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are yet to be confirmed as a  
true record of proceedings

**CITY OF BUSSELTON**

**MINUTES FOR THE FINANCE COMMITTEE MEETING HELD ON 15 MARCH 2018**

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## MINUTES

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COMMITTEE ROOM, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 15 MARCH 2018 AT 9.30AM.

### 1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 9.35am.

### 2. ATTENDANCE

#### Presiding Member:

Cr Paul Carter

#### Members:

Cr Grant Henley Mayor  
Cr John McCallum Deputy Mayor  
Cr Robert Reekie

#### Officers:

Mr Tony Nottle, Director, Finance and Corporate Services  
Mr Kim Dolzadelli, Manager, Financial Services  
Mrs Katie Banks, Executive Assistant to Council

#### Apologies

Cr Coralie Tarbotton

#### Approved Leave of Absence

Nil

### 3. PUBLIC QUESTION TIME

Nil

### 4. DISCLOSURE OF INTERESTS

Nil

### 5. CONFIRMATION OF MINUTES

#### 5.1 Minutes of the Finance Committee Meeting held 15 February 2018

#### COMMITTEE DECISION

**F1803/020**

Moved Councillor R Reekie, seconded Councillor G Henley

That the Minutes of the Finance Committee Meeting held 15 February 2018 be confirmed as a true and correct record.

**CARRIED 4/0**

## 6. REPORTS

### 6.1 DONATIONS/CONTRIBUTIONS AND SUBSIDIES FUND - FEBRUARY 2018

<b>SUBJECT INDEX:</b>	Donations/Contributions
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Governance Services
<b>ACTIVITY UNIT:</b>	Governance Services
<b>REPORTING OFFICER:</b>	Executive Assistant to Council - Katie Banks
<b>AUTHORISING OFFICER:</b>	Chief Executive Officer - Mike Archer
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Nil

#### PRÉCIS

This report provides an overview of the Donations and Contributions that have been allocated, that is considered of relevance to members of the Finance Committee, and also the Council.

#### FINANCIAL IMPLICATIONS

The annual budget allowance for the Donations, Contributions and Subsidies Fund (Sponsorship Fund) is \$40,000.

- Total expenditure prior to this report is \$13,953.69
- Current Balance Available is \$26,046.31
- In February 2018 there were 9 applications received for sponsorship totaling \$2,305.00 (0 applications were processed in January 2018)
- The balance available for future donations is \$23,741.31

App. No.	Recipient	Purpose	Amount
61/1718	Apex Club of Busselton	The APEX Geo Bay bike ride is being held on 25 March 2018. Funds requested to assist with the promotion of the event and the cost of catering for the free community sausage sizzle being held on Dunsborough.	\$500.00
62/1718	WA Rover Owners Assoc. Club SW Branch	Funds requested to assist with covering the cost of new signage, prizes for raffles and advertising for the British Auto Classic 2018 being held at Signal Park 24 March 2018.	\$500.00
63/1718	Western Edge Performance Writers	Funds requested to assist with running the South West Shorts 2018 rehearsed play reading competition (free of charge event) being held on 11 March. Approved contribution amount will cover the cost to hire a PA system for the event.	\$305.00

App. No.	Recipient	Purpose	Amount
64/1718	Deborah Westell	Funds requested to cover the cost of a sausage sizzle for volunteers involved in 'Clean-up Kealy Estate' on 25 February 2018. Application does not meet the guidelines relating to events –i.e. not organised by a non-profit group. (Recommendation was made for the applicant to contact the Hanson Property Group to seek their support of the event)	\$0.00
65/1718	Busselton Old Time Dance Inc.	Seeking funds to assist with costs associated with hosting the South West Dance festival on 6 April 2018 at the Busselton Youth Centre e.g. hall hire, decorations and a license to play music.	\$250.00
66/1718	Dunsborough Bay Yacht Club (DBYC)	Funds requested to assist with covering costs associated with running the State Minnow Sailing Championship 3 day regatta on 3-5 March 2018. Funds to contribute towards the cost of race equipment and fuel for safety and support boats.	\$500.00
67/1718	Gail Kearney Memorial Busselton Hospice Golf Day	Seeking funds to assist with covering the cost of running the event i.e. catering. Although the City has provided funding towards this event in the past, participants are required to pay for their event entry - \$500 per 4 person team. Therefore, the application does not meet the funding guidelines. Also, Busselton Hospice Inc. received a donation from this fund in December 2017.	\$0.00
68/1718	South West Women's Health	Seeking funds as a 'transport subsidy' to enable up to 50 female Busselton residents to attend an international Women's day symposium held at the Bunbury Regional Entertainment Centre. Not supported as \$400 of funding was already received by SW Women's health to assist with promoting the Big Pram walk held in November 2017 at the Busselton Foreshore.	\$0.00
69/1718	Busselton Choral Society	The Choral Society are seeking funds to assist with covering the cost of running their Winter Concert 2018. The funds to contribute towards the cost to hire the venue, pianist and conductor.	\$250.00

**COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**

**F1803/021** Moved Councillor J McCallum, seconded Councillor R Reekie

That the donations and sponsorships for the month of February 2018 be noted.

**CARRIED 4/0**

6.2 FINANCIAL ACTIVITY STATEMENTS INCORPORATING BUDGET REVIEW - PERIOD ENDING 28 FEBRUARY 2018

<b>SUBJECT INDEX:</b>	Budget Planning and Reporting
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Financial Services
<b>REPORTING OFFICER:</b>	Manager Financial Services - Kim Dolzadelli
<b>AUTHORISING OFFICER:</b>	Director Finance and Corporate Services - Tony Nottle
<b>VOTING REQUIREMENT:</b>	Absolute Majority
<b>ATTACHMENTS:</b>	Attachment A FINANCIAL ACTIVITY STATEMENTS INCORPORATING BUDGET REVIEW - PERIOD ENDING 28 FEBRUARY 2018⇒ Attachment B INVESTMENT REPORT PERIOD ENDING 28 FEBRUARY 2018⇒

## PRÉCIS

### Financial Activity Statements

Pursuant to Section 6.4 of the Local Government Act ('the Act') and Regulation 34(4) of the Local Government (Financial Management) Regulations ('the Regulations'), a local government is to prepare, on a monthly basis, a statement of financial activity that reports on the City's financial 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 28 February 2018.

### Review of Budget

Between January and March in each financial year, a local government is to carry out a review of its annual budget for that year. The Council is required to consider the review submitted to it and determine (by absolute majority) whether or not to adopt the review, any parts of the review or any recommendations made in the review.

## BACKGROUND

### Financial Activity Statements

The Regulations detail the form and manner in which financial activity statements are to be presented to the Council on a monthly basis; and are 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)

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 of 26 July 2017, the Council adopted (C1707/163) the following material variance reporting threshold for the 2017/18 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 2017/18 financial year as follows:*

- *Variiances 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 variiances due to timing differences and/or seasonal adjustments are to be reported on a quarterly basis; and*
- *Reporting of variiances only applies for amounts greater than \$25,000.”*

### **Review of Budget**

The requirement for a local government to carry out an annual budget review is prescribed via Regulation 33A of the Local Government (Financial Management) Regulations.

Essentially, the purpose of an annual budget review is to ensure that a local government conducts a review of its financial performance at an appropriate time in the financial year such that any significant budget variiances can be identified and remedial action instigated as necessary; prior to financial year end.

This report, based on the City’s financial performance for the period ending 28 February 2018, has been compiled to fulfil the statutory reporting requirements of the Local Government Act and associated Regulations in respect of the annual budget review process.

## **STATUTORY ENVIRONMENT**

### **Financial Activity Statements**

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

### **Review of Budget**

#### **33A. Review of budget**

- (1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must —
  - (a) consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
  - (b) consider the local government’s financial position as at the date of the review; and
  - (c) review the outcomes for the end of that financial year that are forecast in the budget.
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
- (3) A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.

\*Absolute majority required.

- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

## **RELEVANT PLANS AND POLICIES**

Not applicable.

## **FINANCIAL IMPLICATIONS**

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

### **Long-term Financial Plan Implications**

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

## **STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 – ‘Open and Collaborative Leadership’ and more specifically Community Objective 6.1 - ‘Governance systems, process and practices are responsible, ethical and transparent’. The achievement of the above is underpinned by the Council strategy to ‘ensure the long term financial sustainability of Council through effective financial management’.

## **RISK ASSESSMENT**

Risk assessments have been previously completed in relation to a number of ‘higher level’ financial matters, including timely and accurate financial reporting to enable the Council to make fully informed financial decisions. The completion of the monthly Financial Activity Statement report is a control that assists in addressing this risk.

