past and present.

This meeting was audio recorded for minute taking purposes.

2 ATTENDANCE

| PRESIDING MEMBER | MEMBERS |
|-------------------------------------|--------------------------------|
| Cr Kate Cox (<i>from 11:06am</i>) | Mayor Cronin |
| | Cr Sue Riccelli |
| | Cr Jarrod Kennedy |
| | Cr Anne Ryan (<i>Deputy</i>) |

| OFFICERS | |
|-----------------------|---|
| Mr Tony Nottle | Chief Executive Officer |
| Ms Sarah Pierson | Director Corporate Strategy and Performance |
| Mr Paul Sheridan | Manager Financial Services |
| Mr Matthew Twyman | Manager Civil Infrastructure |
| Mr Ben Whitehill | Manager Legal and Governance |
| Ms Jo Barrett-Lennard | Governance Officer |

| APOLOGIES | |
|-------------------|--|
| Cr Jodie Richards | |

| PUBLIC | |
|--------|--|
| Nil | |

3 ELECTION OF PRESIDING MEMBER AND DEPUTY PRESIDING MEMBER

The Chief Executive Officer called for nominations for the position of the Presiding Member of the Finance Committee.

Cr Kate Cox nominated herself for the position of Presiding Member.

With no other nominations received, Cr Cox was elected as Presiding Member for the Finance Committee.

11:06am: At this time, Cr Cox assumed the Chair.

The Presiding Member called for nominations for the position of Deputy Presiding Member.

Mayor Phill Cronin nominated himself for the position of Deputy Presiding Member of the Finance Committee.

With no other nominations received, Mayor Cronin was elected as Deputy Presiding Member of the Finance Committee.

11:09am: At this time, Mr Whitehill left the meeting.

4 DISCLOSURES OF INTEREST

DISCLOSURES OF FINANCIAL INTEREST

Nil

DISCLOSURES OF IMPARTIALITY INTEREST

Nil

5 CONFIRMATION AND RECEIPT OF MINUTES

5.1 Finance Committee Meeting 4 October 2023

COMMITTEE DECISION

F2311/43 Moved Mayor Phill Cronin, seconded Cr Sue Riccelli

That the Minutes of the Finance Committee Meeting 4 October 2023 be confirmed as a true and correct record.

CARRIED 5 / 0

FOR: Cr Anne Ryan, Cr Jarrod Kennedy, Cr Kate Cox, Cr Sue Riccelli and Mayor Phill Cronin

AGAINST: Nil

6 PUBLIC QUESTION TIME

6.1 RESPONSES TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

6.3 QUESTION TIME FOR PUBLIC

Nil

7 REPORTS

7.1 List of Payments Made - September 2023

| | |
|---------------------------------|---|
| Strategic Theme: | Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making. 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future. |
| Directorate: | Corporate Strategy and Performance |
| Reporting Officer: | Manager Financial Services - Paul Sheridan |
| Authorised By: | Director Corporate Strategy and Performance - Sarah Pierson |
| Nature of Decision: | Noting: The item is simply for information purposes and noting. |
| Voting Requirements: | Simple Majority |
| Disclosures of Interest: | No officers preparing this item have an interest to declare. |
| Attachments: | <ol style="list-style-type: none"> 1. List of Payments - September 2023 [7.1.1 - 11 pages] 2. CONFIDENTIAL - Confidential List of Payments - September 2023 [7.1.2 - 1 page] 3. List of Payments - September 2023 YTD Industry & Regional Allocations [7.1.3 - 1 page] |

COMMITTEE RECOMMENDATION

F2311/44 Moved Mayor Phill Cronin, seconded Cr Sue Riccelli

That the Council notes payment of voucher numbers for the month of September 2023 as follows:

| | | |
|---|-----------------------------|----------------------|
| CHEQUE PAYMENTS | 119771 - 119785 | 121,756.78 |
| ELECTRONIC FUNDS TRANSFER PAYMENTS | 97774 - 98369 | 9,906,904.89 |
| TRUST ACCOUNT PAYMENTS | EFT# TR000008 - TR000010 | 42,238.50 |
| PAYROLL PAYMENTS | 01.09.23 - 30.09.23 | 1,700,124.88 |
| INTERNAL PAYMENT VOUCHERS | DD #5422 - 5455 | 158,546.67 |
| TOTAL PAYMENTS | | 11,929,571.72 |

