

ALL INFORMATION AVAILABLE IN  
VARIOUS FORMATS ON REQUEST  
[city@busselton.wa.gov.au](mailto:city@busselton.wa.gov.au)

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 7 SEPTEMBER 2017**

**TABLE OF CONTENTS**

ITEM NO.	SUBJECT	PAGE NO.
1.	DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS.....	2
2.	ATTENDANCE .....	2
3.	PUBLIC QUESTION TIME.....	2
4.	DISCLOSURE OF INTERESTS .....	2
5.	CONFIRMATION OF MINUTES .....	2
5.1	Minutes of the Finance Committee Meeting held 3 August 2017 .....	2
6.	REPORTS .....	3
6.1	FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 31 JULY 2017 .....	3
6.2	LIST OF PAYMENTS MADE - JULY 2017 .....	7
6.3	BUDGET AMENDMENT REQUEST .....	9
6.4	ASSET MANAGEMENT REPORT.....	20
7.	GENERAL DISCUSSION ITEMS .....	25
8.	NEXT MEETING DATE .....	25
9.	CLOSURE .....	25

## MINUTES

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN COUNCIL COMMITTEE ROOM , ON 7 SEPTEMBER 2017 AT 9.30AM.

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

The Presiding Member opened the meeting at 9.32am.

2. **ATTENDANCE**

Presiding Member:

Cr John McCallum

Members:

Cr Grant Henley Mayor  
Cr Terry Best  
Cr Paul Carter  
Cr Gordon Bleechmore

Officers:

Mr Mike Archer, Chief Executive Officer  
Mr Cliff Frewing, Director, Finance and Corporate Services  
Mr Kim Dolzadelli, Manager, Finance Services  
Mr Dan Hall, Asset Coordinator, Finance Services  
Miss Kate Dudley, Administration Officer, Governance

Apologies

Nil

3. **PUBLIC QUESTION TIME**

Nil

4. **DISCLOSURE OF INTERESTS**

Nil

5. **CONFIRMATION OF MINUTES**

5.1 **Minutes of the Finance Committee Meeting held 3 August 2017**

**COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**

**F1709/048**

Moved Councillor P Carter, seconded Councillor G Henley

That the Minutes of the Finance Committee Meeting held 3 August 2017 be confirmed as a true and correct record.

**CARRIED 5/0**

## 6. REPORTS

### 6.1 FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 31 JULY 2017

<b>SUBJECT INDEX:</b>	Budget Planning and Reporting
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Finance and Corporate Services
<b>REPORTING OFFICER:</b>	Manager Financial Services - Kim Dolzadelli
<b>AUTHORISING OFFICER:</b>	Director, Finance and Corporate Services - Cliff Frewing
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A Statement of Financial Activity as at 31 July 2017⇒ Attachment B Investments Report as at 31 July 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 July 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 31 July 2017**

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 2017/2018 Budget; specifically the item is "Rates Revenue" which shows a Year to Date Actual of \$214 versus a Year to Date Budget of \$44,298,686. Rates were raised early in the month of August 2017 being the reason for this timing difference.

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

The Officer also notes that Budget Amendments are being sought in a separate report included in this Agenda.

### **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 July 2017, the value of the City's invested funds totalled \$80.24M, decreasing from \$85.77M as at 1st July. The decrease is due to funds being utilised for operational purposes, including the Airport project; prior to the pending rating period.

During the month of June \$20.0M in term deposit funds matured. Deposits totalling \$15.0M were renewed for an average of 96 days at an average rate of 2.38%. Deposits totalling \$5.0M were closed. Additionally, the remaining term deposit held at the WA Treasury Corp in accordance with the funding agreement was renewed for a further 6 months at 1.76% as the milestone has not yet been met.

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 \$2.0M due to funds from closed term deposits not being required for immediate operational purposes at months end. The balance of the Airport development ANZ cash account decreased by \$2.5M at month's end, with the balance fluctuating as term deposits are closed and then the funds utilised on the project.