## **CONSULTATION**

Not applicable

## **OFFICER COMMENT**

In order to fulfil statutory reporting requirements, and to provide the Council with a synopsis of the City’s overall financial performance on a full year basis, the following financial reports are attached hereto:

- Statement of Financial Activity  
This report provides details of the City’s operating revenues and expenditures on a year to date basis, by nature and type (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.
- Net Current Position  
This report provides details of the composition of the net current asset position on a full year basis, and reconciles with the net current position as per the Statement of Financial Activity.
- Capital Acquisition 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
- Reserve Movements Report  
This report provides summary details of transfers to and from reserve funds, and also associated interest earnings on reserve funds, on a full year basis.

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

### COMMENTS ON FINANCIAL ACTIVITY TO 28 FEBRUARY 2018

The Statement of Financial Activity for the period ending 28 February 2018 shows a better than expected Net Current Position (Surplus) of \$12.43M being \$12.14M more than Year to Date Budget.

The following summarises the major variances in accordance with *Council's adopted material variance reporting threshold* that collectively make up the above difference:

Description	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud Variance	2017/18 YTD Bud Variance
	\$	\$	\$	%	\$
<b>Revenue from Ordinary Activities</b>	61,839,705	61,166,898	66,421,049	1.10%	672,807
<b>Expenses from Ordinary Activities</b>	(44,408,843)	(46,664,069)	(68,754,825)	4.83%	2,255,226
<b>Non-Operating Grants, Subsidies and Contributions</b>	8,054,150	17,527,484	43,655,339	-54.05%	(9,473,334)
<b>Profit on Asset Disposals</b>	48,793	16,100	22,400	203.06%	32,693
<b>Loss on Asset Disposals</b>	(491,549)	(5,250)	(6,252)	-9262.84%	(486,299)
<b>Capital Revenue &amp; (Expenditure)</b>					
Land & Buildings	(3,569,057)	(12,945,284)	(16,556,693)	72.43%	9,376,227
Plant & Equipment	(1,141,827)	(2,758,236)	(4,279,400)	58.60%	1,616,409
Furniture & Equipment	(381,959)	(665,982)	(830,212)	42.65%	284,023
Infrastructure	(25,242,797)	(38,233,968)	(60,684,321)	33.98%	12,991,171
Proceeds from Sale of Assets	283,593	372,850	635,150	-23.94%	(89,257)
Proceeds from New Loans	110,000	10,110,000	10,110,000	-98.91%	(10,000,000)
Advances to Community Groups	(110,000)	(260,000)	(260,000)	57.69%	150,000
Transfer to Restricted Assets	(1,850,761)	(411,501)	(625,751)	-349.76%	(1,439,260)
Transfer from Restricted Assets	13,199,259	11,354,556	27,808,739	16.25%	1,844,703
Transfer to Reserves	(9,243,826)	(11,543,652)	(16,285,572)	19.92%	2,299,826
Transfer from Reserves	2,055,406	1,146,659	19,921,964	79.25%	908,747

#### **Operating Revenue:**

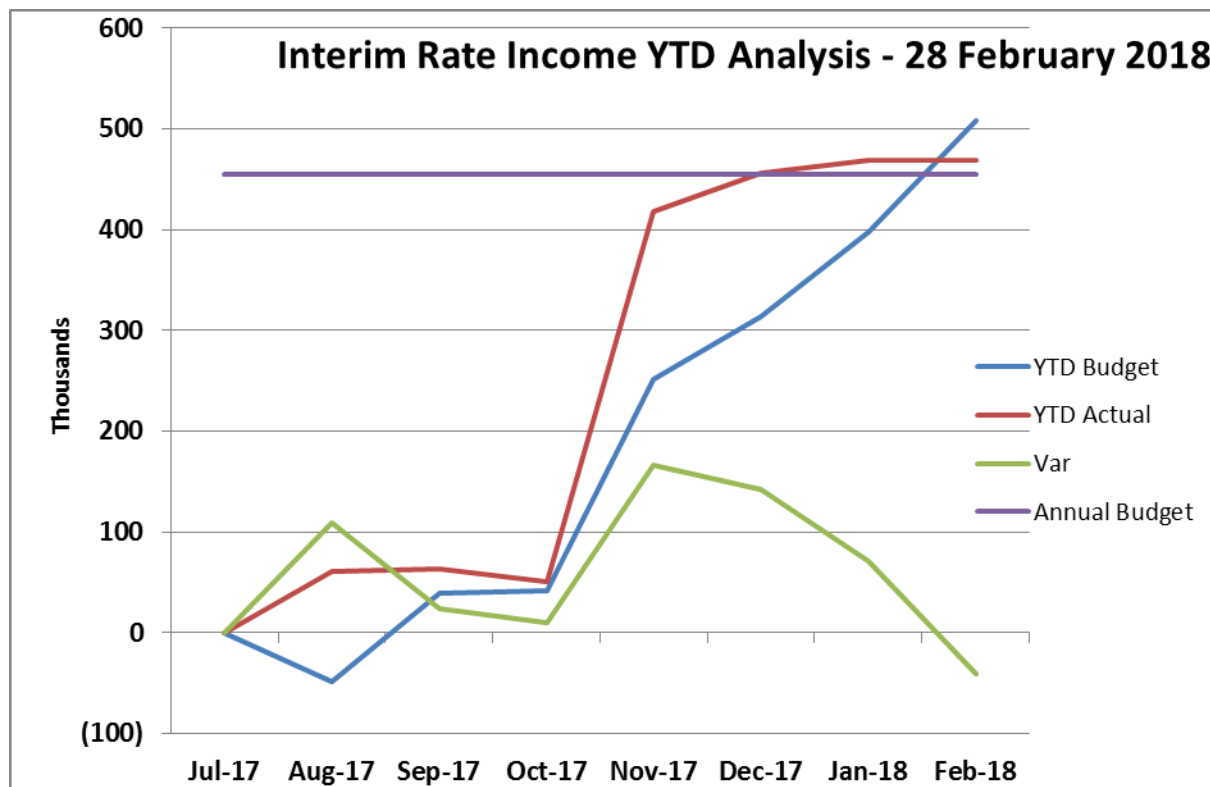
Revenue from ordinary activities is \$672K more than expected when compared to Year to Date (YTD) Budget with the following items meeting the material variance reporting threshold set by Council for the 2017/2018 Financial Year.

Description	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud Variance	2017/18 YTD Bud Variance
	\$	\$	\$	%	\$
<b>Revenue from Ordinary Activities</b>					
Other Revenue	342,103	274,573	426,167	24.59%	<b>67,530</b>
Interest Earnings	1,805,563	1,508,664	2,262,996	19.68%	<b>296,899</b>

The items predominately impacting the above “Other Revenue” performance is CLAG (Contiguous Local Authority Group) Funding in the amount of \$48K, this item is to be transferred to Trust and Sale of Scrap Materials \$44K.

Interest earnings on Reserves and Restricted funds are currently ahead of YTD Budget in the amount of \$234k with \$84k in Rate Instalment interest currently ahead of YTD Budget, this second item is a timing difference only and it is also expect that Interest earnings on Reserves and Restricted funds will reduce in the coming months as funds are further drawn down to finance Capital projects contained within the City’s 2017/2018 Budget.

The Officer notes that the above positive performance of “Other Revenue” and “Interest Earnings” is added to by a positive collective performance of \$308k for Rates, Operating Grants and Subsidies, and Fees and Charges; these items fall below the Material Variance reporting thresholds. The above variations are considered to be that of a timing difference at this stage of the Budget Year with the exception of Rate Revenue which is expected to be a permanent variation. This permanent variation is expected to be in the vicinity of \$300k.



*In summary, net operating revenue is projected to be slightly higher than the annual budget estimates with a projected favourable variance of approximately \$350K.*

**Operating Expenditure:**

Expenditure from ordinary activities is \$2.25M less than expected when compared to Year to Date (YTD) Budget with the following items meeting the material variance reporting threshold set by Council for the 2017/2018 Financial Year.

Description	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud Variance	2017/18 YTD Bud Variance
	\$	\$	\$	%	\$
<b>Expenses from Ordinary Activities</b>					
Materials & Contracts	(9,630,094)	(11,292,985)	(16,914,999)	14.72%	<b>1,662,891</b>
Utilities (Gas, Electricity, Water etc)	(1,595,705)	(1,721,053)	(2,580,822)	7.28%	<b>125,348</b>
Allocations	1,057,434	1,193,962	1,996,270	11.43%	<b>(136,528)</b>

**Materials and Contracts:**

The main items affected are listed below, at this stage the majority of these variances are considered to be that of a timing nature with an expectation that there will be offsets for under and over expenditure items resulting in a better than expected result at year end:

Cost Code	Cost Code Description / GL Activity	YTD Variance
<b><u>Finance and Corporate Services</u></b>		
10251	Business Systems	164,791
<b>Subtotal</b>		<b>164,791</b>
<b><u>Community and Commercial Services</u></b>		
10591	Geographe Leisure Centre	64,189
10600	Busselton Jetty Tourist Park	59,421
10635	Regional Centres Program	80,000
10900	Cultural Planning	30,531
11151	Airport Operations	(35,987)
<b>Subtotal</b>		<b>198,153</b>
<b><u>Planning and Development Services</u></b>		
10820	Strategic Planning	122,224
10830	Environmental Management Administration	59,007
10850	Implement Management Plans Other	31,222
10925	Preventative Services - CLAG	63,996
11170	Meelup Regional Park	72,530
<b>Subtotal</b>		<b>348,979</b>
<b><u>Engineering and Works Services</u></b>		
11101	Engineering Services Administration	78,727
11106	Street Lighting Installations	94,826
11108	Rural Intersection (Lighting) Compliance	30,000
11160	Busselton Jetty	372,101
12600	Street & Drain Cleaning	27,419
A6004	Pedestrian Bridge (Port Geographe)	60,000
A9999	Miscellaneous Bridge Maintenance	85,615
B1000	Administration Building- 2-16 Southern Drive	(46,861)
B1450	Depot Building-Busselton	(33,035)
B1514	Asbestos Removal & Replacement	50,000

C8500	Cycleways Maintenance Busselton	(29,192)
G0010	Domestic Recycling Collections	117,984
G0030	Busselton Transfer Station	62,102
G0031	Dunsborough Waste Facility	25,266
G0032	Rubbish Sites Development	62,534
G0042	BTS External Restoration Works	148,474
M9999	Road Maintenance - consolidated	(148,219)
R0004	Bsn Foreshore Precinct (not including Skate Park)	(117,972)
R0008	Dunn Bay Road-Surrounds	(26,633)
R0269	Seymour Park (Dunn Bay/Lorna St Pos)	(28,877)
R0700	Dunsborough Oval and Skate Park	(49,268)
R0850	Streetscape Medians & Trees (Kealy)	(40,261)
	<b>Subtotal</b>	<b>694,731</b>

5280	Transport - Fleet Management	121,790
	<b>Subtotal</b>	<b>121,790</b>

399 Cost Codes under Reporting Threshold	134,446
<b>Subtotal</b>	<b>134,446</b>

<b>Total</b>	<b>1,662,891</b>
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**Utilities:**

With over 364 individual accounts at a better than expected result of \$1.59M, a favourable position of \$125K is considered likely to be a timing difference at this stage of the reporting year with the one exception being the City's Administration Building which is currently tracking \$37k below YTD Budget; the officer further notes that no account has yet been received for the month of February which for this facility which would see this variance reduced to \$29k. The officer further notes that whilst utilities for the City Administration Building are tracking below expectation savings on this cost will be need to offset other costs related to the facility, specifically contract cleaning.

**Allocations:**

Allocations are running \$136k under YTD Budget; these items are an internal allocation of administrative costs from the Finance and Corporate Services division and will not impact on the City's final surplus/deficit position.

The Officer notes that the above positive performance of "Materials and Contracts" and "Utilities" is added to by a positive collective performance of "Employee Costs" and "Insurance Expenses"; these items fall below the Material Variance reporting thresholds.

***In summary, net operating expenditure is projected to be slightly lower than the annual budget estimates with a projected favourable variance of approximately \$400K.***

**Non-Operating Grants, Subsidies and Contributions:**

Non-Operating Grants, Subsidies and Contributions are less than YTD Budget by \$9.47M with the main item impacting on the above result is the timing of the receipt of "Airport Development - Project Grant" with a current negative result of \$8.44M with the remainder being represented by Road Project Grants; this is a timing difference in nature only and is offset with the level of current expenditure for these projects.

**Capital Expenditure**

As at 28 February 2018, there is a variance of -44.44% or -\$24.27M in total capital expenditure with YTD Actual at -\$30.35M against a YTD Budget of -\$54.6M; with the table below showing those categories exceeding the 10% material variance threshold. The Airport Development makes up for \$11.31M or 46.6% of the overall variance which also assists in explaining the above current YTD shortfall in Non-Operating Grants.

Description	2017/18 Budget YTD Variance
\$	
<b>Land</b>	
Property Services Administration	(50,000)
Parking Control	(1,525,000)
Dunsborough - Commonage Road Oval	(1,600,000)
<b>Total</b>	<b>(3,175,000)</b>
<b>Buildings</b>	
<b>Major Project - Administration Building</b>	
Civic and Administration Centre Construction	(159,783)
<b>Total</b>	<b>(159,783)</b>
<b>Buildings (Other)</b>	
Ambergate Bushfire Brigade Shed	(82,208)
Aged Housing Capital Improvements - Winderlup Court (City)	(26,664)
GLC - Pool Relining	(159,785)
GLC - Plant Room	(70,915)
Performing Arts Convention Centre	(50,000)
Vasse Community Recreation Precinct	31,451
Airport Terminal Stage 2	(5,550,501)
Bsn Jetty Tourist Park Home	(127,186)
<b>Total</b>	<b>(6,035,807)</b>
<b>Plant &amp; Equipment</b>	
Finance & Corporate Services Support	49,161
Community & Commercial Services Support	(50,000)
Geographe Leisure Centre	36,308
Property Services Administration	(35,000)
Animal Control	(60,872)
Engineering Services Design	(35,000)
Transport - Workshop	(43,278)
Plant Purchases (P10)	(1,313,344)
Plant Purchases (P11)	(73,812)
Plant Purchases (P12)	(89,497)
<b>Total</b>	<b>(1,615,334)</b>
<b>Furniture &amp; Office Equipment</b>	
Information & Communication Technology Services	35,203
Business Systems	(98,262)
Administration Building- 2-16 Southern Drive	(83,250)
YCAB (Youth Precinct Foreshore)	(37,909)
<b>Total</b>	<b>(184,218)</b>

Description	2017/18 Budget YTD Variance
	\$
<b>Major Project - Busselton Foreshore</b>	
Busselton Foreshore - Stage 3	826,186
Busselton Tennis Club - Infrastructure	(1,717,841)
Busselton Foreshore Stage 3: Toddler's Playground	(96,899)
Busselton Foreshore Jetty Precinct	(301,471)
Barnard Park Pavillion Landscaping	60,235
<b>Total</b>	<b>(1,229,790)</b>
<b>Major Project - Administration Building</b>	
Administration Building Carpark	(100,995)
<b>Total</b>	<b>(100,995)</b>
<b>Footpaths Construction</b>	
Bussell Highway Footpath Sections	(259,880)
Milward Street – Ford Road to Cookworthy Street	(37,023)
Armitage Drive Footpath - Navigation Way to Avocet Boulevard	(30,083)
Vasse Bypass Road Footpath	(41,564)
<b>Total</b>	<b>(368,550)</b>
<b>Drainage Construction - Street</b>	
Vasse Highway Drainage Works	25,593
Chain Avenue - Drainage Works	(35,703)
Johnston Avenue Drainage Upgrade - Stage 2	(44,000)
<b>Total</b>	<b>(54,110)</b>
<b>Bridges Construction</b>	
Queen Street Bridge 0240A	96,000
<b>Total</b>	<b>96,000</b>
<b>Cycleways Construction</b>	
Busselton Bypass - Country Road Footpath	(144,170)
College Avenue Shared Path	(65,800)
<b>Total</b>	<b>(209,970)</b>
<b>Townscape Construction</b>	
Queen Street Upgrade - Duchess to Kent Street	(81,114)
Dunsborough Road Access Improvements Stage 1	(384,602)
<b>Total</b>	<b>(465,716)</b>
<b>Boat Ramps Construction</b>	
Port Geographe Boat Trailer Parking Layout Redevelopment	(96,551)
<b>Total</b>	<b>(96,551)</b>

Description	2017/18 Budget YTD Variance
	\$
<b>Beach Restoration</b>	
Sand Re-Nourishment	41,776
<b>Total</b>	<b>41,776</b>
<b>Parks, Gardens &amp; Reserves</b>	
Rails to Trails	(93,760)
Elijah Circle POS	(26,644)
Vasse Community & Recreation Precinct - AFL Oval Stage 1	(29,285)
Dunsborough Town Centre	(59,149)
Administration Building Landscaping Works	224,235
Port Geographe - Burgee Close (Western Side of Bridge)	(62,971)
Port Geographe - Reticulated POS at Layman Rd R/About	(166,229)
Port Geographe - Reticulation Upgrade Scheme to Bore Water	(223,908)
Foreshore - Irrigation Renewal	(40,292)
Vasse River Foreshore - Bridge to Bridge project Stage 1	(48,034)
Advanced Bore Monitoring Equipment	(66,664)
Vasse Newtown - AFL Oval Stage 2	64,108
<b>Total</b>	<b>(528,592)</b>
<b>Sanitation Infrastructure</b>	
New Cell Development	(345,815)
Transfer Station Development	(32,504)
Site Rehabilitation - Busselton	(452,141)
<b>Total</b>	<b>(830,460)</b>
<b>Airport Development</b>	
Airport Construction Stage 2, Landside Civils & Services Inf	(4,184,987)
Airport Construction Stage 2, Noise Management Plan	(220,395)
Airport Construction Stage 2, Airfield	308,870
Airport Construction Stage 2, External Services	(1,576,566)
Airport Construction Stage 1B, Jet Fuel	(410,000)
Airport Development - Project Expenses	(205,865)
<b>Total</b>	<b>(6,288,943)</b>
<b>Main Roads</b>	
Strelly Street	(334,154)
Layman Road	84,968
Peel Terrace	(688,566)
Queen Street	(141,236)
Layman Road - Reconstruction Between 3250 and 6190	(341,549)
Georgiana Molloy Bus Bay Facilities	(199,610)
Koorabin Drive - Reseal	(166,839)
<b>Total</b>	<b>(1,786,984)</b>

Description	2017/18 Budget YTD Variance
	\$
<b><u>Roads to Recovery</u></b>	
Patton Terrace - Asphalt Overlay	(167,988)
Craig Street - Asphalt Overlay	80,351
<b>Total</b>	<b>(87,637)</b>
<b><u>Council Roads Initiative</u></b>	
Marine Terrace	(325,985)
Yelverton Road	(364,697)
Edwards Road	(102,562)
Signage (Alternate CBD Entry)	(37,605)
Strelly Street	(39,789)
Valley Road	(31,224)
Greenfield Road (Loop) - One way layout	(36,436)
<b>Total</b>	<b>(938,298)</b>

The attachments to this report include detailed listings of the following capital expenditure (project) items, to assist in reviewing specific variances.

The majority of capital expenditure variances are considered to be timing at this time, with no impact expected against the net current position.

***In summary, net Capital Expenditure is not projected to have any material impact on the City's project surplus/deficit position when Carryover of projects occurs at year end if/where required.***

#### **Investment Report**

*Pursuant to the Council's Investment Policy, a report is to be provided to the Council on a monthly basis, 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.*

As at 28 February 2018, the value of the City's invested funds totalled \$82.99M, down from \$83.69M as at 31<sup>st</sup> January.

During the month of February seven term deposits held with 5 different institutions totalling \$20.5M matured, with \$7.00M relating to the Airport Redevelopment Project and \$13.5M being general City funds.

Of the \$13.5M of general City funds, \$13.5M was rolled for a further 96 days at 2.39% (on average).

Of the \$7.00M of Airport Redevelopment Project funds, \$7.00M was rolled for a further 59 days at 2.06% (on average). The need to keep the term of the deposit to only 2 months to meet expected expenditure timelines affected the rate of return able to be achieved.

The balance of the 11am account (an intermediary account which offers immediate access to the funds compared to the term deposits and a higher rate of return compared to the cheque account) increased by \$0.75M due to the inflow of rate and grant funding. The balance of the Airport Development ANZ cash account decreased by \$1.45M, with funds being drawn down to meet ongoing expenditure.



The RBA left official rates on hold during January and February with projections for Rates to remain steady for some months before beginning to rise possibly at some stage late in 2018.

#### **Chief Executive Officer – Corporate Credit Card**

Details of monthly (February) transactions made on the Chief Executive Officer's corporate credit card are provided below to ensure there is appropriate oversight and awareness of credit card transactions made.

<b>Date</b>	<b>Amount</b>	<b>Payee</b>	<b>Description</b>
02-Feb-18	\$583.62	Travel Insurance	* Travel Insurance (M Archer & K Sullivan)
06-Feb-18	\$143.30	Trybooking	* LGCOG Dinner
10-Feb-18	\$87.00	Newtown Lodge Vasse	Sugito Dinner
15-Feb-18	\$11.00	Dradgin Pty Ltd Perth	Parking - Airport Meeting

*\*Funds debited against CEO Annual Professional Development Allowance as per employment Contract Agreement*

*+ Allocated against CEO Hospitality Expenses Allowance*

#### **CONCLUSION**

As detailed within this report, it is considered that the City's overall financial performance to 28 February 2018 is satisfactory. Current projections indicate a potential surplus closing position as at 30 June 2018, in the order of approximately +\$750k (exclusive of carry forwards). The Annual Budget Review has not identified any specific adverse financial trends, for which remedial action is required to be instigated prior to financial year end. The projected surplus closing position is primarily due to operating expenditure savings.

As this report also identifies, it is projected that overall capital expenditure will fall well short of annual budget estimates, with this primarily attributable to the Airport Development project. However, as individual projects are essentially fully funded in one form or another, a corresponding short fall in capital revenue will also be evident as at 30 June 2018.

Whilst components of the unspent capital and operating expenditure budgets may need to be considered for re-listing in the Council's 2018/19 draft budget, the current projected surplus closing position of \$750K represents net underspends directly associated with the current financial year's financial performance.

It is noted that the potential surplus closing position at financial year end, including consideration of utilisation, or quarantining of these funds, will be fully considered as part of the Council's 2018/19 draft budget deliberations.

#### **OPTIONS**

The Finance Committee/ Council may determine that additional recommendations are required to be made, or alternatively that the Annual Budget Review not be adopted by the Council at this time, pending clarification of any further matters.

**COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION 1****F1803/022** Moved Councillor J McCallum, seconded Councillor G Henley

That the Council receives the statutory financial activity statement reports for the period ending 28 February 2018, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

**CARRIED 4/0****COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION 2****F1803/023** Moved Councillor G Henley, seconded Councillor R Reekie]**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That, pursuant to Regulation 33A of the Local Government (Financial Management) Regulations, the Council adopts the 2017/18 Annual Budget Review as presented within this report.

**CARRIED 4/0**

### 6.3 LIST OF PAYMENTS MADE FEBRUARY 2018

<b>SUBJECT INDEX:</b>	Financial Operations
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Financial Services
<b>REPORTING OFFICER:</b>	Manager Financial Services - Kim Dolzadelli
<b>AUTHORISING OFFICER:</b>	Director Finance and Corporate Services - Tony Nottle
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A LIST OF PAYMENTS MADE FEBRUARY 2018 <a href="#">⇒</a>

#### **PRÉCIS**

This report provides details of payments made from the City's bank accounts for the month of February 2018, for noting by the Council and recording in the Council Minutes.

#### **BACKGROUND**

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

#### **STATUTORY ENVIRONMENT**

Section 6.10 of the Local Government Act and more specifically, Regulation 13 of the Local Government (Financial Management) Regulations; refer to the requirement for a listing of payments made each month to be presented to the Council.

#### **RELEVANT PLANS AND POLICIES**

NA.

#### **FINANCIAL IMPLICATIONS**

NA.

#### **Long-term Financial Plan Implications**

#### **STRATEGIC COMMUNITY OBJECTIVES**

NA.

#### **RISK ASSESSMENT**

NA.

#### **CONSULTATION**

NA.

#### **OFFICER COMMENT**

In accordance with regular custom, the list of payments made for the month of February 2018 is presented for information.

**CONCLUSION**

NA.

**OPTIONS**

NA.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

NA.

**COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**

**F1803/024** Moved Councillor J McCallum, seconded Councillor G Henley

That the Council notes payment of voucher numbers M115289 – M115358, EF056922 – EF05740, T007384 – T007386, and DD003371 – DD003393; together totalling \$10,107,235.29.

**CARRIED 4/0**

**7. GENERAL DISCUSSION ITEMS**

Following consideration of Item 6.3 (List of Payments Made February 2018) the Members of the Committee requested that officers investigate the ability to provide a separate payment summary listing, which would be utilised for internal purposes only, that would include post code information with respect to each payment which would result in members being more easily able to identify local purchases.

**8. NEXT MEETING DATE**

Thursday, 19 April 2018

**9. CLOSURE**

The meeting closed at 10.40am.

THESE MINUTES CONSISTING OF PAGES 1 TO 21 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON THURSDAY, 19 APRIL 2018.

DATE: \_\_\_\_\_

PRESIDING MEMBER: \_\_\_\_\_