CARRIED 5 / 0

FOR: Cr Anne Ryan, Cr Jarrod Kennedy, Cr Kate Cox, Cr Sue Riccelli and Mayor Phill Cronin

AGAINST: Nil

OFFICER RECOMMENDATION

That the Council notes payment of voucher numbers for the month of September 2023 as follows:

| | | |
|------------------------------------|-----------------------------|---------------|
| CHEQUE PAYMENTS | 119771 - 119785 | 121,756.78 |
| ELECTRONIC FUNDS TRANSFER PAYMENTS | 97774 - 98369 | 9,906,904.89 |
| TRUST ACCOUNT PAYMENTS | EFT# TR000008 - TR000010 | 42,238.50 |
| PAYROLL PAYMENTS | 01.09.23 - 30.09.23 | 1,700,124.88 |
| INTERNAL PAYMENT VOUCHERS | DD #5422 - 5455 | 158,546.67 |
| TOTAL PAYMENTS | | 11,929,571.72 |

EXECUTIVE SUMMARY

This report provides details of payments made from the City's bank accounts for the month of September 2023 for noting by the Council and recording in the Council Minutes.

STRATEGIC CONTEXT

Provision of the list of payments, while a statutory requirement, also supports open and accountable governance.

BACKGROUND

The *Local Government (Financial Management) Regulations 1996* (the Regulations) requires that, when the Council has delegated authority to the CEO to make payments from the City's bank accounts, a list of payments made is prepared each month for presentation to, and noting by, the Council.

OFFICER COMMENT

In accordance with regular custom, the list of payments made for the month of September 2023 is presented for information. Also attached is a separate confidential payment listing relating to matters confidential under section 5.23(2)(c) of the *Local Government Act 1995* (the Act).

As September is the last month of the first quarter of the 2023/24 financial year, a summary report of all payments grouped by industry and region has been attached for information purposes.

Statutory Environment

Section 6.10 of the Act and more specifically Regulation 13 of the Regulations refer to the requirement for a listing of payments made each month to be presented to the Council.

Relevant Plans and Policies

Not applicable.

Financial Implications

Not applicable.

External Stakeholder Consultation

Not applicable.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

Not applicable.

CONCLUSION

The list of payments made for the month of September 2023 is presented for information.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable.

7.2 Monthly Financial Report - Year to Date 30 September 2023

| | |
|---------------------------------|---|
| Strategic Theme: | Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making. 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future. |
| Directorate: | Corporate Strategy and Performance |
| Reporting Officer: | Manager Financial Services - Paul Sheridan |
| Authorised By: | Director Corporate Strategy and Performance - Sarah Pierson |
| Nature of Decision: | Legislative: adoption of “legislative documents” such as local laws, local planning schemes and local planning policies. Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations. |
| Voting Requirements: | Absolute Majority |
| Disclosures of Interest: | No officers preparing this item have an interest to declare. |
| Attachments: | <ol style="list-style-type: none"> 1. Monthly Financial Report - September 2023 [7.2.1 - 28 pages] 2. Investment Report - September 2023 [7.2.2 - 1 page] 3. Loan Schedule - September 2023 [7.2.3 - 1 page] |

COMMITTEE RECOMMENDATION

F2311/45 Moved Cr Sue Riccelli, seconded Cr Anne Ryan

That the Council receives the statutory monthly financial report for the period ending 30 September 2023, pursuant to Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996*.

CARRIED 5 / 0

FOR: Cr Anne Ryan, Cr Jarrod Kennedy, Cr Kate Cox, Cr Sue Riccelli and Mayor Phill Cronin

AGAINST: Nil

OFFICER RECOMMENDATION

That the Council receives the statutory monthly financial report for the period ending 30 September 2023, pursuant to Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996*.

EXECUTIVE SUMMARY

Pursuant to Section 6.4 of the *Local Government Act 1995* (the Act) and Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996* (the Regulations), a local government is to prepare, on a monthly basis, a monthly financial report that reports on the City's Statement of Financial Activity, Statement of Financial Position, and its performance in relation to its adopted / amended budget.

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year-to-date basis, for the period ending 30 September 2023.

STRATEGIC CONTEXT

Provision of the monthly financial report, while a statutory requirement, also supports open and accountable governance.

