

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 20 SEPTEMBER 2018

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MINUTES

MINUTES OF FINANCE COMMITTEE HELD IN COMMITTEE ROOM, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 20 SEPTEMBER 2018 AT 9.30AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 9.30am.

2. ATTENDANCE

Presiding Member:

Cr Paul Carter

Members:

Cr Coralie Tarbotton
Cr John McCallum
Cr Robert Reekie
Cr Ross Paine (Deputy Member)

Officers:

Mr Tony Nottle, Director, Finance and Corporate Services
Miss Kate Dudley, Administration Officer, Governance

Apologies:

Cr Grant Henley

3. PUBLIC QUESTION TIME

Nil

4. DISCLOSURE OF INTERESTS

Nil

5. CONFIRMATION OF MINUTES

5.1 Minutes of the Finance Committee Meeting held 16 August 2018

COMMITTEE DECISION

F1809/056





Moved Councillor J McCallum, seconded Councillor R Reekie

That the Minutes of the Finance Committee Meeting held 16 August 2018 be confirmed as a true and correct record.

CARRIED 5/0

6. REPORTS

6.1 FINANCIAL ACTIVITY STATEMENTS - PERIODS ENDING 31 JULY 2018 AND 31 AUGUST 2018

| | |
|-----------------------------|---|
| SUBJECT INDEX: | Budget Planning and Reporting |
| STRATEGIC OBJECTIVE: | Governance systems, process and practices are responsible, ethical and transparent. |
| BUSINESS UNIT: | Finance and Corporate Services |
| ACTIVITY UNIT: | Financial Services |
| REPORTING OFFICER: | Manager Financial Services - Kim Dolzadelli |
| AUTHORISING OFFICER: | Director Finance and Corporate Services - Tony Nottle |
| VOTING REQUIREMENT: | Simple Majority |
| ATTACHMENTS: | Attachment A Statement of Financial Activity - Period Ending 31 July 2018  |
| | Attachment B Statement of Financial Activity - Period Ending 31 August 2018  |
| | Attachment C Investment Report - Period Ending 31 July 2018  |
| | Attachment D Investment Report - Period Ending 31 August 2018  |

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 July 2018 and 31 August 2018.

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 25 July 2018, the Council adopted (C1807/138) the following material variance reporting threshold for the 2018/19 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 2018/19 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 on a quarterly basis; and*
- *Reporting of variances only applies for amounts greater than \$25,000.”*

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

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

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – ‘Leadership’ and more specifically Community Objective 6.1 - ‘Governance systems, process and practices are responsible, ethical and transparent’.

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 here to:

- 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 July 2018 AND 31 AUGUST 2018

The officer notes the earlier nature of the attached statements of Financial Activity and given this there is only one major variance to report. The major variance is of a timing nature only and will not impact at all on Council's 2018/2019 Budget; specifically the item is "Rates Revenue" which shows a Year to Date Actual of \$5,127 versus a Year to Date Budget of \$47,909,858 as at 31 July 2018. Rates were raised early in the month of August 2018 being the reason for this timing difference, Council has been previously made aware of this as the dates for payment of rates were required to be amended due to unforeseen technology and software issues.

A more comprehensive analysis of the monthly Financial Activity Statement will occur in the coming reporting months.

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 31st August 2018 the value of the City's invested funds totalled \$67.4M, down from \$68.5M as at 31st July. The decrease is due to ongoing standard operational and Airport Development expenses.

During the month of August six term deposits held with three different institutions totalling \$16.5M matured. All were renewed for a further 172 days at 2.68% (on average).

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 \$2.5M as rate funds began to flow late in the month.

The balance of the Airport Development ANZ cash account decreased by \$3.65M over the month. This decrease was due in part to the completion of budgeted transfers to the city's Reserve accounts totalling \$2.36M and the withdrawal of \$1.29M to meet ongoing expenses.

The RBA left official rates on hold during August and September. Future movements remain uncertain at this point, although the next movement is likely to be up but not in the immediate future.

