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Please note: These minutes are yet to be confirmed as a true record of proceedings

CITY OF BUSSELTON

MINUTES FOR THE FINANCE COMMITTEE MEETING HELD ON 2 MARCH 2017

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MINUTES

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN MEETING ROOM A, CITY ADMINISTRATION SITE, HARRIS ROAD, BUSSELTON, ON 2 MARCH 2017 AT 9.30AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 9.29am.

2. ATTENDANCE

Presiding Member:

Cr John McCallum

Members:

Cr Gordon Bleechmore
Cr Grant Henley
Cr Terry Best
Cr Coralie Tarbotton (Deputy Member)

Officers:

Mr Mike Archer, Chief Executive Officer
Mr Oliver Darby, Director, Engineering and Works Services (from 9.34am)
Mr Cliff Frewing, Director, Finance and Corporate Services
Mr Ehab Gowegati, Financial Accountant
Miss Hayley Barge, Administration Officer, Governance

Apologies

Cr Paul Carter
Mr Kim Dolzadelli, Manager Financial Services

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 2 February 2017

Committee Decision

F1703/010

Moved Councillor G Henley, seconded Councillor C Tarbotton

That the Minutes of the Finance Committee Meeting held 2 February 2017 be confirmed as a true and correct record.

CARRIED 5/0

6. REPORTS

6.1 FINANCE COMMITTEE INFORMATION BULLETIN - JANUARY 2017

SUBJECT INDEX:	Councillors' Information
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Executive Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli Councillor Support Officer - Lisa Haste Asset Coordinator - Daniel Hall
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

9.34am At this time the Director, Engineering and Works Services entered the meeting.

PRÉCIS

This report provides an overview of information that is considered of relevance to members of the Finance Committee, and also the Council.

INFORMATION BULLETIN

1. Chief Executive Officer – Corporate Credit Card

Details of monthly 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.

Date	Amount	Payee	Description
09-Jan-17	\$293.00	City of Bunbury	Challenge of Gift Seminar – Sarah Pierson

2. Voluntary Contributions/Donations (Income)

At its meeting of 22 September 2010, the Council adopted (C1009/329) its Voluntary Contributions/Donations Policy. This Policy requires that the Finance Committee be informed (via an information only bulletin) of any instances whereby voluntary contributions/ donations are approved by the Chief Executive Officer or jointly by the Mayor and Chief Executive Officer.

No voluntary contributions have been approved this financial year to date.

3. Donations/Contributions and Subsidies Fund (Sponsorship Fund – Payment of Funds)

Council resolved in April 2010 (C1004/132) a move towards a tiered system of funding and following the 6 October 2011 Finance Committee meeting, it was recommended to Council that the delegation to determine the allocations of sponsorship and donations from the sponsorship fund be revoked and be returned to the Chief Executive Officer to enable a more timely turnaround of sponsorship applications.

Current expenditure from the Donations, Contributions and Subsidies Fund (Sponsorship Fund) reveals:

- 69 applications for sponsorship have been received during this financial year.
- The average donation approved for the financial year is \$311.45
- There were 6 applications for sponsorship received or assessed during January 2017.
- Expenditure from the Donations, Contributions and Subsidies Fund (Sponsorship Fund) for the financial year totals \$21,490.50
- Total budget for the Donations, Contributions and Subsidies Fund (Sponsorship Fund) is \$37,450.

App. No.	Recipient	Purpose	Amount
64/1617	Busselton Tennis Club	Funding to assist with 2 separate tennis tournaments to go towards prizes and consumables	\$1,000
65/1617	Margaret River Young Readers and Writers Festival	Funds to assist with bringing authors to the festival including transport and accommodation. The festival benefits Busselton Primary and secondary schools.	\$750
66/1617	Therese Edmonds - Western Edge Playwrights	Inaugural "South west Shorts" event being held at Rivendell. Funds to assist with actors and associated costs involved	\$750
67/1617	Gail Kearney Memorial Golf Day	Annual golf day raising money for Busselton Hospice	\$500
68/1617	Black Dog Ride	Funding to assist with the one day ride event in Busselton. Funds to go towards signage and a banner for the event	\$750
69/1617	Busselton Old Time Dance	Funding received to go towards their SW Dance Festival being held at the Busselton Youth Centre. Funds to assist with music, hall hire and decorations for the event.	\$250