BACKGROUND

The Regulations detail the form and manner in which the monthly financial report is to be presented to the Council, and is to include the following:

- Annual budget estimates;
- Budget estimates to the end of the month in which the statement relates;
- Actual amounts of revenue and expenditure to the end of the month in which the statement relates;
- Material variances between budget estimates and actual revenue/expenditure (including an explanation of any material variances);
- The net current assets at the end of the month to which the statement relates (including an explanation of the composition of the net current position); and
- Statement of Financial Position

Additionally, and pursuant to Regulation 34(5) of the Regulations, a local government is required to adopt a material variance reporting threshold in each financial year.

At its meeting on 26 July 2023, the Council adopted (C2305/57) the following material variance reporting thresholds for the 2023/24 financial year:

That pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations, the Council adopts a material variance reporting threshold with respect to financial activity statement reporting for the 2023/24 financial year as follows:

- *Variances equal to or greater than 10% of the year-to-date budget amount as detailed in the Income Statement by Nature and Type/Statement of Financial Activity report, however variances due to timing differences and/or seasonal adjustments are to be reported only if not to do so would present an incomplete picture of the financial performance for a particular period; and*
- *Reporting of variances only applies for amounts greater than \$50,000.*

OFFICER COMMENT

To fulfil statutory reporting requirements and to provide the Council with a synopsis of the City's overall financial performance on a year-to-date basis, the following financial reports are attached hereto (Attachment 1):

Statement of Financial Activity

This report provides details of the City's operating revenues and expenditures on a year-to-date basis, by nature (i.e. description). The report has been further extrapolated to include details of non-cash adjustments and capital revenues and expenditures, to identify the City's net current position; which reconciles with that reflected in the associated Net Current Position report.

Statement of Financial Position

A statement of financial position is a financial statement that summarises the reporting entities assets (what it owns), liabilities (what it owes), and equity (assets less liabilities) on a particular date.

Basis of Preparation Note (Note 1)

Explains the regulatory framework upon which the financial statements have been prepared.

Statement of Financial Activity Note (Note 2)

Explains the non-cash items that have been excluded from the calculation of the Net Current Position in the Statement of Financial Activity.

Explanation of Material Variances Note (Note 3)

Provides a breakdown by directorate and cost centre of each of the variances on the face of the Statement of Financial Activity that meet Councils adopted material variance threshold for 2023/24.

Net Current Position Summary Report

This report provides details of the composition of the net current asset position on a year-to-date basis and reconciles with the net current position as per the Statement of Financial Activity.

Capital Acquisition & Construction Report

This report provides full year budget performance (by line item) in respect of the following capital expenditure activities:

- Land and Buildings
- Plant and Equipment
- Furniture and Equipment
- Infrastructure

This report outlines the actual and budgeted movement from the start of the financial year to date, that result in the balances listed in the Statement of Financial Position for Property, Plant & Equipment.

Reserve Movements Report

This report provides summary details of transfers to and from reserve funds, and associated interest earnings on reserve funds, on a full year basis.

Additional reports and/or charts can be provided as required to further supplement the information comprised within the statutory financial reports.

Net Current Position Chart

Tracks the net Current Position over the year in comparison to previous 4 years.

Comments on Financial Activity to 30th September 2023

The Statement of Financial Activity (FAS) for the year to date (YTD) shows an overall Net Current Position (NCP) of \$52M as opposed to the YTD budget of \$43M.

The following table summarises the major YTD variances that appear on the face of the FAS, which, in accordance with Council's adopted material variance reporting threshold, collectively make up the above difference. Each numbered item in this lead table is explained further in note 3 of the attached Monthly Financial Report.