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

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

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

<b>Date</b>	<b>Amount</b>	<b>Payee</b>	<b>Description</b>
04-Jul-17	\$55.25	Airport Parking Perth	Vehicle Clean
04-Jul-17	\$113.27	Airport Parking Perth	* Parking while at CEO Conference SA
05-Jul-17	\$199.00	The Manna, Hahndorf	* Accommodation CEO Conference SA
08-Jul-17	\$70.04	Intercontinental, Adelaide	* Accommodation CEO Conference SA
11-Jul-17	\$284.36	AVIS	* Car Rental for CEO Conference (\$71.09 to be reimbursed)

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

*+ Allocated against CEO Hospitality Expenses Allowance*

### **CONCLUSION**

As at 31 July 2017, the City's financial performance is considered satisfactory noting the timing difference with respect to Rate Revenue.

### **COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**

**F1709/049** Moved Councillor G Henley, seconded Councillor P Carter

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

**CARRIED 5/0**

\*Note: the below line item cost has been recovered at the expense of the CEO.

<b>Date</b>	<b>Amount</b>	<b>Payee</b>	<b>Description</b>
04-Jul-17	\$55.25	Airport Parking Perth	Vehicle Clean

## 6.2 LIST OF PAYMENTS MADE - JULY 2017

<b>SUBJECT INDEX:</b>	Financial Operations
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Finance and Corporate Services
<b>REPORTING OFFICER:</b>	Manager Financial Services - Kim Dolzadelli
<b>AUTHORISING OFFICER:</b>	Director, Finance and Corporate Services - Cliff Frewing
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A List of Payments July 2017 <a href="#">⇒</a>

### **PRÉCIS**

This report provides details of payments made from the City's bank accounts for the month of July 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 6.1 – 'Governance systems, process and practices are responsible, ethical and transparent'.

### **RISK ASSESSMENT**

NA.

### **CONSULTATION**

NA.

**OFFICER COMMENT**

In accordance with regular custom, the list of payments made for the month of July 2017 is presented for information.

**CONCLUSION**

NA.

**OPTIONS**

NA.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

NA.

**COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**

**F1709/050** Moved Councillor G Bleachmore, seconded Councillor P Carter

That the Council notes payment of voucher numbers M114572 – M114649, EF053313 – EF053754, T007349, and DD003175 – DD003198; together totalling \$10,556,828.80.

**CARRIED 5/0**



### 6.3 BUDGET AMENDMENT REQUEST

<b>SUBJECT INDEX:</b>	Budget Planning and Reporting
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Finance and Corporate Services
<b>REPORTING OFFICER:</b>	Manager Financial Services - Kim Dolzadelli
<b>AUTHORISING OFFICER:</b>	Director, Finance and Corporate Services - Cliff Frewing
<b>VOTING REQUIREMENT:</b>	Absolute Majority
<b>ATTACHMENTS:</b>	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.

It will however result in a reduction to the City's "Budget Surplus Contingency Holding Account" from \$217,648 to \$93,980 (by \$123,768).

#### **BACKGROUND**

Council adopted its 2017/2018 Municipal Budget on Wednesday, 26 July 2017 with a balanced Budget position.

Since this time Council has been advised of certain funding changes that have impacted the original Budget and Council is now being asked to consider Budget Amendments for the following Key Areas/Projects:

##### **1. "Main Roads WA (MRWA) Direct Grant Funding"**

#### **BACKGROUND**

A decision to discontinue vehicle licence concessions for local government authorities from 1 July 2017 was made by the previous Liberal State Government.

On 27 June 2017, a motion to disallow the Road Traffic (Vehicles) Amendment Regulations (No, 2) 2017 which in effect cancelled the proposal to withdraw the concession was passed by the Legislative Council with the support of the now Opposition and other non-Government Members.

The McGowan Labor State Government has stated openly that it is committed to budget repair, with all sectors of the community contributing to that outcome, and therefore responded to neutralise this setback by making offsetting reductions in expenditure.

As such, and in order to compensate for the loss of the savings envisaged by the cancellation of the withdrawal of the motor vehicle licence concession, the Government has made the decision to reduce the Direct Grants pool of the State Road Funds to Local Government Program by \$10.3 million in 2017/18 and \$9.8 million in subsequent years.

The City of Busselton has received advice that their MRWA direct grants for 2017/2018 have been reduced from \$335,907 to \$193,452, a reduction of \$142,455 being a 42% decrease.