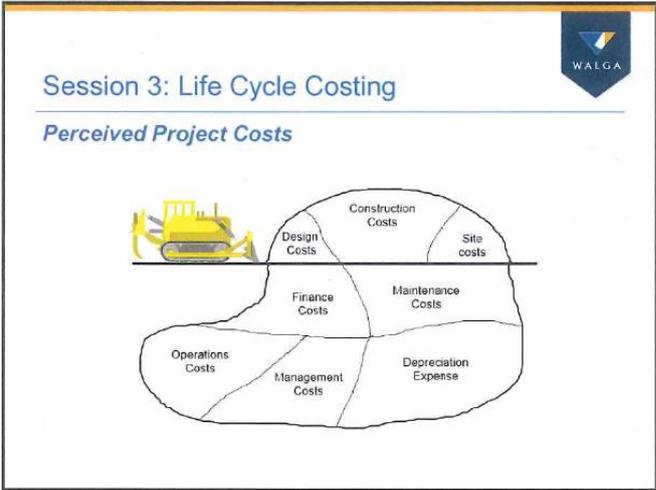
Asset Management Report

On the 13th February, the Asset Coordinator attended training with some of the Councillors. The training was titled Sustainable Asset (Infrastructure) Management and was presented by WALGA. The training provided a good insight into the risks associated with the management of infrastructure assets. It also highlighted the importance of knowing the full lifecycle costs of infrastructure assets in order to correctly identify any revenue gaps and effectively plan for financial sustainability.

Based on the content of the training and discussions undertaken with other Local Government Councillors in attendance, it was evident that the City has a good understanding of infrastructure asset management. This is evidenced by the adoption of the numerous asset management plans, policies pertaining to renewal funding for assets as well as the automatic allocation of maintenance and renewal funding for new infrastructure within the Long Term Financial Plan.

The session on life cycle costing was particularly interesting as it highlighted the true costs of infrastructure, some of which are often overlooked. Design, construction and site costs are generally well known as they are accumulated during the construction phase and often measured against a project budget. The other lifecycle costs such as finance, maintenance, operations and depreciation, occur after the construction of the infrastructure asset and are often greater than construction cost.

Knowing the full lifecycle implications of construction of infrastructure is an important part of the planning and design process.



Committee Recommendation and Officer Recommendation

F1703/011 Moved Councillor T Best, seconded Councillor C Tarbotton

That the Finance Committee notes the Finance Committee Information Bulletin for the month of January 2017.

CARRIED 5/0

6.2 LIST OF PAYMENTS MADE - JANUARY 2017

SUBJECT INDEX:	Financial Operations
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Financial Services
ACTIVITY UNIT:	Finance
REPORTING OFFICER:	Strategic Financial Plan Accountant - Stuart Wells
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A List of Payments - January 2017 ⇒

PRÉCIS

This report provides details of payments made from the City's bank accounts for the month of January 2017, 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

NA.

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – 'Open and Collaborative Leadership' and more specifically Community Objective 6.3 – 'An organisation that is managed effectively and achieves positive outcomes for the community'.

RISK ASSESSMENT

NA.

CONSULTATION

NA.

OFFICER COMMENT

NA.

CONCLUSION

NA.

OPTIONS

NA.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

NA.

Committee Recommendation and Officer Recommendation

F1703/012 Moved Councillor G Henley, seconded Councillor T Best

That the Council notes payment of voucher numbers M113836 – M113936, EF050224 – EF050645, T007311 – T007315, and DD002982 – DD003008; together totaling \$5,840,590.71.

CARRIED 5/0

6.3 FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 31 JANUARY 2017

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Financial Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Strategic Financial Plan Accountant - Stuart Wells
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Financial Activity Statements - January 2017⇒ Attachment B Investment Report - January 2017⇒

PRÉCIS

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 31 January 2017.

BACKGROUND

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 21 July 2016, the Council adopted (C1607/160) the following material variance reporting threshold for the 2016/17 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 2016/17 financial year to comprise 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 on a quarterly basis.