| Description | 2023/24 Actual YTD \$ | 2023/24 Budget YTD \$ | 2023/24 Budget \$ | 2023/24 YTD Bud Variance % | 2023/24 YTD Bud Variance \$ | Change in Variance Current Month \$ |
|--|-----------------------------|-----------------------------|-------------------------|-------------------------------------|--------------------------------------|---|
| Amount Attributable to Operating Activities | | | | 11.46% | 6,243,905 | (1,575,470) |
| Revenue from Operating Activities | | | | 2.65% | 1,932,610 | 47,581 |
| 1. Operating Grants, Subsidies and Contributions | 1,052,907 | 507,385 | 5,325,685 | 107.52% | 545,522 | (91,691) |
| 2. Other Revenue | 128,734 | 48,673 | 334,932 | 164.49% | 80,061 | 36,891 |
| 3. Interest Earnings | 1,645,163 | 1,204,877 | 4,305,492 | 36.54% | 440,287 | 181,318 |
| Expenses from Operating Activities | | | | 14.90% | 3,692,965 | 785,574 |
| 4. Materials & Contracts | (4,272,187) | (7,286,072) | (29,072,925) | 41.37% | 3,013,886 | 424,065 |
| 5. Other Expenditure | (123,221) | (1,356,322) | (6,823,844) | 90.92% | 1,233,101 | 560,530 |
| Amount Attributable to Investing Activities | | | | 71.71% | 10,573,517 | 2,335,589 |
| 6. Land & Buildings | (2,336,360) | (10,273,059) | (29,976,325) | 77.26% | 7,936,699 | 1,477,958 |
| 7. Plant & Equipment | (172,997) | (429,059) | (6,078,421) | 59.68% | 256,062 | 42,073 |
| 8. Furniture & Equipment | (24,175) | (435,079) | (1,510,209) | 94.44% | 410,904 | 120,640 |
| 9. Infrastructure | (1,958,145) | (3,778,646) | (21,896,530) | (579.48%) | 1,820,501 | 638,797 |
| 10. Proceeds from Sale of Assets | 202,652 | 101,300 | 863,800 | 100.05% | 101,352 | 12,123 |

| Description | 2023/24 Actual YTD \$ | 2023/24 Budget YTD \$ | 2023/24 Budget \$ | 2023/24 YTD Bud Variance % | 2023/24 YTD Bud Variance \$ | Change in Variance Current Month \$ |
|--|-----------------------|-----------------------|-------------------|----------------------------|-----------------------------|-------------------------------------|
| Amount Attributable to Financing Activities | | | | (570.76%) | (7,520,310) | (4,103,235) |
| 11. Proceeds from New Loans | 0 | 1,750,000 | 2,000,000 | (100.00%) | (1,750,000) | (1,750,000) |
| 12. Transfer to Restricted Assets | (3,844,926) | 0 | (11,180) | (100.00%) | (3,844,926) | (83,497) |
| 13. Transfer from Restricted Assets | 1,496,241 | 5,140,770 | 20,563,074 | (70.89%) | (3,644,529) | (1,659,923) |
| 14. Transfer from Reserves | 16,648,765 | 14,552,054 | 52,392,260 | 14.41% | 2,096,710 | 1,011,352 |

Investment Report

Pursuant to the Council's Investment Policy, a report is to be provided to the Council monthly, detailing the investment portfolio in terms of performance and counterparty percentage exposure of total portfolio. The report is also to provide details of investment income earned against budget, whilst confirming compliance of the portfolio with legislative and policy limits. See Attachment 2.

As at 30 September 2023 the value of the City's invested funds increased to \$122M, from \$116M as at 31 August 2023. The increase is a result of grants & rates received.

As at 30 September 2023 the 11am account balance is \$26.9M, being an increase of \$6M from 31 August 2023. The increase of \$6M to the 11am account is due to funds received from grants and rates

During the month of September zero term deposits matured.

The official cash rate stayed steady during the month of August 2023 at 4.10%. Further movement in the cash rate is currently uncertain.

Borrowings Update

During the month no new loans were drawn, with \$867K paid off the principal and \$402K paid in interest on existing loans. The attached Loan Schedule (Attachment 3) outlines the status of all existing loans YTD.

Chief Executive Officer – Corporate Credit Card

Details of transactions made on the Chief Executive Officer's corporate credit card during September 2023 are provided below to ensure there is appropriate oversight and awareness.