**PLANNED EXPENDITURE ITEMS**

Council's 2017/18 adopted budget includes an allocation of \$335,907 as follows in Table 1:

**Table 1:**

<i>Cost Code</i>	<i>Description</i>	<b>2017/18 Annual Budget \$</b>	<b>Government Grants and Subsidies</b>	<b>Municipal Funds</b>	<b>Description of Funding Source &amp; Other Comments</b>
S0314	Koorabin Drive - Reseal	250,000	250,000	0	Complete Re seal the whole length from Gonyulgup Valley Drive to Marrinup Drive approx. 1.1km to prevent reflective cracking
S0315	Guerin Street - Asphalt Overlay	85,907	85,907	0	Asphalt Overlay from SLK 35 to 474 (Marine Terrace to Harwood Rd. The road is in very poor condition 8 to 9.
<b>Total</b>		<b>335,907</b>	<b>335,907</b>	<b>0</b>	

As Council is aware the 2017/2018 Adopted Budget also contains a contingency amount of \$217,648, at the time of Budget Adoption Officers advised that they were of the opinion that this amount should be maintained in light of the impending State Governments Budget to be announced in September 2017. As such this has been proven to be a prudent decision in light of the above changes to MRWA Direct Grant funding.

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following funding changes, shown in Table 2, these changes will be funded by a reduction in the City's "Budget Surplus Contingency Holding Account" account string 100-10001-3680-0000 which will reduce from \$217,648 to \$75,193.

**Table 2:**

<i>Cost Code</i>	<i>Description</i>	<b>2017/18 Annual Budget \$</b>	<b>Government Grants and Subsidies</b>	<b>Municipal Funds</b>	<b>Description of Funding Source &amp; Other Comments</b>
S0314	Koorabin Drive - Reseal	250,000	143,977	106,023	Complete Re seal the whole length from Gonyulgup Valley Drive to Marrinup Drive approx. 1.1km to prevent reflective cracking
S0315	Guerin Street - Asphalt Overlay	85,907	49,475	36,432	Asphalt Overlay from SLK 35 to 474 (Marine Terrace to Harwood Rd. The road is in very poor condition 8 to 9.
<b>Total</b>		<b>335,907</b>	<b>193,452</b>	<b>142,455</b>	

**PROPOSED OUTCOME**

Continuation of proposed projects as shown in Table 2 above.

## 2. “Financial Assistance Grants and Rating Revenue”

### BACKGROUND

Council adopted its 2017/2018 Municipal Budget on Wednesday, 26 July 2017 with a balanced Budget position.

Since this time advice has been received from the WA Local Government Grants Commission with respect to Final Financial Assistance Grant allocations for the 2017/2018 financial year; the advice received shows a shortfall in Budget funding of \$39,823. This is due to the total pool of funds being reduced to WA. The pool of funds is determined by population and as the population of WA has reduced, so has the pool of funds reduced to be distributed to Local Government. The reduction in funds allocated to the City is less than the average reduction because of the increase in the population of the City.

In addition, due to changes to valuations and subdivisions, the amount budgeted for Rates revenue grew by the amount of \$58,510.

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following funding changes, shown in Table 3, with the net increase in revenue of \$18,687 being allocated to the City’s “Budget Surplus Contingency Holding Account” account string 100-10001-3680-0000.

**Table 3:**

<i>Natural Account</i>	<b>Adopted Budget</b>	<b>Proposed Amended Budget</b>	<b>Variance</b>
<b><u>Rate Amendments</u></b>			
1001 - Residential Rates	(24,286,897)	(24,358,255)	(71,358)
1007 - General Rates - Industrial	(1,971,191)	(1,970,457)	734
1013 - General Rates - Commercial	(7,084,024)	(7,085,398)	(1,374)
1019 - General Rates - Vacant Land Residential	(2,266,048)	(2,284,387)	(18,339)
1025 - General Rates - Vacant Land Industrial	(186,973)	(184,763)	2,210
1037 - General Rates - Primary Produce	(2,818,566)	(2,819,353)	(787)
1043 - General Rates - Rural	(4,010,265)	(3,975,983)	34,282
1049 - General Rates - Commercial	(776,359)	(780,237)	(3,878)
<b>Total</b>	<b>(43,400,323)</b>	<b>(43,458,833)</b>	<b>(58,510)</b>
<b><u>Financial Assistance Grants Amendments</u></b>			
1250 - Grants Commission - General Purpose Grant	(385,756)	(344,104)	41,652
1251 - Grants Commission - Local Roads Grant	(648,440)	(650,269)	(1,829)
<b>Total</b>	<b>(1,034,196)</b>	<b>(994,373)</b>	<b>39,823</b>
Transfer to Budget Surplus Contingency Holding Account		<b>Net Variance</b>	<b>(18,687)</b>

### PROPOSED OUTCOME

Alignment of Budget to actual know amounts received or to be received.