STATUTORY ENVIRONMENT

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.

RELEVANT PLANS AND POLICIES

Not applicable.

FINANCIAL IMPLICATIONS

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

Long-term Financial Plan Implications

As above.

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – ‘Open and Collaborative Leadership’ and more specifically Community Objective 6.3 - ‘An organisation that is managed effectively and achieves positive outcomes for the community’. 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 31 JANUARY 2017

Operating Activity

- Operating Revenue

As at 31 January 2017, there is a variance of -1.51% (-\$970K) in total operating revenue, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Other Revenue	+31%	+\$62
Interest Earnings	+34%	+\$561
Non-Operating Grants Subsidies and Contributions	-27%	-\$1,697
Profit on Asset Disposals	+72%	+\$8

Other Revenue (+\$62K)

- Milne Street Pavillion is +\$29k ahead of budget. This is actually a capital grant that will be journalled across in February to Non-Operating Grants, Subsidies and Contributions against where the budget sits. This is timing in nature only.
- Parking Control is ahead of year to date budget by +\$16k. This variance has increased by 1k over December, continues to track ahead of budget and is indicative of a permanent difference.
- Animal Control is unfavourable against budget by -\$10k. This variance has been fluctuating on a month to month basis and is likely timing in nature.
- Busselton Transfer Station and Dunsborough Waste Facility are favourable against budget by +\$14k. This is due to sales of scrap and recyclable materials currently trending ahead of budget. Any variance is transferred to waste reserve at the end of the year with no impact to overall municipal surplus/(deficit) position.
- Sale of Artworks +\$2k. These amounts result in a liability and expense being paid at a later date to the artist concerned. Therefore timing difference only
- Receipts of unbudgeted long service leave amounting to +\$16k. The amount will be offset by a corresponding expenditure amount at the time the leave is taken, therefore no impact to the overall surplus/(deficit) position.
- Busselton and Dunsborough Cemeteries currently +\$3k ahead of budget due to sale of memorialisation stock. This is expected to be a timing difference only.
- Public Relations sale of number plates are +\$2k ahead of budget. Based on the current trend it is likely this will exceed budget for the full year.

- NCC Standpipe is -\$7k behind budget due to sale of water because of a timing difference. The budget assumed monthly receipts however they will be received bi-annually.
- Other Law, Order and Public Safety, local government act fines and costs is trending below budget by -\$7k. Likely to not meet full year budget targets based on actuals to date.
- Fire Prevention Bush Fire Act Fines and Costs is currently trending -\$6k below budget. Based on this current trend it's unlikely the full year \$45k budget target will be met.

Interest Earnings (+\$561K)

- Interest on municipal funds +\$28k.
- Interest on reserve funds +\$101k.
- Interest on restricted funds +\$377k.
- Late payment interest on rates +\$55k.

Non-Operating Grants, Subsidies and Contributions (-\$1,697K)

- There are a number of items that make up the current year to date variance. All variances are timing related except:
 - Foreshore East Youth Precinct (Skate Park & Adventure Playground). An accrual was raised for a Lotterywest grant in the 2015/16 financial year equal to \$613k. In the 2016/17 financial year only \$480k has been received. This leaves a current budget shortfall of \$133k. The shortfall is subject to ongoing discussions between the City of Busselton and Lotterywest.

Profit on Asset Disposals (+\$8K)

- Sales of the CEO's Toyota Prado +\$12k. It was budgeted to be sold at its book value but +\$12k more than budget was received.
- Fibreglass Water Leeder Tank +4k. This was an insurance receipt received equal to the replacement value of the tank broken, resulting in a profit on sale of +\$4k.
- Offset against this is the sale of a number of items which are yet to occur or items that were budgeted to be sold at a profit and ended up being sold at a loss amounting to -\$8k.