| Date | Payee | Description | \$ Amount |
|------------|---------------------------------|--|-----------------|
| 31/08/2023 | WEST AUSTRALIAN | DIGITAL SUBSCRIPTION-PR | 28.00 |
| 2/09/2023 | SHELTER BREWING CO BUSSELTON | MEETING WITH MINISTER TEMPLEMAN | 20.00 |
| 5/09/2023 | CROWN PROMENADE PERTH | TRAINING ACCOMMODATION- WATERWISE EXPO- IRRIGATION TEAM | 1,990.00 |
| 5/09/2023 | ALEX HOTEL PERTH | POSTAGE FEE FOR IPHONE CHARGER- CEO | 20.00 |
| 15/09/2023 | WESTERN GROWERS | GIFT FOR GOVENOR GENERAL VISIT | 30.25 |
| 17/09/2023 | CROWN PROMENADE PERTH | WALGA LG CONVENTION | 570.00 |
| 18/09/2023 | CROWN PROMENADE PERTH | WALGA LG CONVENTION | 285.00 |
| 19/09/2023 | CROWN PROMENADE PERTH | WALGA LG CONVENTION | 258.18 |
| 19/09/2023 | ONE RUSTIC BLOOM | FLOWERS FOR GOVENOR GENERAL VISIT | 539.00 |
| 21/09/2023 | CAPE CELLARS | GIFT FOR GOVENOR GENERAL VISIT | 52.99 |
| 28/09/2023 | WEST AUSTRALIAN | DIGITAL SUBSCRIPTION-PR | 28.00 |
| 30/09/2023 | MAILCHIMP | ELECTRONIC NEWSLETTER PR | 387.04 |
| | | TOTAL | 4,208.46 |

Donations & Contributions Received

During the month no non-infrastructure asset (bridges, roads, POS etc), donations or contributions were received.

Statutory Environment

Section 6.4 of the Act and Regulation 34 of the Regulations detail the form and manner in which a local government is to prepare financial activity statements.

Relevant Plans and Policies

The officer recommendation aligns to the following adopted plan or policy:

Plan:

Annual Adopted Budget 2022-2023

[Strategic Community Plan 2021-2031](#)

[Corporate Business Plan 2022-2026](#)

[Long Term Financial Plan 2022/23 - 2031/32](#)

Policy:

There are no relevant policies for this report.

Financial Implications

Any financial implications are detailed within the context of this report.

External Stakeholder Consultation

Not applicable.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

The Statements of Financial Activity are presented in accordance with Section 6.4 of the Act and Regulation 34 of the Regulations and are to be received by Council. Council may wish to make additional resolutions as a result of having received these reports.

CONCLUSION

As at 30 September 2023, the City's net current position stands at \$52M, and cash reserve balances remain sufficient for their purposes.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not Applicable.

7.3 Budget Amendments - Infrastructure and Environment

| | |
|---------------------------------|--|
| Strategic Theme: | Key Theme 2: Lifestyle 2.10 Provide local road networks that allow for the safe movement of people through the District. Key Theme 4: Leadership 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future. |
| Directorate: | Infrastructure and Environment |
| Reporting Officer: | A/Engineering Management Accountant - Ella McAlister |
| Authorised By: | Director Infrastructure and Environment - Oliver Darby |
| Nature of Decision: | Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations. |
| Voting Requirements: | Absolute Majority |
| Disclosures of Interest: | No officers preparing this item have an interest to declare. |
| Attachments: | Nil |

COMMITTEE RECOMMENDATION

F2311/46 Moved Cr Sue Riccelli, seconded Mayor Phill Cronin

| Amendment Description | | | | | |
|-----------------------|---|--------------------------------|----------------------------|-----------------------|-------------------------------|
| Project Description | | | | | |
| Item # | Budgeted Municipal Net Current Position | Operational Expenditure Budget | Capital Expenditure Budget | Grant | Reserves or Restricted Assets |
| | Increase / (Decrease) | Increase / (Decrease) | Increase / (Decrease) | (Increase) / Decrease | Increase / (Decrease) |
| 1 | Increase Capital Budget | | | | |
| | Project 15103 - Prince Street Laneway (C) | | | | |
| | - | - | 28,003 | - | (28,003) |
| 2 | Reduce Capital Budget on Existing Project | | | | |
| | Project 14859 Kershaw Street – Asphalt Overlay SLK 0 to 0.25 (C) | | | | |
| | - | - | (18,825) | - | 18,825 |
| 3 | Reduce Capital Budget on Existing Project | | | | |
| | Project 14858 Artisan Street – Asphalt Overlay SLK 0.02 to 0.16 (C) | | | | |
| | - | - | (9,178) | - | 9,178 |
| 4 | Remove Capital Project | | | | |
| | Project 14875 – Eagle Bay Boat Ramp Parking off Fern Road (C) | | | | |
| | - | - | (30,000) | - | 30,000 |