Chief Executive Officer – Corporate Credit Card

Details of monthly (May to June) 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 |
|-------------|---------------|---------------------------------|---|
| 28-Jun-18 | \$70.40 | Urban Coffee House | Morning Tea CEO & Irrigation Team |
| 03-Jul-18 | \$223.08 | Mounts Bay Waters Apartments | Accomm: Consul Gen USA Visit (Mayor Henley) |
| 10-Jul-18 | \$993.84 | Naturaliste Travel | Flights To Canberra (Mayor Henley) |
| 10-Jul-18 | \$993.84 | Naturaliste Travel | Flights To Canberra (Mike Archer) |
| 18-Jul-18 | \$50.00 | WALGA | Breakfast Forum: Beneficial Enterprises |
| 20-Jul-18 | \$82.00 | Boyanup Tavern | Farewell Lunch for CEO Michael Parker |
| 28-Jul-18 | \$30.24 | Wilson Parking Perth | Parking LG Week AGM |
| 28-Jul-18 | \$199.98 | Citadines | Accomm: LG Week |
| 01-Aug-18 | \$190.89 | Citadines | Accomm: LG Week |
| 02-Aug-18 | \$30.24 | Wilson Parking, Perth | Parking LG Week AGM |
| 09-Aug-18 | \$6,289.23 | PDQ.com | Renew PDQ Licenses |
| 14-Aug-18 | \$31.40 | Aerial Transport Fyshwick | Taxis - Canberra Ministerial Trip |
| 14-Aug-18 | \$156.53 | Perth Valet Parking | Parking - Canberra Ministerial Trip |
| 14-Aug-18 | -\$45.45 | Perth Valet Parking | Refund - Parking |
| 15-Aug-18 | \$14.20 | Nookie Coffee & Kitchen | Meals - Canberra Ministerial Trip |
| 15-Aug-18 | \$16.69 | Mpay.Com Smartcab, Hamilton | Taxis - Canberra Ministerial Trip |
| 15-Aug-18 | \$54.00 | Mocan Green Grout Canberra | Meals - Canberra Ministerial Trip |
| 15-Aug-18 | \$17.01 | Aerial Transport Fyshwick | Taxis - Canberra Ministerial Trip |
| 15-Aug-18 | \$21.32 | Aerial Transport Fyshwick | Taxis - Canberra Ministerial Trip |
| 15-Aug-18 | \$20.79 | Aerial Transport Fyshwick | Taxis - Canberra Ministerial Trip |
| 15-Aug-18 | \$121.90 | Portia's Place Kingston | Meals - Canberra Ministerial Trip |
| 15-Aug-18 | \$121.90 | Portia's Place Kingston | Meals - Canberra Ministerial Trip |
| 16-Aug-18 | \$22.89 | Mpay.Com Smartcab, Hamilton | Taxis - Canberra Ministerial Trip |
| 16-Aug-18 | \$16.20 | Dep Parl SVCS | Meals - Canberra Ministerial Trip |
| 16-Aug-18 | \$16.28 | Aerial Transport Fyshwick | Taxis - Canberra Ministerial Trip |
| 16-Aug-18 | \$27.93 | Aerial Transport Fyshwick | Taxis - Canberra Ministerial Trip |
| 16-Aug-18 | \$12.18 | Aerial Transport Fyshwick | Taxis - Canberra Ministerial Trip |
| 16-Aug-18 | \$32.45 | Aerial Transport Fyshwick | Taxis - Canberra Ministerial Trip |
| 16-Aug-18 | \$48.00 | Emirates Leisure | Drinks - Canberra Ministerial Trip |
| 16-Aug-18 | \$573.38 | Peppers Gallery Hotel, Canberra | Accom: Canberra Ministerial Trip |
| 16-Aug-18 | \$577.87 | Peppers Gallery Hotel, Canberra | Accom: Canberra Ministerial Trip |
| 16-Aug-18 | \$673.20 | Peppers Gallery Hotel, Canberra | Accom: Canberra Ministerial Trip |
| 16-Aug-18 | \$100.52 | Peppers Gallery Hotel, Canberra | Meals - Canberra Ministerial Trip |
| 16-Aug-18 | \$44.50 | The DOCL Kingston | Meals - Canberra Ministerial Trip |

**Funds debited against CEO Annual Professional Development Allowance as per employment Contract Agreement
+ Allocated against CEO Hospitality Expenses Allowance*

CONCLUSION

As at 31 July 2018 and 31 August 2018, the City's financial performance is considered satisfactory noting the timing difference with respect to Rate Revenue.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION



F1809/057 Moved Councillor C Tarbotton , seconded Councillor J McCallum

That the Council receives the statutory financial activity statement reports for the period ending 31 July 2018 and 31 August 2018, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 5/0

Note: Further details to be provided by the Director of Finance and Corporate Services on the PDQ.com - Renew PDQ Licenses purchase on the CEO credit card.

6.2 LIST OF PAYMENTS MADE JULY 2018 AND AUGUST 2018

| | |
|-----------------------------|---|
| SUBJECT INDEX: | Financial Operations |
| STRATEGIC OBJECTIVE: | Governance systems, process and practices are responsible, ethical and transparent. |
| BUSINESS UNIT: | Finance and Corporate Services |
| ACTIVITY UNIT: | Financial Services |
| REPORTING OFFICER: | Manager Financial Services - Kim Dolzadelli |
| AUTHORISING OFFICER: | Director Finance and Corporate Services - Tony Nottle |
| VOTING REQUIREMENT: | Simple Majority |
| ATTACHMENTS: | Attachment A List of Payments - Period Ended 31 July 2018  |
| | Attachment B List of Payments - Period Ended 31 August 2018  |

PRÉCIS

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

BACKGROUND

The Local Government (Financial Management) Regulations 1996 (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 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.