▪ Operating Expenditure

As at 31 January 2017, there is a variance of +4% (+\$1,475K) in total operating expenditure, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Materials and Contracts	+16%	+\$1,382
Utilities	+23%	+\$314
Other Expenditure	+20%	+\$371
Allocations	-13%	-\$146
Loss on Asset Disposals	-1,672%	-\$101

Materials and Contracts (+\$1,382K)

- By directorate, materials and contracts is showing the following variances at 31 January 2017;
 - Engineering and Works Services +\$677k
 - Community and Commercial Services +\$422k
 - Finance and Corporate Services +\$83K
 - Planning and Development Services +\$24k
 - Executive Services +\$71K
- From a natural account perspective the variances are predominantly attributable to contractors +\$485k, Consultants +\$565k and Fuels, Oils and Grease +\$49k. Of those variances it is only Fuel, Oils and Grease that is likely to result in a permanent difference for the full year at this stage if

fuel prices remain stable at current levels. This variance has however continued to reduce over January.

Utilities (+\$314K)

- The predominant variance for utilities relates to water +\$153k and electricity +\$146k. This variance is a timing variance related to the irregular way in which water and electricity invoices are received.

Allocations (-\$146K)

- This activity incorporates numerous internal accounting allocations. The first component is Activity Based Costing (ABC) allocations where allocations are based on actual costs. The second component is the overhead allocations whereby the monthly charges are based on budget. The -\$146k variance is timing variance that reflects an under allocation at 31 January 2017. It is expected this will correct by end of the financial year.

Loss on Asset Disposals (-\$101K)

- The loss on asset disposals relates to numerous items of plant and equipment sold in the first seven months of the financial year. The loss represents the difference between the book value of the assets and the amounts received in cash for those assets sold. The variance of -\$101k is mostly considered permanent as it relates to items that were either budgeted to be sold at a profit or smaller items that were not budgeted to be sold.

Capital Activity

▪ Capital Revenue

As at 31 January 2017, there is a variance of -36% (-\$15,381K) in total capital revenue, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Transfer from Reserves	-20%	-\$3,650
Transfer from Restricted Assets	-55%	-\$11,564
Proceeds from Sale of Assets	-53%	-\$161
Self-Supporting Loans	-13%	-\$6k

Transfer from Reserves (-\$3,650K)

- Timing difference relating to use of the Civic and Administration Centre Construction Reserve (-\$5,400K). Offset by an increase in use of Infrastructure Asset Renewal Reserve (+\$2,000k) for the same period. These are both timing in nature only.
- Community Development contribution reserve (-\$250K). Budget included \$250k spent on Milne Street Pavilion in November which has not yet occurred. This is timing in nature only and will correct by June 2017.

Transfer from Restricted Assets (-\$11,564K)

- Timing difference relating to use of Airport and Foreshore grants -\$18,000k and -\$3,000k relating to the foreshore works. No impact to net current position.
- Movement of Community and Rec Facilities +\$7,323k, Vasse Diversion Drain +\$383k, Drainage held in Restricted Assets +\$211k, Aged Housing +\$846k from restricted assets into reserves. These movements were budgeted to occur in June 2017 but have occurred in October and are timing in nature only. No impact to net current position.
- Bonds and Deposits (+\$671k) not budgeted. Timing in nature only as held on behalf of other entities and individuals.

Proceeds from Sale of Assets (-\$161K)

- Proceeds from sale of assets, includes timing differences of -\$206k and permanent differences of +\$45k. Of the permanent differences, +\$12k relates to additional funds received for sale of Toyota Prado, +\$12k insurance refund for fibreglass water tank, +\$9k for Kawasaki Mule and the remainder being a number of smaller plant items or differences in budgeted proceeds and actuals proceeds received.
- Capital Expenditure

As at 31 January 2017, there is a variance of 39% (+\$31,311K) in total capital expenditure, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Land and Buildings	+40%	+\$7,028
Plant and Equipment	+48%	+\$662
Furniture and Equipment	+79%	+\$1,017
Infrastructure	+72%	+\$27,152
Transfers to Restricted Assets	-516%	-\$3,737

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

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

All capital expenditure variances are considered to be a timing adjustment at this time, with no impact expected against the net current position.

Transfers to Restricted Assets (-\$3,737K)

The transfers to restricted assets budget comprises an estimation of funds that could potentially be received during the financial year, primarily from developer contributions. Due to the nature of the category, the annual budget allocation is spread evenly throughout the financial year. The performance in this activity does not have any direct impact on the surplus/deficit position, as whilst recognised as operating revenue upon receipt, these funds are subsequently quarantined to restricted assets, essentially offsetting the initial transaction. Furthermore, the transfers to restricted assets category also include the payment of bonds and deposits, where no specific budget allocation is made for these funds.

The unfavourable financial year to date variance of -\$3,737k is primarily attributable to the receipt of Cash in Lieu – Parking -\$80k, Bonds and Deposit -\$173k receipt of interest in excess of budget attributable to the airport grant -\$400k and Unspent Loan funds -\$3,028k.

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 31 January 2017, the value of the City's invested funds totalled \$119.3M, decreasing from \$121.4M as at 1st January. The decrease is due to funds being used for operational purposes, including the Admin Building redevelopment and other major projects.

During the month of January \$6.0M in term deposit funds matured with the deposits closed to meet operational cash requirements.

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 \$3.0M with the funds being held to meet future operational cash requirements.

The RBA left official rates on hold during January and February with future rate movements are unclear at this stage.

Please refer to Attachment B for further information.

CONCLUSION

As at 31 January 2017, the City's financial performance is considered satisfactory. Whilst current variances exist in some operational areas, these are primarily due to timing differences, and if not timing are not material in nature or are transactions that have no direct impact on the Net Current Position. Trends identified that could lead to permanent differences will continue to be monitored in future periods to ensure corrective action is taken in a timely manner if required.

Whilst acknowledging capital is presently tracking below year to date budget estimates, this is also seen to be attributable to timing differences at this time. There continues to be no indication at this time of any material cost overruns on any capital items in this year's budget.

OPTIONS

The Council may determine not to receive the statutory financial activity statement reports.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Reports are received as at the date of the relevant Council meeting

Committee Recommendation and Officer Recommendation

F1703/013

Moved Councillor G Bleechmore, seconded Councillor C Tarbotton

That the Council receives the statutory financial activity statement reports for the period ending 31 January 2017, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 5/0

6.4 BUDGET AMENDMENT REQUEST

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Corporate and Financial Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A Schedule of Requested Budget Amendments March 2017⇒

PRÉCIS

This report seeks recommendation of the Finance Committee to Council for the approval of budget amendments as detailed in the attached “Appendix A Schedule of Requested Budget Amendments”. Adoption of the Officers recommendation will result in an Amended Budgeted Surplus Position of \$0.

BACKGROUND

Council adopted its 2016/2017 Municipal Budget on Thursday 21 July 2016 with a balanced Budget position. On 14 December 2016 Council considered amendments to the Adopted Budget and by Absolute Majority resolved to accept numerous amendments which resulted in an Adopted Surplus position of \$70,982.

Council is now being asked to consider Budget Amendments for the following Key Areas/Projects:

“Busselton Foreshore Site 3 Carpark” project

BACKGROUND

Council received a briefing on 8 February 2017 with respect to the “Busselton Foreshore Site 3 Carpark” project with a proposal to bring forward through central works items due to the pending jetty precinct works removing the carpark from this area and the need to replace this carpark space at foreshore. Council was provided two options for consideration, the first being a traditional kerbed and asphalted carpark and the second being an unreinforced grassed surface.

PLANNED EXPENDITURE ITEMS

Preliminary costings have been undertaken on the various options available and the amount of \$350,000 is sought to undertake the “Busselton Foreshore Site 3 Carpark” project. It is proposed that this expenditure be funded by:

Use of current Surplus Funds	\$70,982
Transfer from the “Community Facilities – Busselton Reserve”	\$180,000
Transfer from the “Infrastructure Development Reserve”	<u>\$99,018</u>
Total	\$350,000

This amount will allow for all options to be finalised with detailed designs, should the full amount not be required than a reduction of the Transfer from the “Infrastructure Development Reserve” would occur. Please note costings of the 8 February 2017 briefing did not include funds for carpark lighting or landscaping surrounding the carpark.

PROPOSED OUTCOME

Provision of additional car parking to facilitate completion of the Busselton foreshore project, by bringing forward this component of works which has previously been identified for construction in the 2017/18 Budget LTFP.