| | | | | | |
|---------------|--|---|----------|----------|----------|
| 5 | Add Budget to Existing Capital Project | | | | |
| | Project 14876 Eagle Crescent on Road Parking – Footpath Alignment (C) | | | | |
| | - | - | 23,000 | - | (23,000) |
| 6a | Add Budget to Existing Capital Project | | | | |
| | Project 11986 – Causeway Road Shared Path (C) | | | | |
| | - | - | 30,000 | - | (30,000) |
| 6b | Add Grant Revenue for Existing Capital Project | | | | |
| | Project 11986 – Causeway Road Shared Path (C) | | | | |
| | - | - | 75,000 | (75,000) | - |
| 7 | Increase Capital Budget | | | | |
| | Project 11998 – Kaloorup Road Reseal SLK 0.82 to 8.76 (C) | | | | |
| | - | - | 60,000 | - | (60,000) |
| 8 | Reduce Capital Budget | | | | |
| | Project 14850 – Cook Street Asphalt Overlay SLK 0.39 to 1.25 (C) | | | | |
| | - | - | (60,000) | - | 60,000 |
| Totals | - | - | 98,000 | (75,000) | (23,000) |

CARRIED 5 / 0

FOR: Cr Anne Ryan, Cr Jarrod Kennedy, Cr Kate Cox, Cr Sue Riccelli and Mayor Phill Cronin

AGAINST: Nil

OFFICER RECOMMENDATION

That the Council endorse the following requested budget amendments:

| Amendment Description | | | | | |
|-----------------------|---|--------------------------------|----------------------------|-----------------------|-------------------------------|
| Project Description | | | | | |
| Item # | Budgeted Municipal Net Current Position | Operational Expenditure Budget | Capital Expenditure Budget | Grant | Reserves or Restricted Assets |
| | Increase / (Decrease) | Increase / (Decrease) | Increase / (Decrease) | (Increase) / Decrease | Increase / (Decrease) |
| 1 | Increase Capital Budget | | | | |
| | Project 15103 - Prince Street Laneway (C) | | | | |
| | - | - | 28,003 | - | (28,003) |
| 2 | Reduce Capital Budget on Existing Project | | | | |
| | Project 14859 Kershaw Street – Asphalt Overlay SLK 0 to 0.25 (C) | | | | |
| | - | - | (18,825) | - | 18,825 |

| | | | | | |
|--------|---|---|----------|----------|----------|
| 3 | Reduce Capital Budget on Existing Project | | | | |
| | Project 14858 Artisan Street – Asphalt Overlay SLK 0.02 to 0.16 (C) | | | | |
| | - | - | (9,178) | - | 9,178 |
| 4 | Remove Capital Project | | | | |
| | Project 14875 – Eagle Bay Boat Ramp Parking off Fern Road (C) | | | | |
| | - | - | (30,000) | - | 30,000 |
| 5 | Add Budget to Existing Capital Project | | | | |
| | Project 14876 Eagle Crescent on Road Parking – Footpath Alignment (C) | | | | |
| | - | - | 23,000 | - | (23,000) |
| 6a | Add Budget to Existing Capital Project | | | | |
| | Project 11986 – Causeway Road Shared Path (C) | | | | |
| | - | - | 30,000 | - | (30,000) |
| 6b | Add Grant Revenue for Existing Capital Project | | | | |
| | Project 11986 – Causeway Road Shared Path (C) | | | | |
| | - | - | 75,000 | (75,000) | - |
| 7 | Increase Capital Budget | | | | |
| | Project 11998 – Kaloorup Road Reseal SLK 0.82 to 8.76 (C) | | | | |
| | - | - | 60,000 | - | (60,000) |
| 8 | Reduce Capital Budget | | | | |
| | Project 14850 – Cook Street Asphalt Overlay SLK 0.39 to 1.25 (C) | | | | |
| | - | - | (60,000) | - | 60,000 |
| Totals | - | - | 98,000 | (75,000) | (23,000) |

EXECUTIVE SUMMARY

This report seeks Council approval of budget amendments for items within the Infrastructure and Environment Directorate, as detailed in this report. Adoption of the officer recommendation will have no impact on the City's budgeted net current position.