Long-term Financial Plan Implications

Not Applicable

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – 'Leadership' and more specifically Community Objective 6.1 - 'Governance systems, process and practices are responsible, ethical and transparent'.

RISK ASSESSMENT

Not Applicable.

CONSULTATION

Not Applicable.

OFFICER COMMENT

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

CONCLUSION

The list of payments made for the month of July 2018 and August 2018 is presented for information.

OPTIONS

Not Applicable.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not Applicable.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1809/058 Moved Councillor R Paine, seconded Councillor C Tarbotton

That the Council notes payment of voucher numbers M115892 – M116106, EF059702 – EF060661 T007406 – T007408, and DD003511 – DD003557; together totalling \$16,024,423.2.

CARRIED 5/0

Note: Further details to be provided by the Director of Finance and Corporate Services on purchase reference EF059709 and EF059782.

6.3 BUDGET AMENDMENT REQUEST / REVIEW

| | |
|-----------------------------|---|
| SUBJECT INDEX: | Budget Planning and Reporting |
| STRATEGIC OBJECTIVE: | Governance systems, process and practices are responsible, ethical and transparent. |
| BUSINESS UNIT: | Finance and Corporate Services |
| ACTIVITY UNIT: | Finance and Corporate Services |
| REPORTING OFFICER: | Manager Financial Services - Kim Dolzadelli |
| AUTHORISING OFFICER: | Director Finance and Corporate Services - Tony Nottle |
| VOTING REQUIREMENT: | Absolute Majority |
| ATTACHMENTS: | Nil |

PRÉCIS

This report seeks recommendation of the Finance Committee to Council for the approval of budget amendments as detailed in this report. Adoption of the Officers recommendation will result in no change to the City's current amended budgeted surplus position of \$0.

BACKGROUND

Council adopted its 2018/2019 municipal budget on Wednesday, 25 July 2018 with a balanced budget position.

Since this time Council has been advised of certain funding changes that have positively impacted the original budget and Council is now being asked to consider budget amendments for the following key areas/projects:

1. Busselton Foreshore Jetty Precinct,
2. Coastal Adaption and Protection Grants,
3. Data Communications and Software Licencing,
4. Department of Fire and Emergency Services Grants,
5. Financial Assistance Grants and Busselton Jetty Incorporated Contribution,
6. Keep Australia Beautiful WA Grant,
7. Busselton-Margaret River Airport Development Project,
8. Public Art Reserve Vasse Precinct Artworks, and
9. Main Roads WA Direct Grant.

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 no change to Council's budget surplus position of \$0.

LONG TERM FINANCIAL PLAN IMPLICATIONS

There are no Long Term Financial Plan implications in relation to this item.

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – ‘Leadership’ and more specifically Community Objective 6.1 - ‘Governance systems, process and practices are responsible, ethical and transparent’.

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

Consultation has occurred with the appropriate Council officers.

OFFICER COMMENT

The Officer commends the following requested budget amendments to the Finance Committee for consideration and recommendation to Council.

1. “Busselton Foreshore Jetty Precinct”

The Busselton Foreshore Stage 3 (C3094) works project is nearing completion, and it would be beneficial to move the “surplus” budget to the Busselton Foreshore Jetty Precinct project (C3168).

These funds have already been allocated throughout activities in the C3168 project (in previous financial years) which include the Adventure Playspace and development of seasonal stalls.

Planned Expenditure Items

The following amendments shown below in Table 1 are being sought for approval.

Table 1:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|--------------------|------------------------------------|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| C3168 | Busselton Foreshore Jetty Precinct | 1,578,544 | 66,965 | 1,645,509 |
| C3094 | Busselton Foreshore Stage 3 | 287,637 | -66,965 | 220,672 |
| | Net Total | 1,866,181 | 0 | 1,866,181 |

Proposed Outcome

The proposed amendment will enable the Major Projects team to make use of all available funds to complete the Busselton Foreshore Jetty Precinct project within Budget.

2. “Coastal Adaption and Protection Grants”

The Department of Transport’s Coastal Adaptation and Protection (CAP) Grants provides financial assistance for local projects that identify and manage coastal hazards.

The program seeks to preserve and enhance coastal assets for the general public, building partnerships with local coastal managers, and helping them understand and adapt to coastal hazards.

The timing of these grants does not coincide with the City's annual budget process, therefore at the time of development of the City's budget these projects are excluded as the pool of money available from this scheme is shared amongst the entire State.

The funding pool for the 2018/19 FY was \$1,056,540.

The City has received funding for the projects listed below, that will have to be funded dollar for dollar. It is proposed that the matching funding be transferred from the Climate Adaptation Reserve.

| Project | Description | Grant |
|--|--|-----------|
| Beach monitoring (year 6) | Collection of beach profile surveys, aerial photos and site photos at Geographe Bay. | \$26,000 |
| Sand nourishment (year 6) | Sand nourishment along Geographe Bay. | \$55,000 |
| Maintenance of Craig Street groyne and seawall | Maintenance of Craig Street coastal protection structure. | \$125,000 |
| Broadwater Adaptation Beach Coastal | Relocation of vulnerable public assets and shoreline stabilisation investigation. | \$75,000 |

Planned Expenditure Items

The following amendments shown below in Table 2 are being sought for approval.

Table 2:

| Cost Code | Description | Current Budget | Change | Proposed Amended Budget |
|----------------------------|---|----------------|----------|-------------------------|
| Income | | | | |
| 510-C2512-1215-0000 | Sand Re - Nourishment Capital Grant | 0 | (55,000) | (55,000) |
| Climate Adaptation Reserve | Sand Re - Nourishment Equity | (118,410) | 0 | (118,410) |
| Expenditure | | | | |
| 510-C2512-3260-0000 | Sand Re - Nourishment Consultancy | 5,130 | 0 | 5,130 |
| 510-C2512-3280-0000 | Sand Re - Nourishment Contractors | 113,280 | 55,000 | 168,280 |
| Income | | | | |
| 510-11101-1239-9791 | Beach Monitoring Non Capital Grant | 0 | (26,000) | (26,000) |
| Climate Adaptation Reserve | Beach Monitoring Equity | 0 | (26,000) | (26,000) |
| Expenditure | | | | |
| 510-11101-3280-9791 | Beach Monitoring Contractors | 0 | 52,000 | 52,000 |
| Income | | | | |
| 510-C2523-1215-0000 | Broadwater Beach Coastal Adaptation Cap Grant | 0 | (75,000) | (75,000) |
| Climate Adaptation Reserve | Broadwater Beach Coastal Adaptation Equity | 0 | (75,000) | (75,000) |

| | | | | |
|----------------------------|--|---|-----------|-----------|
| Expenditure | | | | |
| 510-C2523-3260-0000 | Broadwater Beach Coastal Adaptation Consultant | 0 | 10,000 | 10,000 |
| 510-C2523-3280-0000 | Broadwater Beach Coastal Adaptation Contractors | 0 | 140,000 | 140,000 |
| Income | | | | |
| 510-C2528-1215-0000 | Maintenance of Craig Street Groyne and Seawall Grant | 0 | (125,000) | (125,000) |
| Climate Adaptation Reserve | Maintenance of Craig Street Groyne and Seawall Equity | 0 | (125,000) | (125,000) |
| Expenditure | | | | |
| 510-C2528-3260-0000 | Maintenance of Craig Street Groyne and Seawall Consultancy | 0 | 15,000 | 15,000 |
| 510-C2528-3280-0000 | Maintenance of Craig Street Groyne and Seawall Contractors | 0 | 235,000 | 235,000 |
| | Net Total | 0 | 0 | 0 |

Proposed Outcome

The program seeks to preserve and enhance coastal assets for the general public, building partnerships with local coastal managers, and helping them understand and adapt to coastal hazards.

3. "Data Communications and Software Licencing"

As part of the infrastructure works undertaken for the implementation of the public WiFi on the Busselton Foreshore and surrounds, officers were able to also extend the City's optic fibre network into the Youth and Community Activities Building (YCAB). During the budget development process it was originally intended for the YCAB to utilise high speed internet services and \$12,000 Ex GST was included in the operational budget for this purpose.

Recently the City's engineering and design teams have identified a number of specialist software items, which were not available or known about in the lead up to the budget adoption process. Items include additional AutoCad licences, specialist flood modelling software and various other related components, at an estimated cost of \$11,000 Ex GST per annum.

Planned Expenditure Items

This item requests some of the anticipated savings from the cancellation of the internet service at the YCAB be transferred to the information technology software licencing budget. The budget allocation of \$11,000 Ex GST will be utilised for the provision of specialist software items required by the engineering and design team.

The following amendments shown below in Table 3 are being sought for approval.

Table 3:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|--------------------|----------------------------|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| 330-B1361-3296 | Data Communication Costs | 21,860 | (11,000) | 10,860 |
| 220-10251-3291 | Computer Software Licenses | 332,856 | 11,000 | 343,856 |
| | Net Total | 354,716 | 0 | 354,716 |

Proposed Outcome

The proposed amendment will bring efficiency to filed work undertaken by the Engineering Works and Services team.

4. “Department of Fire and Emergency Services (DFES) Grants”

In March of 2018 the City of Busselton applied to DFES for Capital grants monies to continue existing projects or for additional building requirements for the City’s bush fire brigades.

On the 31st July the City received notification from DFES the grants as per the below table were successfully received.

As per the 2018/19 adopted budget the only funding coming from council funds in \$40,745 with the remaining \$407,503 coming from the DFES ESL capital grants program.

Additionally the City has also received notification that there will possibly be five vehicle changeovers to occur in this financial year with the indicated value place in the table below.

Planned Expenditure Items

The building of a new fire station for the Ambergate Volunteer Bush Fire Brigade as per RFT 06/18.

The addition of a training and meeting room at the current Hithergreen Volunteer Bush Fire Brigade station to facilitate the ongoing training requirements of the brigade.

The provision of new concrete aprons to the Sussex and Vasse fire stations to improve the safety of volunteers during training and cleaning of equipment.

The following amendments shown below in Table 4 are being sought for approval.

Table 4:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|---|---|-----------------------|---------------|--------------------------------|
| Revenue | | | | |
| Non-Operating Grants, Subsidies & Contributions | Fire Prevention DFES | | | |
| 441-B9112-1215-0000 | Ambergate Fire Station Construction | -123,307 | -198,000 | -321,307 |
| 441-B9109-3280-0000 | Hithergreen Fire Station training room addition | 0 | -68,886 | -68,886 |
| 441-B9113-3280-0000 | Sussex concrete apron | 0 | -8,655 | -8,655 |
| 441-B9114-3280-0000 | Vasse concrete apron | 0 | -8,655 | -8,655 |
| Donated Assets | Fire Prevention DFES | | | |
| 441-B1026-1270-0000 | Yallingup Rural BFB replacement vehicle | 0 | -597,600 | -597,600 |
| 441-B1015-1270-0000 | Hithergreen BFB replacement vehicle | 0 | -465,200 | -465,200 |
| 441-B1013-1270-0000 | Dunsborough BFB replacement vehicle | 0 | -178,300 | -178,300 |
| 441-B1024-1270-0000 | Wilyabrup BFB replacement vehicle | 0 | -178,300 | -178,300 |
| 441-B1029-1270-0000 | SES replacement vehicle | 0 | -97,200 | -97,200 |
| | | | | |

| Expenditure | | | | |
|---------------------|---|---------|---------|---------|
| 441-B9112-3280-0000 | Contractors (Inc Contract Staff) | 164,052 | 198,000 | 362,052 |
| 441-B9109-3280-0000 | Contractors (Inc Contract Staff) | 0 | 68,886 | 68,886 |
| 441-B9113-3280-0000 | Contractors (Inc Contract Staff) | 0 | 8,655 | 8,655 |
| 441-B9114-3280-0000 | Contractors (Inc Contract Staff) | 0 | 8,655 | 8,655 |
| 441-B1026-7723-0000 | Yallingup Rural BFB replacement vehicle | 0 | 597,600 | 597,600 |
| 441-B1015-7723-0000 | Hithergreen BFB replacement vehicle | 0 | 465,200 | 465,200 |
| 441-B1013-7723-0000 | Dunsborough BFB replacement vehicle | 0 | 178,300 | 178,300 |
| 441-B1024-7723-0000 | Wilyabrup BFB replacement vehicle | 0 | 178,300 | 178,300 |
| 441-B1029-7723-0000 | SES replacement vehicle | 0 | 97,200 | 97,200 |
| | Net Total | 40,745 | 0 | 40,745 |

Proposed Outcome

Construction of the new Ambergate fire station and upgrades to Hithergreen, Vasse and Sussex stations with no any additional council funding being required. Replacement of vehicles that are at end of their serviceable life.

5. "Financial Assistance Grants and Busselton Jetty Incorporated Contribution"

Financial Assistance Grants

On 24th August 2018 the City of Busselton received advise of the Final Financial Assistance Grants it would be receiving for the 2018/2019 Financial Year with a better than anticipate outcome resulting in \$48,968 additional funding compared to adopted budget.

Busselton Jetty Incorporated Contribution

On the 2 May 2018 Councillors received a briefing on behalf of Busselton Jetty Inc., Chief Executive Officer Lisa Shrieve and Deputy Chair Stephen Gaebler. As part of this briefing Council was informed of a proposal to undertake a sea container project at the end of the Jetty to address demand for increased services such as food and beverage, virtual reality goggles and a chocolate, wine and cheese bar. The anticipated costs were approximately \$600,000 and an application to the Building Better Regions Fund had been lodged on 17 December 2017. It is understood that the original budget cost for the project have increased to approximately \$900,000

The Busselton Jetty Inc. have been successful in obtaining the grant from the Building Better Regions Fund and are requesting the City contribute to the project an amount of \$25,000 towards the overall cost of the project.

At this briefing Councillors gave "in-principle" support to the proposal and also acknowledged the project would result in an ongoing higher level of contribution to the "Jetty Maintenance Reserve". This higher level of contribution by Busselton Jetty Inc. will in turn reduce the level of contribution to the Jetty Maintenance Reserve required by the City of Busselton.

Planned Expenditure Items

The following proposal is to recognise the additional Financial Assistance Grants of \$48,968, increase the budget contingency holding account by \$23,968 and allow for a contribution of \$25,000 to Busselton Jetty Inc. to be utilised towards the sea container project.

The following amendments shown below in Table 5 are being sought for approval.

Table 5:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|---------------------|---|-----------------------|---------------|--------------------------------|
| Income | | | | |
| 210-10152-1250-0000 | Grants Commission - General Purpose Grant | -364,790 | -50,019 | -414,809 |
| 210-10152-1250-0000 | Grants Commission - Local Roads Grant | -670,544 | 1,051 | -669,493 |
| Expenditure | | | | |
| 100-10001-3680-0000 | Budget Surplus Contingency Holding Account | 50,000 | 23,968 | 73,968 |
| New | Contribution to Busselton Jetty Inc - Sea Container Project | 0 | 25,000 | 25,000 |
| Net Total | | -985,334 | 0 | -985,334 |

Proposed Outcome

Recognition of additional income and a contribution of \$25,000 to Busselton Jetty Inc. for the sea container project.

6. "Keep Australia Beautiful WA Grant"

The City has secured a grant for \$8,414 excluding GST from Keep Australia Beautiful WA for a project – "Southwest Coastal Litter Signage and Campaign". This project will address the problem of litter in the South West coastal environment.

Planned Expenditure Items

The project will see the creation and instalment of permanent interpretive signage at four coastal locations in the City of Busselton which provide information about the effect our litter can have on the marine environment and will ask visitors to either dispose of their rubbish in the bin/s provided or take their rubbish home with them (depending on the location and whether bins are present).

Along with the launch of the signs, the City of Busselton will run a general campaign bringing awareness to the impact litter can have on marine life and encourage the community to not only refrain from littering, but pick up litter found in our environment and properly dispose of it. This general campaign will be promoted via social media and banners targeting residents and visitors to the South West of WA.

The following amendments shown below in Table 6 are being sought for approval.

Table 6:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|---------------------|--|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| 524-11300-3280-1103 | Contractors including Staff | 0 | 8,414 | 8,414 |
| Income | | | | |
| 524-11300-1239-1103 | Grant from KAB WA for South West Coastal Litter Signage and Campaign | 0 | (8,414) | (8,414) |
| Net Total | | 0 | 0 | 0 |

Proposed Outcome

The project aims to reduce the amount of litter left in our natural coastal environment.

7. “Busselton-Margaret River Airport Development Project”

The City is funding the upgrade to Neville Hyder Drive as part of the City’s leveraged funding commitment under the State Government’s funding agreement for development of the Busselton-Margaret River Airport. To enable accurate record keeping for the Busselton-Margaret River Airport Development Project a budget amendment is requested to transfer the funds from the Road Asset Renewal Reserve to the Development Project budget.

Planned Expenditure Items

The Neville Hyder Drive upgrade is scheduled for completion in 2018/2019 and the budget is expected to be fully expended.

The following amendments shown below in Table 7 are being sought for approval.

Table 7:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|--------------------|---|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| 5441-W0222-3280 | Road Asset Renewal Reserve – Neville Hyder Drive | 287,000 | -287,000 | 0 |
| 345-W0222-3280 | Airport Development - Neville Hyder Drive Upgrade | 0 | 287,000 | 287,000 |
| Net Total | | \$287,000 | 0 | \$287,000 |

Proposed Outcome

Formal budget transfer for the upgrade works to Neville Hyder Drive and accurate record keeping with regard to the Busselton-Margaret River Airport Development Project.

8. “Public Art Reserve Vasse Precinct Artworks”

A budget amendment is being requested to transfer funds from Public Art Reserve to Cultural Planning to fund committed artworks in the Vasse Precinct. Quotes for the artworks and consultancy fee were underway at budget preparation time when final costs were unknown. Artworks have now been commissioned by the City through a consultant and are specific to the Vasse Precinct.

Planned Expenditure Items

The 2018/19 Public Art Reserve Fund closing balance is \$106,685. The current 2018/19 budget provision for contractors supplying the artworks in the Vasse Precinct is \$71,000, additional funding of \$24,185 is required to meet financial commitments for the final third artwork and remaining consultant fee.

The following amendments shown below in Table 8 are being sought for approval.

Table 8:

| <i>Cost Code</i> | <i>Description</i> | <i>Current Budget</i> | <i>Change</i> | <i>Proposed Amended Budget</i> |
|--|-------------------------|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| 330 10900 3280 000 | Contractors | 148,100 | 24,185 | 172,285 |
| Income | | | | |
| Public Art Reserve Fund 341-Vasse Public Art | Percent for Art Reserve | 106,685 | -24,185 | 82,500 |
| Net Total | | 254,785 | | 254,785 |

Proposed Outcome

Increased expenditure in the Vasse Precinct through the Percent for Art cash in lieu contributions, enabling completion of the third artwork.

9. “Main Roads WA Direct Grant”

Advice has been received by Main Roads WA (MRWA) that direct grant funding levels have been reinstated following reduction in the 2017/2018 financial year allocations by the State Government for Budget repair purposes. In 2017/2018 the City of Busselton’s allocation was reduced by \$142,455.

In preparing the 2018/2019 Budget officer had no indication that the 2017/2018 reduction would be reinstated and hence budgeted for \$202,000.

MRWA have advised that the actual Direct Grant to be received by the City is \$329,893 being \$127,893 more than Budgeted.

Officers note the extensive damage caused by the storm event that occurred on 5 June 2018 and with respect to rural road infrastructure there are in the order of 640 sites where trees have been knocked down from the strong winds.

City officers are still attempting to get the event declared under the new Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) program rules that have been significantly tightened in response to a Federal Government’s Productivity Review into the extent of previous year claims.

What we do know under the stricter WANDRRA arrangements is that;

- Trees that fell exclusively on verges (not across the road), and
- Those that fell from our road verges onto private property will not be funded under the arrangements.

Planned Expenditure Items

Officers propose that the additional MRWA Direct Grant Funds of \$127,893 be allocated to assist with the continued clean-up of storm related damage.

The following amendments shown below in Table 9 are being sought for approval.

Table 9:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|---------------------|-------------------------|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| 541-M9970-3280-0000 | Contractors | 0 | 127,893 | 127,893 |
| | | | | |
| Income | | | | |
| 541-M9970-1230-000 | Main Roads Direct Grant | 0 | -127,893 | -127,893 |
| Net Total | | 0 | 0 | 0 |

Proposed Outcome

Address the extensive damage caused by the storm event that occurred on 5 June 2018.

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.

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.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1809/059 Moved Councillor J McCallum, seconded Councillor R Reekie

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That Council endorse the Requested Budget Amendments outlined in tables 1 to 9 below, resulting in no change to an Amended Budgeted Surplus Position of \$0.

Table 1:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|--------------------|------------------------------------|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| C3168 | Busselton Foreshore Jetty Precinct | 1,578,544 | 66,965 | 1,645,509 |
| C3094 | Busselton Foreshore Stage 3 | 287,637 | -66,965 | 220,672 |
| Net Total | | 1,866,181 | 0 | 1,866,181 |

Table 2:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|----------------------------|--|-----------------------|---------------|--------------------------------|
| Income | | | | |
| 510-C2512-1215-0000 | Sand Re - Nourishment Capital Grant | 0 | (55,000) | (55,000) |
| Climate Adaptation Reserve | Sand Re - Nourishment Equity | (118,410) | 0 | (118,410) |
| Expenditure | | | | |
| 510-C2512-3260-0000 | Sand Re - Nourishment Consultancy | 5,130 | 0 | 5,130 |
| 510-C2512-3280-0000 | Sand Re - Nourishment Contractors | 113,280 | 55,000 | 168,280 |
| Income | | | | |
| 510-11101-1239-9791 | Beach Monitoring Non Capital Grant | 0 | (26,000) | (26,000) |
| Climate Adaptation Reserve | Beach Monitoring Equity | 0 | (26,000) | (26,000) |
| Expenditure | | | | |
| 510-11101-3280-9791 | Beach Monitoring Contractors | 0 | 52,000 | 52,000 |
| Income | | | | |
| 510-C2523-1215-0000 | Broadwater Beach Coastal Adaptation Cap Grant | 0 | (75,000) | (75,000) |
| Climate Adaptation Reserve | Broadwater Beach Coastal Adaptation Equity | 0 | (75,000) | (75,000) |
| Expenditure | | | | |
| 510-C2523-3260-0000 | Broadwater Beach Coastal Adaptation Consultant | 0 | 10,000 | 10,000 |
| 510-C2523-3280-0000 | Broadwater Beach Coastal Adaptation Contractors | 0 | 140,000 | 140,000 |
| Income | | | | |
| 510-C2528-1215-0000 | Maintenance of Craig Street Groyne and Seawall Grant | 0 | (125,000) | (125,000) |
| Climate Adaptation Reserve | Maintenance of Craig Street Groyne and Seawall Equity | 0 | (125,000) | (125,000) |
| Expenditure | | | | |
| 510-C2528-3260-0000 | Maintenance of Craig Street Groyne and Seawall Consultancy | 0 | 15,000 | 15,000 |
| 510-C2528-3280-0000 | Maintenance of Craig Street Groyne and Seawall Contractors | 0 | 235,000 | 235,000 |
| | Net Total | 0 | 0 | 0 |

Table 3:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|--------------------|----------------------------|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| 330-B1361-3296 | Data Communication Costs | 21,860 | (11,000) | 10,860 |
| 220-10251-3291 | Computer Software Licenses | 332,856 | 11,000 | 343,856 |
| Net Total | | 354,716 | 0 | 354,716 |

Table 4:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|---|---|-----------------------|---------------|--------------------------------|
| Revenue | | | | |
| Non-Operating Grants, Subsidies & Contributions | Fire Prevention DFES | | | |
| 441-B9112-1215-0000 | Ambergate Fire Station Construction | -123,307 | -198,000 | -321,307 |
| 441-B9109-3280-0000 | Hithergreen Fire Station training room addition | 0 | -68,886 | -68,886 |
| 441-B9113-3280-0000 | Sussex concrete apron | 0 | -8,655 | -8,655 |
| 441-B9114-3280-0000 | Vasse concrete apron | 0 | -8,655 | -8,655 |
| Donated Assets | Fire Prevention DFES | | | |
| 441-B1026-1270-0000 | Yallingup Rural BFB replacement vehicle | 0 | -597,600 | -597,600 |
| 441-B1015-1270-0000 | Hithergreen BFB replacement vehicle | 0 | -465,200 | -465,200 |
| 441-B1013-1270-0000 | Dunsborough BFB replacement vehicle | 0 | -178,300 | -178,300 |
| 441-B1024-1270-0000 | Wilyabrup BFB replacement vehicle | 0 | -178,300 | -178,300 |
| 441-B1029-1270-0000 | SES replacement vehicle | 0 | -97,200 | -97,200 |
| | | | | |
| Expenditure | | | | |
| 441-B9112-3280-0000 | Contractors (Inc Contract Staff) | 164,052 | 198,000 | 362,052 |
| 441-B9109-3280-0000 | Contractors (Inc Contract Staff) | 0 | 68,886 | 68,886 |
| 441-B9113-3280-0000 | Contractors (Inc Contract Staff) | 0 | 8,655 | 8,655 |
| 441-B9114-3280-0000 | Contractors (Inc Contract Staff) | 0 | 8,655 | 8,655 |
| 441-B1026-7723-0000 | Yallingup Rural BFB replacement vehicle | 0 | 597,600 | 597,600 |
| 441-B1015-7723-0000 | Hithergreen BFB replacement vehicle | 0 | 465,200 | 465,200 |
| 441-B1013-7723-0000 | Dunsborough BFB replacement vehicle | 0 | 178,300 | 178,300 |
| 441-B1024-7723-0000 | Wilyabrup BFB replacement vehicle | 0 | 178,300 | 178,300 |
| 441-B1029-7723-0000 | SES replacement vehicle | 0 | 97,200 | 97,200 |
| Net Total | | 40,745 | 0 | 40,745 |

Table 5:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|---------------------|---|-----------------------|---------------|--------------------------------|
| Income | | | | |
| 210-10152-1250-0000 | Grants Commission - General Purpose Grant | -364,790 | -50,019 | -414,809 |
| 210-10152-1250-0000 | Grants Commission - Local Roads Grant | -670,544 | 1,051 | -669,493 |
| Expenditure | | | | |
| 100-10001-3680-0000 | Budget Surplus Contingency Holding Account | 50,000 | 23,968 | 73,968 |
| New | Contribution to Busselton Jetty Inc - Sea Container Project | 0 | 25,000 | 25,000 |
| Net Total | | -985,334 | 0 | -985,334 |

Table 6:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|---------------------|--|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| 524-11300-3280-1103 | Contractors including Staff | 0 | 8,414 | 8,414 |
| Income | | | | |
| 524-11300-1239-1103 | Grant from KAB WA for South West Coastal Litter Signage and Campaign | 0 | (8,414) | (8,414) |
| Net Total | | 0 | 0 | 0 |

Table 7:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|--------------------|---|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| 5441-W0222-3280 | Road Asset Renewal Reserve – Neville Hyder Drive | 287,000 | -287,000 | 0 |
| 345-W0222-3280 | Airport Development - Neville Hyder Drive Upgrade | 0 | 287,000 | 287,000 |
| Net Total | | \$287,000 | 0 | \$287,000 |

Table 8:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|--|-------------------------|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| 330 10900 3280 000 | Contractors | 148,100 | 24,185 | 172,285 |
| Income | | | | |
| Public Art Reserve Fund 341-Vasse Public Art | Percent for Art Reserve | 106,685 | -24,185 | 82,500 |
| Net Total | | 254,785 | | 254,785 |

Table 9:

| <i>Cost Code</i> | <i>Description</i> | Current Budget | Change | Proposed Amended Budget |
|---------------------|-------------------------|-----------------------|---------------|--------------------------------|
| Expenditure | | | | |
| 541-M9970-3280-0000 | Contractors | 0 | 127,893 | 127,893 |
| Income | | | | |
| 541-M9970-1230-000 | Main Roads Direct Grant | 0 | -127,893 | -127,893 |
| Net Total | | 0 | 0 | 0 |

CARRIED 5/0

7. GENERAL DISCUSSION ITEMS

Nil

8. NEXT MEETING DATE

Thursday, 18 October 2018

9. CLOSURE

The meeting closed at 9.56am.

THESE MINUTES CONSISTING OF PAGES 1 TO 24 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON THURSDAY, 18 OCTOBER 2018.

DATE: _____ PRESIDING MEMBER: _____