### 3. "Busselton Foreshore Jetty Precinct"

#### BACKGROUND

The City of Busselton was honoured to host a visit by Prime Minister Malcolm Turnbull on 3<sup>rd</sup> August 2017. A tour of the Busselton foreshore rounded out the visit where Mr Turnbull announced the City had been successful in a grant funding bid of \$1.5 million toward completion of the foreshore project. The project, which has been a work in progress for 7 years, has seen \$42 million in state and local government funding deliver the precinct to the community, excluding Jetty restoration. This federal funding will ensure the project is completed to the vision established by the community developed masterplan.

#### PLANNED EXPENDITURE ITEMS

Council's 2017/18 adopted budget includes an allocation of \$4,000,000 as follows in Table 3:

**Table 3:**

<i>Cost Code</i>	<i>Description</i>	<b>2017/18 Annual Budget \$</b>	<b>Government Grants and Subsidies</b>	<b>Loan</b>	<b>Municipal Funds</b>	<b>Description of Funding Source &amp; Other Comments</b>
C3168	Busselton Foreshore Jetty Precinct	4,000,000	0	3,500,000	500,000	P&G general allocation reduction

Officers propose that the overall Budget for this item be increased by \$500,000 with a reduction in Loan borrowings from \$3,500,000 to \$2,500,000, account string 120-C3168-1759-0000 "Loan Proceeds". This also provides the Council with an opportunity to redirect borrowing of \$1,000,000 to another project if there is a need for capital works in another areas e.g. Airport Development.

The addition of \$500,000 to the Busselton Foreshore Project will provide funds for contingency and to ensure adequate funds to finalise the Jetty Precinct works, the basis for the initial request for Federal Government funding.

Grant funds being recognised in account string 120-C3168-1221-0000 Capital Grants-Other (Federal) \$1.5m.

Officers recommend that the proposed amended Budget shown below in Table 4 below be approved by Council.

**Table 4:**

<i>Cost Code</i>	<i>Description</i>	<b>Amended 2017/18 Annual Budget \$</b>	<b>Government Grants and Subsidies</b>	<b>Loan</b>	<b>Municipal Funds</b>	<b>Description of Funding Source &amp; Other Comments</b>
C3168	Busselton Foreshore Jetty Precinct	4,500,000	1,500,000	2,500,000	500,000	P&G general allocation reduction

#### PROPOSED OUTCOME

Continuation of proposed project as shown in Table 4 above.

#### 4. “Churchill Park”

##### BACKGROUND

Council adopted the Active Open Space recommendations pertaining to Churchill Park at its meeting on 10 April 2013.

The development of the Master Plan for Churchill Park recognises that continued use of the site for its current purposes and the residual value and replacement cost of the existing assets limits any dramatic or major changes to the site layout or infrastructure.

##### PLANNED EXPENDITURE ITEMS

Council’s 2017/18 adopted budget includes a total allocation of \$150,000 for Churchill Park as shown below in Table 5:

There is no net financial impact on the proposed structural changes requested to these Churchill Park Budget line items.

**Table 5:**

<i>Cost Code</i>	<i>Description</i>	<b>2017/18 Annual Budget \$</b>	<b>Municipal Funds</b>	<b>Description of Funding Source &amp; Other Comments</b>
<b><u>CAPITAL</u></b>				
W0205	Churchill Park New Entry Road to Croquet Club	74,000	74,000	New entry statement to Churchill park and the Croquet Club as part of the Churchill Park Master plan
W0206	Churchill Park Fire Hydrant Relocation	9,000	9,000	Relocation of Fire Hydrant for the entry to be completed
<b><u>Operating</u></b>				
541-B1506-3640-0000	Donations, Contributions	67,000	67,000	Busselton Croquet Club Building
<b>Total</b>		<b>150,000</b>		

Officers propose that the overall Budget of \$150,000 be transferred to one Capital account to ensure that the project can be managed to deliver the overall outcomes of the project. The allocation of \$67,000 as an operating line item in the current Budget was arguably determined on the basis that the City’s contribution to the Croquet Club building extension was a grant to the club and with CSRFF funding. However given the Club has secured a transportable building, the application for grant funding for 2017/2018 to CSRFF will not be proceeded with. Further expenditure at Churchill Park is likely to be of a Capital nature as per Council’s LTFP.

**Table 6:**

<i>Cost Code</i>	<i>Description</i>	<b>Amended 2017/18 Annual Budget \$</b>	<b>Municipal Funds</b>	<b>Description of Funding Source &amp; Other Comments</b>
<b><u>CAPITAL</u></b>				
C3145	Churchill Park Redevelopment	150,000	150,000	Churchill park upgrades
<b>Total</b>		<b>150,000</b>		

##### PROPOSED OUTCOME

Continuation of proposed project as shown in Table 6 above.

## 5. "Airport Development"

### BACKGROUND

The Busselton-Margaret River Airport Development Project landside budgets were developed on the basis of a number of infrastructure elements to be delivered primarily through construction only contracts. Through the design of the landside civil, services and landscaping work package the intended package changed from a construct only to a design and construct contract and as such a consolidation of budget line items, and creation of a new account, is required to better reflect the tender package that will be delivered in one contract.

### PLANNED EXPENDITURE ITEMS

A Request for Tender for the design and construction of landside civil and services infrastructure was issued in June 2017 comprising the following: landscaping, carpark and access roads, and external services (water, power, sewer, drainage). Whilst the adopted 2017/18 budget has a budget line item specifically for external services, a component of this budget is for the construction of a water services corridor and associated infrastructure delivered to the Airport lot boundary, to be undertaken by Busselton Water. As such, a separate budget will still be required for this.

Council's 2017/18 adopted budget includes an allocation of \$11,200,000 as follows:

**Table 7:**

<i>Cost Code</i>	<i>Description</i>	<b>2017/18 Annual Budget \$</b>	<b>Government Grants and Subsidies</b>	<b>Description of Funding Source &amp; Other Comments</b>
C6090	Parks & Gardens Airport Stage 2	600,000	600,000	Department of Regional Development (Royalties for Regions)
C6093	Airport Construction Stage 2, Car Park & Access Roads	6,000,000	6,000,000	Department of Regional Development (Royalties for Regions)
C6095	Airport Construction Stage 2, External Services	4,600,000	4,600,000	Department of Regional Development (Royalties for Regions)
<b>Total</b>		<b>11,200,000</b>		

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following changes, to be fully funded by the State Government's Royalties for Regions funding for the Airport Development Project.

**Table 8:**

<i>Cost Code</i>	<i>Description</i>	<b>Amended 2017/18 Annual Budget \$</b>	<b>Government Grants and Subsidies</b>	<b>Description of Funding Source &amp; Other Comments</b>
C6095	Airport Construction Stage 2, External Services	2,600,000	2,600,000	Department of Regional Development (Royalties for Regions)
New Account Number	Airport Construction Stage 2, Landside Civils and Services Infrastructure	8,600,000	8,600,000	Department of Regional Development (Royalties for Regions)
<b>Total</b>		<b>11,200,000</b>		

### PROPOSED OUTCOME

The consolidation of budget line items and creation of a new account number to continue the projects outlined above as reflected by their procurement method.

## 6. “Revitalising Geographe Waterways program - Fish and Aquatic Invertebrate Survey”

### BACKGROUND

The City was recently successful in securing \$18,627 from Coastwest to undertake a fish and aquatic invertebrate survey in Toby Inlet in order to inform the management plan that is currently being prepared as part of the Revitalising Geographe Waterways program.

### PLANNED EXPENDITURE ITEMS

Faunal survey of the fish and aquatic invertebrates of Toby Inlet and community sampling day (November 2017), processing of samples collected during the faunal survey (February 2018) and project reporting and audit (March 2018).

Council’s 2017/18 adopted budget includes a net allocation of \$153,010 as follows:

**Table 9:**

<i>Cost Code</i>	<i>Description</i>	<b>2017/18 Annual Budget \$</b>	<b>Government Grants and Subsidies</b>	<b>Description of Funding Source &amp; Other Comments</b>
421-10830-3280-0000	Environmental Management Cont + C/Staff	193,010	40,000	Coastwest
421-10830-1239-0000	Environmental Management – Operating Grants	-40,000	-40,000	R4R Funding – Water management plans, Lower Vasse and Toby Inlet
<b>Total</b>		<b>153,010</b>		

The City was advised of the success of the Coastwest grant after the 2017/18 budget was adopted. Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following changes, with the additional \$18,627 funding for the Revitalising Geographe Waterways program.

**Table 10:**

<i>Cost Code</i>	<i>Description</i>	<b>Amended 2017/18 Annual Budget \$</b>	<b>Government Grants and Subsidies</b>	<b>Description of Funding Source &amp; Other Comments</b>
421-10830-3280-0000	Environmental Management Cont + C/Staff	211,637	58,627	Water management plans, Lower Vasse and Toby Inlet
421-10830-1239-0000	Environmental Management – Operating Grants	-58,627	-58,627	R4R Funding \$40,000 and additional Grant of \$18,627 - Coastwest
<b>Total</b>		<b>153,010</b>		

### PROPOSED OUTCOME

The results of the fish and aquatic invertebrates survey will inform the preparation of the water management plan, currently being prepared as part of the Revitalising Geographe Waterways program. The community sampling day will also assist with engaging with the local community with regards to managing Toby Inlet.

## 7. “Community Safety Education”

### BACKGROUND

The City was recently successful in securing \$18,000 from the Road Safety Commission, to produce 3 short films that emphasise community safety education messages, specific to cycling/motorists, each of which have been identified by community consultation during the bike plan currently underway. In addition, the campaign addresses the City’s transport sustainability message ‘walk or cycle instead’ message.

### PLANNED EXPENDITURE ITEMS

Expenses include production of short films, and funds for screening of films at indoor and outdoor cinema. A banner with “walk or cycle instead” will be produced for the billboard at the entry to the City. The bike plan currently underway identifies community safety messages that should be addressed.

Council’s 2017/18 adopted budget includes a net allocation of \$5,000 as follows:

**Table 11:**

<i>Cost Code</i>	<i>Description</i>	<b>2017/18 Annual Budget \$</b>	<b>Municipal Funds</b>	<b>Description of Funding Source &amp; Other Comments</b>
510- 11107- 3215-0000	Engineering Services, Design	5,000	5,000	
<b>Total</b>		<b>5,000</b>		

The City was advised of the success of the Road Safety Commission grant after the 2017/18 budget was adopted.

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following changes, with the additional \$18,000 funding for the Community Safety Education campaign.

**Table 12:**

<i>Cost Code</i>	<i>Description</i>	<b>Amended 2017/18 Annual Budget \$</b>	<b>Government Grants and Subsidies</b>	<b>Municipal Funds</b>	<b>Description of Funding Source &amp; Other Comments</b>
510- 11107- 3215-0000	Engineering Services, Design	23,000	18,000	5,000	Funding of \$18,000 from Road Safety Commission
510- 11107- 1239-0000	Engineering Services, Design – Operating Grants	-18,000	-18,000		Road Safety Commission grant
<b>Total</b>		<b>5,000</b>			

### PROPOSED OUTCOME

Projections indicate the safety education messages will reach 160,000 people, including visitors over the November/December 2017 January 2018 period.



## 8. "Aged Care Housing"

### BACKGROUND

The City manages housing units at Harris Road under a Joint Venture arrangement with the Department of Housing. Under the joint venture the City is responsible for managing the tenure of units and for maintaining the units in good condition, fit for occupation. It is also the City's obligation to upgrade the units as and when required.

The City regularly reviews the condition of the units and carries out maintenance requirements as appropriate. In addition, the City reviews the condition of each unit upon it being vacated and, as required, refurbishes the unit prior to it being re-tenanted. While the City is not in a position to know exactly when each unit will be vacated, we budget on the assumption that two units per annum will require refurbishment, historically at an estimated average cost of \$10,000 per unit.

While only being August we have already had two units become vacant this financial year, both of which have been occupied by long term tenants. It has therefore been many years since any significant works have been undertaken on those units. We have recently refurbished another similar unit, the total cost of which was \$18,800 Inc. of GST.

Additional funds are therefore sought based on the increased costs of refurbishment and the expectation that we may have more than the two units vacate through the year.

### PLANNED EXPENDITURE ITEMS

Council's 2017/18 adopted budget includes an allocation of \$22,000 as follows in table 12:

**Table 12:**

<i>Cost Code</i>	<i>Description</i>	<b>2017/18 Annual Budget \$</b>	<b>Municipal Funds</b>	<b>Description of Funding Source &amp; Other Comments</b>
B9301	Aged Housing Capital Improvements - Harris Road	22,000	22,000	Refurbishment of aged housing units upon vacation
<b>Total</b>		<b>22,000</b>		

Officers propose that the 2017/2018 adopted budget be amended to reflect the following funding changes, shown in Table 13. These changes will be funded from the Joint Venture Aged Housing Reserve which shows an expected balance as at 30/06/2018 of \$1,105,291; officers wish to draw \$25,000 from this reserve.

**Table 13:**

<i>Cost Code</i>	<i>Description</i>	<b>2017/18 Annual Budget \$</b>	<b>Municipal Funds</b>	<b>Reserves</b>	<b>Description of Funding Source &amp; Other Comments</b>
B9301	Aged Housing Capital Improvements - Harris Road	47,000	22,000	25,000	Refurbishment of aged housing units upon vacation
<b>Total</b>		<b>47,000</b>			

**PROPOSED OUTCOME**

Aged Housing Units at Harris Road will be refurbished and maintained to an appropriate standard, ensuring we meet our obligations under the joint venture agreement.

**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. The City's "Budget Surplus Contingency Holding Account" account string 100-10001-3680-0000 would reduce from \$217,648 to \$93,980 (by \$123,768).

**Long-term Financial Plan Implications**

N/A

**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**

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 City of Busselton officers.

**OFFICER COMMENT**

The Officer commends the requested Budget Amendment 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.

**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****F1709/051**

Moved Councillor G Bleachmore, seconded Councillor T Best

**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That the Finance Committee recommends to Council endorsement of the Requested Budget Amendments contained within this report, resulting in no change to an Amended Budgeted Surplus Position of \$0; noting that the City's "Budget Surplus Contingency Holding Account" would reduce from \$217,648 to \$93,980 (by \$123,768).

**CARRIED 5/0**

#### 6.4 ASSET MANAGEMENT REPORT

**SUBJECT INDEX:**

<b>STRATEGIC OBJECTIVE:</b>	Assets are well maintained and responsibly managed.
<b>BUSINESS UNIT:</b>	Engineering and Facilities Services
<b>ACTIVITY UNIT:</b>	
<b>REPORTING OFFICER:</b>	Asset Coordinator - Daniel Hall
<b>AUTHORISING OFFICER:</b>	Director, Engineering and Works Services - Oliver Darby
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	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 will or may 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 Parks and Gardens Asset Management Plan**

The Parks and Gardens Asset Management Plan was adopted by the Council in 2013 and is currently being reviewed and updated to reflect the progress made and also the current position of parks asset management at the City of Busselton.

Once finalised, the review will provided an updated overview of ongoing renewal requirements for Parks and Gardens assets. It will also identify how these renewal requirements will be linked with the City's Long Term Financial Plan.

The main review task undertaken thus far has been the mapping of POS infrastructure as a means of storing the asset related information in an easy to follow format which is more readily available to the wider organisation. This has included work in the field to locate various assets with a GPS as well as in the office using Google Street View and the City's aerial photography access where practicable to do so.

Below is an excerpt from the map which shows the assets that have been captured for the Foreshore West Area. This demonstrates how the map can be displayed and the benefits of this over and above a spreadsheet or data base alone. It also shows the complex nature of an area such as the foreshore in terms of the total number and different types of assets.



Condition information and photos of each asset has also been collected as part of the process. This provides an overview of the overall condition of the assets as well as the location of poorer condition assets requiring replacement.

Below is an example of how condition information can be displayed within the map to assist with reporting and also justifications for budget allocations.



Image 3: Seymour Park Asset Condition

The asset information contained in the mapping is also able to be quantified to provide overall totals for the each of the asset types, as well as estimated replacement costs. The final totals for each of the assets types below is still be quantified, however the table below provides a current snapshot of the assets included in the mapping. Once completed, this information will form the basis of the ongoing renewal requirements for Parks Assets.

Table 1: Parks Assets

TYPE	LENGTH M	AREA M2	NUMBER Item	ITEMS INCLUDED
Hardscape	9,507	8,981	62	Boardwalks, Footbridges, Kerbs, Pergolas, Garden and Retaining Walls, Bus Shelters etc
Barbecues	0	0	39	Public Barbecues
Beach Access Stairs	0	1,720	0	Total M2 for timber beach access structures. This includes stairs and ramps. There are approximately 40 of these.
Beach Access	0	0	128	Formal and semi formal beach access sites. These are generally accompanied by fencing
Beach Shower / Water Fountain	0	0	48	This includes Beach Showers, Filtered Water Stations, Drink Fountains
Furniture	0	0	922	Park Seats, Picnic tables, Bins, Flag Poles, Shade Sails, Dog Bag Dispensers
Fencing	22,379	0	0	metres of fencing, Includes Coastal and Beach Access Fencing
Turf	0	328,627	0	M2 of Turf - fine cut areas.
Irrigation	0	832,721	0	Irrigation associated with Turf, Gardens and some Rough Cut Areas
Bushlands / Nature	0	3,457,895	0	Areas associated with Open Space used predominately as nature areas, includes dune areas
Play Equipment	0	18,567	253	Sports Goals, play equipment
Lighting	0	0	393	Inground, Bollard and Decorative Park Lighting
Gardens	0	329,731	0	M2 of garden areas, includes park and street areas.
Sport Lighting	0	0	221	Total number of globes associated with sports lighting
Rough Cut Areas	0	1,090,868	0	Total area for rough cut mowing and slashing. Some of these areas are irrigated and some are simply areas that are slashed at certain times of the year.
Signs	0	0	774	Signage associated with Open Space areas included Dog signage, Tourism Signage and Hazard Signage
<b>Total</b>	<b>31,886</b>	<b>6,069,110</b>	<b>2,840</b>	

The asset types included in table 1 are able to be broken down into further detail however have been summarised for ease of display within the report. Table 2 below provides an example of this further detail that is contained within the mapping.

Table 2: Furniture Breakdown

Asset	Total
Bike Rack	21
Dog Bag Dispenser	40
Fishing Line Bin	2
Flag Pole	2
Monument	1
Park Seat / Table	439
Pedestrian Counter	5
Shade Sail Pole	86
Shade Sail	21
Bins	305
<b>Total</b>	<b>922</b>

The current estimated value for the various assets is shown in table 3 below. This value is based on unit rates applied to the totals as shown in Table 1 and gives a broad overview of the current estimated replacement cost. This value is likely to be adjusted as the data is refined and new assets recently constructed and those currently being constructed are added to the mapping.

As a comparison, the estimated value of parks and gardens assets outlined by the asset management plan in 2013 was \$34.2M. This included \$25.3M for the assets that the City was currently managing as well as \$8.8M of expected donated assets for Provence, Birchfields (Vasse Newtown) and Dunsborough Lakes.

Table 3: Current Estimated Replacement Costs

	Estimated Value \$	
Beach Shower / Water Fountain	270,000	
Beach Access Stairs	1,463,700	
Beach Access	0	Not currently given a value. Associated fencing is included in fencing
Furniture	1,409,700	
Fencing	2,847,205	
Turf	5,198,408	
Irrigation	11,797,908	
Barbecues	379,000	
Play Equipment	3,182,860	
Lighting	825,160	
Gardens	5,275,696	
Hardscape	5,771,976	
Sport Lighting	552,500	
Rough Cut Areas	0	Not currently given a value. Associated irrigation is included in irrigation
Signs	216,600	
Total	39,190,713	

Once finalised, the data contained within the updated Parks Asset Management Plan will be used to compliment the work other business units are undertaking with regards to parks and gardens. These include;

- Scoring each POS area to determine the quality of the Public Open Space provided to assist with the development of the Public Open Space Strategy;
- Linkage within the Long Term Financial Plan for Master Planned areas such as Lou Weston Oval and Churchill Park; and
- Provision of detailed data to assist with Parks and Gardens maintenance planning.

**COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**

**F1709/052**

Moved Councillor P Carter, seconded Councillor T Best

That the Council note the Asset Management Report.

**CARRIED 5/0**



**7. GENERAL DISCUSSION ITEMS**

7.1 Mayor Henley raised the City's procurement process for discussion. It was noted that the process was being reviewed to further the engagement with local business owners.

7.2 The CEO raised that the Long Term Financial Plan will be updated following the recent 2017/18 Budget apotion. In particular the following areas will be considered:

- Untied Fiancial Assistance Grants
- Surplus funds from Caravan Park Operations

**8. NEXT MEETING DATE**

Thursday, 5 October 2017

**9. CLOSURE**

The meeting closed at 10.48am.

THESE MINUTES CONSISTING OF PAGES 1 TO 25 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON THURSDAY, 5 OCTOBER 2017.

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