STRATEGIC CONTEXT

The nature of these works supports the provision of a local road network that allows for the safe movement of people through the district, in alignment with Key Theme 2 of the City's Strategic Community Plan – Lifestyle and is also in support of Key Theme 4 – Leadership in terms of the responsible management of ratepayer funds.

BACKGROUND

In accordance with section 6.8(1) of the *Local Government Act 1995*, a local government is not to incur expenditure from its Municipal fund for an additional purpose except where the expenditure:

- Is incurred in a financial year before the adoption of the annual budget by the local government; and
- Is authorised in advance by Council resolution – absolute majority required; or
- Is authorised in advance by the Mayor in an emergency.

Approval is therefore sought for budget amendments as outlined in the Officer Comment below.

OFFICER COMMENT

Council adopted its 2023/24 Municipal budget on Wednesday 26 July 2023 and since then, officers have identified the following budget items that require adjustments within the Infrastructure and Environment Directorate. It is good management practice to revise the adopted budget when it is known that circumstances have changed. In keeping with this practice, budgets are reviewed on a regular basis.

Amendments to the budget are categorised into the three key types as listed below:

1. Adjustments impacting the budget balance or net position of the City;
Nil
2. Adjustments with no impact on the budget balance; and
Items # 1,2,3,4,5,6,7,8,
3. Adjustments to transfer budget between capital and operating undertakings.
Nil

Item 1 – Prince Street Laneway Resurfacing

Council approval is sought to add a new project budget valued at \$28,003 for resurfacing works at Prince Street Laneway. Following requests from adjacent business owners for the resurfacing to be completed at the same time as similar works planned. The required funds can be drawn from the Road Asset Renewal Reserve [1058].

Item 2 - Kershaw Street – Asphalt Overlay SLK 0 to 0.25 (14859)

This amendment seeks to reduce the 2023/24 budget allocation for Project 14859 - Kershaw Street – Asphalt Overlay SLK 0 to 0.25 by \$18,825. The asphalt overlay was successfully completed under budget. The budget saving in effect offsets project 15103 Prince Street Laneway.

Item 3 - Artisan Street – Asphalt Overlay SLK 0.02 to 0.16 (14858)

This amendment seeks to reduce the 2023/24 budget allocation for Project 14858 – Artisan Overlay SLK 0.02 to 0.16 by \$9,178. The project scope was delivered under budget. This budget saving could further offset project 15103 Prince Street Laneway.

Item 4 – Eagle Bay Boat Ramp Parking Off Fern Road

Council approval is sought to remove this project from the budget until 2024/25 budget year.

This project was originally staged into two components with the main carpark (stage 1) construction being undertaken in the 2020/21 budget. The project scope and forecasted costs have increased which can be attributed to the site inspections by the Design and Asset Planning Team, additional survey, and consultation with the Residents of Eagle Bay Association (REBA) identified additional requirements, resulting in an increased scope and a design amendment that requires extra fill material and drainage structures. This cannot be delivered with the current budget allocation for this project.

Works will be put on hold and re budgeted for the next financial budget year. Funds to be returned to City Carparking and Access Reserve [1014].

Item 5 – Eagle Crescent On Road Parking (14876)

Council approval is sought for additional budget to existing project 14876 – Eagle Crescent on Road Parking valued at \$23,000. The additional funds are required for the realignment of the adjacent footpath with the carpark to suit the current site conditions.

On review of the current project budget, it was identified that this year's allocation is inadequate to deliver the full scope. The project was added during the later stages of the budget development and was to be funded from the City Carparking and Access Reserve. The initial scope included the realignment of the adjacent footpath which was to be funded from the footpath reserve. The late inclusion into the carpark capital project list failed to reflect the footpath allocation requirements. The additional required funds can be sourced from the City Footpath Reserve [1035].

Item 6a – Causeway Road Shared Path (11986)

Council approval is sought to incorporate an additional \$75,000 in grant funding revenue which is unaccounted for in the current budget. The grant funding revenue forms part of an overall \$160,000 grant funding allocation secured from the Department of Transport. The construction of a shared pedestrian/bike path along Causeway Road was listed in the previous financial year. The project was delayed due to significant increases in cost, scope and difficult site conditions. However, the City was successful in renegotiating a variation to the grant agreement which allowed for the project to be completed in September of this financial year. The repercussions of the ongoing project delays were not accounted for during budget development and inadvertently caused the exclusion of the project and its grant revenue in the 2023/24 budget.

