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true record of proceedings

CITY OF BUSSELTON

MINUTES FOR THE FINANCE COMMITTEE MEETING HELD ON 2 NOVEMBER 2017

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MINUTES

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COMMITTEE ROOM, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 2 NOVEMBER 2017 AT 9.30AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Director, Finance and Corporate Services opened the meeting at 9.30am.

2. ATTENDANCE

Presiding Member:

Mr Cliff Frewing, Director,
Finance and Corporate Services
(Until 9.36am)
Cr Paul Carter (from 9.36am)

Members:

Cr Grant Henley
Cr John McCallum
Cr Robert Reekie
Cr Coralie Tarbotton (Apology for late arrival 9.36am)

Observer:

Cr Kelly Hick (from 9.36am)

Officers:

Mr Mike Archer, Chief Executive Officer (Arrived at 9.40am)
Mr Cliff Frewing, Director, Finance and Corporate Services
Mr Kim Dolzadelli, Manager, Financial Services
Mr Dan Hall, Asset Coordinator (Left the meeting at 9.50am)

ELECTION OF A PRESIDING MEMBER

Conducted by the Director, Finance and Corporate Services as a delegated representative of the Chief Executive Officer.

Councillor Carter was nominated for the position by Councillor McCallum and the nomination was accepted by Councillor Carter. There being no further nominations, Councillor Carter was elected as Presiding Member.

CARRIED 4/0

9.36am Cr Paul Carter was declared elected to the position of Presiding Member and assumed Chairmanship of the meeting at this time.

9.36am At this time Councillors Hick and Tarbotton entered the meeting.

ELECTION OF DEPUTY PRESIDING MEMBER

Conducted by the Presiding Member, Cr Paul Carter.

Councillor John McCallum nominated himself for the position and his nomination was seconded by Councillor Tarbotton. There being no further nominations, Councillor McCallum was elected as Deputy Chair.

CARRIED 5/0

9.40am At this time the Chief Executive Officer entered the meeting.

Apologies

Nil

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 5 October 2017

COMMITTEE DECISION

F1711/061 Moved Councillor J McCallum, seconded Councillor G Henley

That the Minutes of the Finance Committee Meeting held 5 October 2017 be confirmed as a true and correct record.

CARRIED 5/0

6. REPORTS

6.1 DONATIONS/CONTRIBUTIONS AND SUBSIDIES FUND

SUBJECT INDEX:	Donations/Contributions
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Governance Services
ACTIVITY UNIT:	Governance Services
REPORTING OFFICER:	Executive Assistant to Council - Lisa Haste Executive Assistant to Council - Katie Banks
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	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.

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

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

- 27 applications for sponsorship have been received during this financial year.
 - The average donation approved for the financial year is \$260.00
 - There were 14 applications for sponsorship received or assessed during September 2017.
 - Expenditure from the Donations, Contributions and Subsidies Fund (Sponsorship Fund) for the financial year totals \$7,978.50
- Total budget for the Donations, Contributions and Subsidies Fund (Sponsorship Fund) is \$40,000.

App. No.	Recipient	Purpose	Amount
14/1718	Josh Cattlin	Selected to represent WA at the Surf, Dive 'N Ski Australian Junior Surfing Titles in Culburra Beach, NSW. Funding to assist with associated travel expenses.	\$200.00
15/1718	Emma Cattlin	Selected to represent WA at the Surf, Dive 'N Ski Australian Junior Surfing Titles in Culburra Beach, NSW. Funding to assist with associated travel expenses.	\$200.00
16/1718	Annabel Creek	Selected by Equestrian WA to represent WA at the 2017 Australian Interschool Championships in Toowoomba, QLD. Funding to assist with associated travel expenses.	\$200.00
17/1718	Busselton Settlement Art Committee Member – Ramona Johnson	Donation request submitted to assist with hire fee for the Yoongarillup Hall. The venue for the celebration for all community members following the unveiling of the Spanish Settler sculpture. Contribution provided via transfer of funds for venue hire fee.	\$178.50
18/1718	Maddison Fenwick	Selected to represent WA in the U 13's Girls' State Hockey team at the Hockey carnival in Perth. Funding to assist with associated travel expenses.	\$200.00

App. No.	Recipient	Purpose	Amount
19/1718	Vasse Art Award	Donation towards advertising on billboards, DL cards to raise awareness of the event being held from 14 – 21 April 2018.	\$400.00
20/1718	Tiana Frame	Selected to represent WA at the Schools Basketball 12's held in Adelaide. Funding requested to assist with travel expenses. Application was unsuccessful as applicant does not reside in the City of Busselton.	\$0.00
21/1718	Geographe Cycle Club Inc.	Donation towards Undalup Room hire fee (the venue for 20th Anniversary Celebration, book launch and AGM).	\$500.00
22/1718	Busselton Oral History Group Inc.	Donation towards the cost of room hire for the Busselton Oral History Group Inc. book launch venue (Undalup Room, City Administration Building)	\$1,000.00
23/1718	SW Indonesian Community Inc.	The Wonderful Indonesia Getaway event is being held in the Cultural Precinct on 4 November 20147 and is a free community event. Funds to be used to assist with road closure traffic management.	\$500.00
24/1718	Imogen Dawson	Selected to represent WA in the U 13's Girls' State Hockey team at the Hockey carnival in Perth. Funding to assist with associated travel expenses.	\$200.00
25/1718	GP Down South	50 Jetty passes for Mental Health walk on the jetty to raise awareness of mental health issues.	\$200.00
26/1718	Capes Network Education Charity Ball	Seeking funds to assist with expenses associated with organising the Education Charity Ball. The application was unsuccessful as the City does not sponsor fundraisers and the charity ball is a ticketed event, not open to the community.	\$0.00
27/1718	Busselton Art Society Inc.	Funds provided to assist with advertising and prizes for awards for the 59th Annual Art in the Park event being held 26 th – 28 th January 2018.	\$500.00

COMMITTEE DECISION AND OFFICER RECOMMENDATION

F1711/062

Moved Councillor J McCallum, seconded Councillor C Tarbotton

That the donations and sponsorships for the month of September 2017 be noted.

CARRIED 5/0

Note:

The Director, Finance and Corporate Services noted that a funding summary should be incorporated into this report which would show the annual budget, funding to date and the value of the sponsorship or donation from the Donations, Contributions and Subsidy Fund which are the subject of the current report. This will be included in future reports.

6.2 ASSET MANAGEMENT REPORT

SUBJECT INDEX:

STRATEGIC OBJECTIVE:	Assets are well maintained and responsibly managed.
BUSINESS UNIT:	Engineering and Facilities Services
ACTIVITY UNIT:	
REPORTING OFFICER:	Asset Coordinator - Daniel Hall
AUTHORISING OFFICER:	Director, Engineering and Works Services - Oliver Darby
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

The Purpose of this report to provide the finance committee with asset management information relevant to the financial management of the City of Busselton. It will outline what the activities are and how they may or may not impact the financial management of the City. It is not intended as an exhaustive list of all the asset management undertakings for the period, rather a targeted report detailing issues relevant to the Finance Committee.

Asset Management Report

Review of the Buildings Asset Management Plan

The Buildings Asset Management Plan was adopted by the Council in June 2013 and provided an overview of the building portfolio and predicted future renewal requirements. In the formulation of the plan, each building received a detailed condition assessment which allowed for a detailed breakdown of required works for the first ten years of the plan.

The overall replacement value of the building portfolio has grown significantly since 2013. This significant growth in building assets has been undertaken to compliment the continued population growth of the City. This has been achieved through new and upgraded community buildings as well as civic and administrative buildings.

In conjunction with the introduction of the new buildings, the City has also undertaken an assessment of performance of existing buildings. This assessment of performance considers elements such as physical condition, required and expected performance standards, current and expected future utilisation and capacity of the asset to meet requirements. This process has included rural community halls and more recently, public ablutions and ageing community buildings. Works and recommendations as an outcome from the performance assessment will be included in the upcoming update of the Buildings Asset Management Plan.

Changes to the Asset Portfolio

In 2013, The City owned and maintained or managed a building portfolio with an estimated replacement value of \$104 Million (as per valuation conducted in 2012 \$). This portfolio comprised 266 separate buildings and structures consisting of ablution facilities, arts and cultural, community facilities, commercial leasing, emergency services, halls, operations facilities, recreation, residential, shire administration and waste facilities. The oldest building being the Vasse-Newtown Hall (North) acquired in 1900 and the newest being the Busselton Community Resource Centre completed in December 2012.

Since 2013, the City has constructed approximately \$31M worth of new building assets, demolished or decommissioned approx. \$7.3M worth of buildings and relinquished (or in the process of relinquishing) management control of approx. \$400,000 worth of buildings. This resulted in a net increase of approx. \$23.8M to the overall buildings portfolio. This combined with the 2017

reevaluation of the overall portfolio, takes the updated total value of buildings to \$137.8M (Replacement Valuation 2017).

Table 1 provides a list of new building assets constructed since the adoption of the original Buildings asset Management Plan in 2013.

Table 1 Buildings Assets Constructed

Airport Parking Pay Station Shelter 25m ²	12,600
Barnard Park Sports Pavilion	1,700,000
Barnard Park Retic Pump House	8,200
Barnard Park Shed (Shared with DFES)	20,800
Dwelling Lot 40 Vasse Highway (purchased)	208,739
Busselton Foreshore Ablutions	253,800
Railway House	2,200,000
GLC Gym	957,839
GLC Crèche	254,138
GLC Storage Shed	45,000
Jetty Compound and Shed	252,100
Kookaburra Caravan Park Managers Residence and Park Office	139,496
Kookaburra Park Home	90,804
Kookaburra Park Home	90,804
Kookaburra Park Home	90,804
Freycinet Drive Toilets	72,968
Spinnaker Boulevard Toilets (Donated from D.O.T.)	95,200
Signal Park Toilets	146,000
Port Geo (Spinnaker Blvd.) Reticulation Pump House	9,800
City Administration Building	21,000,000
Yoongarillup Fire Shed	51,201
Youth and Community Activities Building	3,000,000
Airport Terminal Building (2x Extensions)	1,630,00
Total New Buildings	\$30,700,293

The list comprises a total of twenty three buildings and includes assets that have been purchased (Lot 40 Vasse Highway) and major upgrades as part of existing facilities (GLC Gym and Crèche and Railway House). The value of these buildings ranges from \$8,200 for a pay station shelter at the Airport to \$21M for the City Administration Building.

The building portfolio has also undergone some rationalization over the period in order to ensure the entire portfolio can be maintained in the most economical manner. Table 2 below provides a list of buildings that have been decommissioned and or demolished since 2013.

Table 2 Decommissioned Buildings

Shire Administration Building	4,735,000
Shire Civic Centre	1,975,000
Busselton Beachfront Ablutions	250,000
Jetty Compound	60,000
Port Geographe Groyne Ablution	28,750
Jetty Train Shed	115,000
Ambergate Hall	10,000
Ambergate Hall 25Rnge	61,000
Ambergate Hall 50Rnge	50,000
Ambergate Hall Toilet Block	5,000
Barnard Park Toilets (Yoganup)	83,750
TOTAL	\$7,370,500

The majority of these buildings have been removed as part of construction of new buildings as shown in table 1. This includes projects such as the new City administration building, and foreshore and skate park upgrades.

The City has also implemented a program to review the current and future requirements of ageing rural community halls. The result of this has been that some of these halls are now being managed by incorporated community groups. The groups have been assigned the vesting by the State Government and have management responsibility for the buildings. The buildings that have been removed from the portfolio as part of this program are shown in Table 3. Acton Park Hall and Toilets is currently in the process of being vested to the Community group.

Table 3 Community Halls

Carbunup Hall Toilet	11,250
Acton Park Hall Toilets (being progressed)	10,000
Acton Park Hall (Being Progressed)	182,500
Carbunup Hall	200,000
TOTAL	\$403,750

The most significant change in terms of the overall building portfolio has been the increase in the value of Service Level Hierarchy (SLH) 1 buildings. This has increased from value of approx. \$34.5m in 2013 to around \$70M in 2017. SLH 1 buildings are critical, high profile buildings and therefore require an increased level of service than other City managed buildings.

Table 4 Current SLH 1 Buildings

Buildings	SLH	Estimated Replacement Value
Railway House	1	2,200,000
Busselton Library	1	2,560,000
Community Resource Centre (CRC)	1	4,840,000
Dunsborough Library	1	770,000
Geographe Leisure Centre (GLC)	1	14,550,000
Jetty Interpretative Centre	1	937,500
Jetty Underwater Observatory	1	12,600,000
Naturaliste Community Centre (NCC)	1	3,345,000
City Administration Building	1	21,000,000
Barnard Park Sports Pavilion	1	1,700,000
Youth and Communities Activities Building	1	3,000,000
Airport Terminal Building	1	2,325,120
Total Value		69,827,620

With this large increase in mind, each of these SLH 1 buildings will have a separate detailed individual asset management plan. The detailed individual asset management plan consists of a full lifecycle costing for new buildings and a condition assessment and determination of ongoing costs for existing buildings. These determinations are made at a component level (walls, Windows, Floor coverings, Fit-out, fixtures etc.) as this allows for greater accuracy and the best reflection of the varied timeframes with which these components would require renewal.

The outcome from this being that each SLH 1 Building will have a detailed spreadsheet that predicts all the minor and major renewal costs for the forthcoming 10-20 years. The spreadsheet will also include an annual requirement for renewal that will link into the LTFP document. This will allow for reserve funding for each of these buildings to be managed on an annual basis and essentially budgeted based on the outcomes of each of the detailed spreadsheets pertaining to each building.

This linkage with the LTFP document will also consider things such as sources of funding i.e. grant, muni, reserve, developer contributions etc.), other associated projects (i.e. where it sits in the LTFP), pre-existing master plans for the area etc. This will ensure that there are no double ups in expenditure and a more seamless linkage between the two.

What this means is that at any point in time the individual asset plans will reflect the figures in the LTFP to show how the future funds are planned to be spent. The LTFP will provide the overall planned expenditure for the given years and the asset plans will provide the detail at a project level. This will include the asset plans noting the various sources of funding that exist within the LTFP and also any associated master planning for each of the buildings.

This work is currently being progressed and will be presented with the adoption of the updated Overall Asset Management Plan and Building Asset Management Plan, due to be completed early in 2018.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1711/063 Moved Councillor J McCallum, seconded Councillor G Henley

That the Council note the Asset Management Report for October 2017.

CARRIED 5/0

9.50am At this time the Asset Coordinator left the meeting and did not return.

6.3 FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 SEPTEMBER 2017

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 - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Financial Activity Statements - Period Ending 30 September 2017 Attachment B Investment Report Period Ending 30 September 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 30 September 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 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:

- *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 – ‘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 30 September 2017

The Statement of Financial Activity for the period ending 30 September 2017 shows a better than expect Net Current Position (Surplus) of \$35.8M being \$7.85M 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 (A) Variance	2017/18 YTD Bud (A) Variance
	\$	\$	\$	%	\$
Revenue	53,917,536	54,045,570	66,213,170	-0.24%	(128,034)
Expense	(15,765,085)	(17,881,803)	(68,380,282)	11.84%	2,116,718

Non-Operating Grants, Subsidies and Contributions	1,394,862	5,935,994	43,437,175	-76.50%	(4,541,132)
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Capital Revenue & (Expenditure)

Land & Buildings	(2,187,877)	(4,784,028)	(16,556,693)	54.27%	2,596,151
Plant & Equipment	(701,794)	(410,176)	(4,029,400)	-71.10%	(291,618)
Furniture & Equipment	(127,287)	(337,931)	(830,212)	62.33%	210,644
Infrastructure	(7,195,138)	(14,547,152)	(60,472,821)	50.54%	7,352,014
Proceeds from Sale of Assets	193,828	55,000	635,150	252.41%	138,828
Total Loan Repayments - Principal	(574,732)	(517,780)	(2,780,982)	-11.00%	(56,952)
Transfer to Restricted Assets	(669,458)	(156,501)	(625,751)	327.77%	(512,957)
Transfer from Restricted Assets	4,028,120	3,354,556	27,808,739	20.08%	673,564

Operating Revenue:

Revenue from ordinary activities is \$128K 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 (A) Variance	2017/18 YTD Bud (A) Variance
	\$	\$	\$	%	\$

Revenue from Ordinary Activities

Other Revenue	172,841	91,281	403,838	89.35%	81,560
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The Officer notes that the above positive performance of "Other Revenue" is offset with a negative collective performance of \$209k for Rates, Operating Grants and Subsidies, Fees and Charges and Interest Earnings; 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.

Operating Expenditure:

Expenditure from ordinary activities is \$2.12M 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 (A) Variance	2017/18 YTD Bud (A) Variance
	\$	\$	\$	%	\$

Expenses from Ordinary Activities

Materials & Contracts	(2,642,087)	(4,176,260)	(16,676,598)	36.74%	1,534,173
Utilities (Gas, Electricity, Water etc)	(506,464)	(652,414)	(2,580,822)	22.37%	145,950

Materials and Contracts:

The main items affected are list below, at this stage these variance are considered to be that of a timing nature:

Cost Code Description / GL Activity	Variance YTD
Geographe Leisure Centre	27,110
Preventative Services - CLAG	32,290
Miscellaneous Bridge Maintenance	33,352
Street Lighting Installations	37,500
Busselton Transfer Station	41,410
Kookaburra Caravan Park	49,256
Strategic Planning	52,842
BTS External Restoration Works	59,638
Business Systems	73,276
Domestic Recycling Collections	73,585
Engineering Services Administration	81,788
Road Maintenance Bal Of Budget	96,370
Transport - Fleet Management	105,294
Busselton Jetty	139,371
Information & Communication Technology Services	146,761

Utilities:

With over 345 individual accounts at an average better than expected result of \$506K, a favourable position of \$146K is considered likely to be a timing difference at this early stage of the reporting year.

Officers are monitoring Utility charges each month and are also happy to note that the new Administration Building is tracking positively against YTD Budget expectations.

Non-Operating Grants, Subsidies and Contributions:

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 \$4.57M; this is a timing difference in nature only.

Capital Expenditure

As at 30 September 2017, there is a variance of -50.86% or -\$9.864M in total capital expenditure with YTD Actual at -\$10.2M against a YTD Budget of -\$20.07M; with the table below showing those categories exceeding the 10% material variance threshold. The Airport Development makes up for \$7.4M or 75% of the overall variance which also assists in explaining the above current YTD shortfall in Non-Operating Grants.

Description	2017/18 Budget YTD Variance
	\$
<u>Buildings</u>	
Major Project - Busselton Foreshore	● 321,534
Major Project - Administration Building	● (396,568)
Buildings (Other) including Airport Terminal	● (2,516,561)
<u>Plant & Equipment</u>	● 291,618
<u>Furniture & Office Equipment</u>	● (210,644)
<u>Infrastructure</u>	
Major Project - Busselton Foreshore	● (276,025)
Major Project - Administration Building	● (100,995)
Footpaths Construction	● (245,841)
Drainage Construction - Street	● (113,467)
Car Parking Construction	● (57,264)
Bridges Construction	● (72,000)
Cycleways Construction	● (56,851)
Townscape Construction	● (177,454)
Beach Restoration	● 75,086
Parks, Gardens & Reserves	● 141,073
Sanitation Infrastructure	● (361,282)
Airport Development	● (4,906,328)
Main Roads	● (368,176)
Roads to Recovery	● (332,735)
Council Roads Initiative	● (514,127)

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

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

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 30 September 2017, the value of the City's invested funds totalled \$95.24M, increasing from \$85.99M as at 1st September. The increase is due to funds flowing in during the annual rate billing period.

During the month of September \$19.5M in term deposit funds matured. All deposits were renewed for an average of 164 days at an average rate of 2.45%. New deposits totalling \$16M were established for an average of 158 days at an average rate of 2.53%.

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) decreased by \$6.75M as the new term deposits were established. The balance of the Airport development ANZ cash account remained steady.

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

Chief Executive Officer – Corporate Credit Card

Details of monthly (August) 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
24-Aug-17	\$1,094.50	Think Tank Media	Regn Corporate PA Summit Nov 2017 - Corne Lombard

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

+ Allocated against CEO Hospitality Expenses Allowance

CONCLUSION

As at 30 September 2017, the City's financial performance is considered satisfactory.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1711/064

Moved Councillor C Tarbotton, seconded Councillor G Henley

That the Council receives the statutory financial activity statement reports for the period ending 30 September 2017, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 5/0

6.4 LIST OF PAYMENTS MADE SEPTEMBER 2017

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 - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A List of Payments September 2017

PRÉCIS

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

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 September 2017 is presented for information.

CONCLUSION

NA.

OPTIONS

NA.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

NA.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1711/065 Moved Councillor J McCallum, seconded Councillor R Reekie

That the Council notes payment of voucher numbers M114747 – M114843, EF054230 – EF054749, T007355 – T007357, and DD003228 – DD003257; together totalling \$24,877,002.27.

CARRIED 5/0

7. GENERAL DISCUSSION ITEMS

The Chief Executive Officer advised the Committee that following the closure of the meeting, he would provide an update on the airport marketing funding.

8. NEXT MEETING DATE

Thursday, 16 November 2017 at 11.30am

9. CLOSURE

The meeting closed at 10.02am.

<p>THESE MINUTES CONSISTING OF PAGES 1 TO 19 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON THURSDAY, 16 NOVEMBER 2017.</p> <p>DATE: _____ PRESIDING MEMBER: _____</p>