“Closed Circuit Television” project**BACKGROUND**

With the completion of the Skate Park at the Busselton Foreshore Youth area, it has been noted there is an increase in antisocial behavior. As part of the management strategy officers have investigated the use of a Closed Circuit Television (CCTV/Web Cams) implementation to assist as a deterrent and capturing visual record of behaviors/crimes. On Wednesday 22 February Council received a briefing on the potential implementation of a CCTV/Web Cams across the East side of the Foreshore, detailing the type of systems and cost of each section.

During the briefing Councilors indicated they are supportive of a staged approach with the first stage including the Skate Park and Busselton Police Station components, totaling \$62,900.

PLANNED EXPENDITURE ITEMS

To enable the first phase of CCTV deployment capable of integrated expansion into the future where the City sees fit, officers have determined the following items will need to be implemented:

Item	Description	Account	Amount
Skate Park CCTV	Purchase, installation and configuration of Skate Park CCTV/Web Cams system	220-10250-7743-0000	\$53,000
BSN Police Station	Purchase, installation and configuration of Busselton Police Station CCTV monitoring system.	220-10250-7743-0000	\$9,900

It is proposed that this expenditure be funded by:

Transfer from the “Corporate IT System Program Reserve”	<u>\$62,900</u>
Total	\$62,900

PROPOSED OUTCOME

The implementation of a CCTV/Web Cams system at the Skate Park and installing a monitoring station at the Busselton Police Station can assist with the management of opportunistic crimes and general antisocial behavior.

“Contribution Busselton Rotary Club heritage trail” project**BACKGROUND**

In February 2017, The Rotary Club presented to Council a proposal for heritage trail project, commencing at the Busselton foreshore and encompassing twenty (20) significant heritage listed places / buildings of significance in Busselton.

The Rotary Club would like to commence this project in April 2017, which includes the collection and collation of historical stories and photographs and the design, development and installation of interpretative signage and large plaques.

Due to its historical significance, the City would like to contribute towards the project and as such it is proposed that a budget amendment be created within the 2016/17 budget to meet the tight timeframes of project development.

This item simply is requesting that \$7,000 be reallocated from “City's Youth Services - fit out for the Busselton Youth and Communities Activities building” to “Contribution Busselton Rotary Club heritage trail” project; this will have no impact on the Municipal Budget.

PLANNED EXPENDITURE ITEMS

Cash contribution to the Busselton Rotary Club to undertake the “heritage trail” project as described above.

It is proposed that this expenditure be funded by:

A \$7,000 funding allocation has been identified in the 2016/17 budget that will not be spent this financial year. These monies were originally allocated as part of the City's 2016/17 Community bids scheme to the City's Youth Services as a means to provide some fit out for the Busselton Youth and Communities Activities building. As the building will not be completed until late in 2017, these funds can be reallocated as part of the 2017/18 budget development process.

PROPOSED OUTCOME

The Heritage Trail project consists of the collection and collation of historical stories and photographs and the design, development and installation of interpretative signage and large plaques.

“Time to Play” project

BACKGROUND

The purpose of the grant is for the City of Busselton to facilitate the ‘Time to Play’ is an Early Years program specifically targeted to the 5 key development domains of the Australian Early Development Census (AEDC). Funding of \$15,000 has been secured through the Department of Local Government and Communities for Program resources/materials, equipment hire, advertising and marketing and facilitation

PLANNED EXPENDITURE ITEMS

Time to Play program will be implemented via a series of events specifically targeting the Early Years sector (0-6yrs olds) in the Capes region. The program incorporates events and new initiatives to support parents and care givers of children aged 0-6yrs whilst bringing together service providers, agencies and support groups.

PROPOSED OUTCOME

The objective of the program is to collaborate in the development and implementation of a community plan that strategically provides a vision and direction for early years’ service delivery within our community for 12 months and into the future. It is hoped that the initiative and networks established will remain beyond the tenure of the project, supported by the Capes Early Years Network and local governments.

STATUTORY ENVIRONMENT

Section 6.8 of the Local Government Act 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.

FINANCIAL IMPLICATIONS

Budget amendments being sought will result in a decrease of Budget Surplus from \$70,982 to \$0.

Long-term Financial Plan Implications

The Foreshore Car Park project that is the subject of the requested Budget Amendment is currently included in Councils Draft Long Term Financial Plan which was the subject of a workshop with Council held 14 February 2017. Acceptance to bring forward this project will result in amendment to this plan.

STRATEGIC COMMUNITY OBJECTIVES

Well Planned, Vibrant and Active Places

2.1 A City where the community has access to quality cultural, recreation, and leisure facilities and services.

Open and Collaborative Leadership

6.2 Governance systems that deliver responsible, ethical and accountable decision making.

6.3 An organisation that is managed effectively and achieves positive outcomes for the community.

RISK ASSESSMENT

There is a risk to the City, as there is with all projects undertaken, that the final cost could exceed budget. If this looks to be the case Council will be notified so a suitable offset / project scope back can be identified.

CONSULTATION

Council received a briefing on 8 February 2017 with respect to the "Busselton Foreshore Site 3 Carpark" project. Council was provided two options for consideration, the first being a traditional kerbed and asphalted carpark and the second being an unreinforced grassed surface.

The following guidance was given to Officers with respect to this project:

The site 3 carpark to be predominately constructed in a traditional method, being kerbed and asphalted with the southern section to be trialled as a grassed carpark subject to cost benefits being determined. Design to be finalised and signed off by the CEO.

On Wednesday 22 February Council received a briefing on the potential implementation of a CCTV across the East side of the Foreshore, detailing the type of systems and cost of each section.

During the briefing Councilors indicated they are supportive of a staged approach with the first stage including the Skate Park and Busselton Police Station components, totaling \$62,900.

OFFICER COMMENT

The Officer commends these requested Budget Amendments to the Finance Committee for consideration and recommendation to Council.

CONCLUSION

Council’s approval is sought to amend the budget as per the details contained in this report. Upon approval the proposed works will be planned, organised and completed, where works are unable to be completed in the current financial year appropriate carryovers will be included in the Draft 2017/2018 Municipal Budget.

OPTIONS

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

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the Officer Recommendation be endorsed, the associated budget amendment will be processed within a month of being approved.

OFFICER RECOMMENDATION

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Finance Committee recommends to Council endorsement of the Appendix A Schedule of Requested Budget Amendments, resulting in an Amended Budgeted Surplus Position of \$0.

City of Busselton - Appendix A Schedule of Requested Budget Amendments - Finance Committee Meeting 2 March 2017

Item #	Account	Description	Classification	Current Budget	Proposed Amended Budget	Increase Decrease	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comment
1		Original Budgeted Closing Surplus				0	0	0	0	Actual
2		Amended Budget Closing Surplus				0	0	0	0	Actual
54							(a)	(b)	(a) - (b)	
55	Total Amendments Adopted by Council 14 December 2016				Total Change	(70,982)	(10,742,996)	10,672,004	(70,982)	
56		Previous Surplus Position			Original Surplus Position	0				
57		Adopted Amended Surplus Position			Amended Budget Surplus	(70,982)				
Proposed Amendments for Consideration March 2017										
58	New	Busselton Foreshore Site 3 Carpark	Capital Expenditure	0	350,000	350,000	0	350,000	279,018	Project bought forward from 2017/2018
59	Reserve	Transfer from the "Community Facilities – Busselton Reserve"	Transfer from Reserve	0	(180,000)	(180,000)	(180,000)	0	99,018	funding requirement
60	Reserve	Transfer from the "Infrastructure Development Reserve"	Transfer from Reserve	0	(99,018)	(99,018)	(99,018)	0	0	funding requirement
61	220.10250.7743.0000	"Closed Circuit Television" project	Capital Expenditure	0	62,900	62,900	0	62,900	62,900	New Project
62	Reserve	Transfer from the "Corporate IT System Program Reserve"	Transfer from Reserve	0	(62,900)	(62,900)	(62,900)	0	0	funding requirement
63	330.10530.3640.000	Donations, Contributions & Subsidies - Reallocation of funds from "City's Youth Services - fit out for the Busselton Youth and Communities Activities building" to "Contribution Busselton Rotary Club heritage trail" project	Reallocation - Existing Budget	225,000	225,000	0	0	0	0	Reallocation of funds from "City's Youth Services - fit out for the Busselton Youth and Communities Activities building" to "Contribution Busselton Rotary Club heritage trail" project
64	330.1530.3280.9816	Community Services - Contractors	Operating Expenditure		15,000	15,000	0	15,000	15,000	"Time to Play" Early Years program
65	330.1530.1239.9816	Community Services Operating Grants & Subsidies	Operating Income		(15,000)	(15,000)	(15,000)	0	0	Successful Grant secured through the Department of Local Government and Communities
66										
67							(a)	(b)	(a) - (b)	
68					Total Change	(356,918)		427,900	70,982	
69					Current Surplus Position	(70,982)				
70					Proposed Amended Budget Surplus	0				

Note: Councillor Bleechmore proposed an Alternative Recommendation for Committee consideration that would fund the \$99,018 from the "City Car Parking and Access Reserve" as opposed to the "Infrastructure Development Reserve" as recommended by the Officer.

Committee Recommendation**F1703/014**

Moved Councillor G Henley, seconded Councillor G Bleechmore

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Finance Committee recommends to Council endorsement of the Schedule of Requested Budget Amendments, resulting in an Amended Budgeted Surplus Position of \$0.

CARRIED 5/0**BY ABSOLUTE MAJORITY**

COMMITTEE RECOMMENDATION

City of Busselton - Schedule of Requested Budget Amendments - Finance Committee Meeting 2 March 2017

Item #	Account	Description	Classification	Current Budget	Proposed Amended Budget	Increase Decrease	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comment
1		Original Budget Closing Surplus				0	0	0	0	Actual
2		Amended Budget Closing Surplus				0	0	0	0	Actual
54							(a)	(b)	(a)-(b)	
55	Total Amendments Adopted by Council 14 December 2016			Total Change		(70,982)	(10,742,986)	10,672,004	(70,982)	
56	Previous Surplus Position			Original Surplus Position		0				
57	Adopted Amended Surplus Position			Amended Budget Surplus		(70,982)				
Proposed Amendments for Consideration March 2017										
58	New	Busselton Foreshore Site 3 Carpark	Capital Expenditure	0	350,000	350,000	0	350,000	279,018	Project bought forward from 2017/2018
59	Reserve	Transfer from the "Community Facilities – Busselton Reserve"	Transfer from Reserve	0	(180,000)	(180,000)	(180,000)	0	99,018	Funding requirement
60	Reserve	Transfer from the "City Car Parking and Access Reserve"	Transfer from Reserve		(99,018)	(99,018)	(99,018)	0	0	Funding requirement
61	220.10250.7743.000	"Closed Circuit Television" project	Capital Expenditure	0	62,900	62,900	0	62,900	62,900	New Project
62	Reserve	Transfer from the "Corporate IT System Program Reserve"	Transfer from Reserve	0	(62,900)	(62,900)	(62,900)	0	0	Funding requirement
63	330.10530.3640.000	Donations, Contributions & Subsidies - Reallocation of funds from "City's Youth Services - fit out for the Busselton Youth and Communities Activities building" to "Contribution Busselton Rotary Club heritage trail" project	Reallocation - Existing Budget	225,00	225,000	0	0	0	0	Reallocation of funds from "City's Youth Services - fit out for the Busselton Youth and Communities Activities building" to "Contribution Busselton Rotary Club heritage trail" project
64	330.1530.3280.9816	Community Services - Contractors	Operating Expenditure		15,000	15,000	0	15,000	15,000	"Time to Play" Early Years Program
65	330.1530.1239.9816	Community Services Operating Grants & Subsidies	Operating Income		(15,000)	(15,000)	(15,000)	0	0	Successful Grant secured through the Department of Local Government and Communities
66							(a)	(b)	(a)-(b)	
67							(356,918)	427,900	70,982	
68							(70,982)			
69										
70							0			

7. GENERAL DISCUSSION ITEMS

Nil

8. NEXT MEETING DATE

Thursday, 6 April 2017

9. CLOSURE

The meeting closed at 10.46am.

THESE MINUTES CONSISTING OF PAGES 1 TO 21 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON THURSDAY, 6 APRIL 2017.

DATE: _____

PRESIDING MEMBER: _____