Item 6b – Causeway Road Shared Path (11986)

This amendment seeks to add budget to the value of \$30,000 to existing project Causeway Road Shared Path. The funds are to cover the cost for additional scope discovered during the construction process.

At the time of the path construction, it became apparent that road drainage from Causeway Road and Koorden Place through Lot 1, 99 Causeway Road into the Public Transport Authority (PTA) reserve was not contained within an easement and had previously caused issues for the adjacent property owner.

To improve the drainage swale through Lot 1 and to stabilise the embankment around the corner fence posts, the existing basins were excavated, swale was connected within the PTA reserve and a piped crossing was constructed under the shared path. It enables free drainage to the roadways of Causeway Road and Koorden Place and significantly reduces potential for property inundation. The additional budget can be drawn from the City Footpath Reserve [1035].

Item 7 – Kaloorup Road Reseal SLK 0.82 to 8.76 (11998)

Council approval is sought to add budget to existing project 11998 – Kaloorup Road Reseal for the value of \$60,000. Kaloorup Road has been undertaken in four stages by multiple contractors due to funding arrangements. The latest stage – Kaloorup Road Reseal SLK 0.82 - 8.76 has some reseal works being completed under warranty. This amendment is requested to complete additional reseal

in sections not included in under warranty to achieve consistency in surfacing and a practical outcome for the entire length of the road. This is consistent with the City’s recent approach on Wildwood Road and the upcoming Jalbarragup Road project. The additional funds can be sourced from the Road Asset Renewal Reserve [1058].

Item 8 - Cook Street Asphalt Overlay SLK 0.39 to 1.25 (14850)

This amendment seeks endorsement to reduce the budget for project 14850 – Cook Street Asphalt Overlay by \$60,000. The asphalt overlay was successfully completed under budget. This budget saving could offset project Kaloorup Road Reseal SLK 0.82 to 8.76 (11998), with funds to be returned to the Road Asset Renewal Reserve [1058].

Statutory Environment

Section 6.8 of the *Local Government Act 1995* refers to expenditure from the Municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

Relevant Plans and Policies

There are multiple plans and policies that support the proposed budget amendments, in particular, the Asset Management Plans and the Long Term Financial Plan.

Financial Implications

The following table outlines the financial implications.

| Item # | (Increase) / Decrease in Operational Revenue | Increase / (Decrease) in Operational Expenditure | (Increase) / Decrease in Capital Revenue | Increase / (Decrease) in Capital Expenditure | Increase / (Decrease) in Reserves and/or Restricted Assets | Increase / (Decrease) in Net Current Position |
|---------------|---|--|---|---|---|---|
| Item 1 | - | - | - | 28,003 | (28,003) | - |
| Item 2 | - | - | (18,825) | - | 18,825 | - |
| Item 3 | - | - | (9,178) | - | 9,178 | - |
| Item 4 | - | - | - | (30,000) | 30,000 | - |
| Item 5 | - | - | - | 23,000 | (23,000) | - |
| Item 6a. | - | - | (75,000) | 75,000 | - | - |
| Item 6b. | - | - | - | 30,000 | (30,000) | - |
| Item 7 | - | - | (60,000) | - | 60,000 | - |
| Item 8 | - | - | 60,000 | - | (60,000) | - |
| | - | - | - | - | - | - |
| TOTALS | - | - | (103,003) | 126,003 | (23,000) | - |

External Stakeholder Consultation

Nil Required

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

No risks of a medium or greater level have been identified.

Options

The Council could decide not to proceed with any or all the proposed budget amendment requests.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The officer recommendation will be implemented in full, or in stages as per the following table:

| Milestone | Completion Date |
|----------------------------|---|
| Budget amendment processed | Within one month of Council endorsement |

8 CONFIDENTIAL MATTERS

Nil

9 NEXT MEETING DATE

Wednesday 6 December 2023

10 CLOSURE

The meeting closed at 11:16am.

These minutes of the Finance Committee Meeting held 1 November 2023 were confirmed as a true and correct record on Wednesday 6 December 2023.

Date:

6/12/23

Presiding Member:

