

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 6 OCTOBER 2016

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MINUTES

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN MEETING ROOM ONE, COMMUNITY RESOURCE CENTRE, 21 CAMMILLERI STREET, BUSSELTON, ON 6 OCTOBER 2016 AT 9.30AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 9.31am.

2. ATTENDANCE

Presiding Member:

Cr Gordon Bleechmore (Deputy Presiding Member)

Members:

Cr Paul Carter
Cr Terry Best
Cr Coralie Tarbotton (Deputy Member)
Cr Rob Bennett (Deputy Member)

Officers:

Mr Mike Archer, Chief Executive Officer (from 9.37am)
Mr Oliver Darby, Director, Engineering and Works Services (from 10.12am until 10.22am)
Mr Matthew Smith, Director, Finance and Corporate Services
Mr Cliff Frewing, Director, Finance and Corporate Services
Mr Kim Dolzadelli, Manager Financial Services
Mr Daniel Hall, Asset Coordinator
Mr Justin Smith, Design and Survey Coordinator (from 10.12am until 10.22am)
Mr Stuart Wells, Strategic Financial Plan Accountant
Mr Jeffrey Corker, Financial Compliance Officer
Mr Stephen Wesley, Engineering Management Accountant
Miss Hayley Barge, Administration Officer, Governance

Apologies

Cr John McCallum
Cr Grant Henley

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 8 September 2016

Committee Decision

F1610/053

Moved Councillor T Best, seconded Councillor C Tarbotton

That the Minutes of the Finance Committee Meeting held 8 September 2016 be confirmed as a true and correct record.

CARRIED 5/0

6. REPORTS

6.1 FINANCE COMMITTEE INFORMATION BULLETIN - AUGUST 2016

SUBJECT INDEX:	Councillors' Information
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Engineering and Facilities Services
ACTIVITY UNIT:	Executive Services
REPORTING OFFICER:	Asset Coordinator - Daniel Hall Financial Compliance Officer - Jeffrey Corker Governance Support Officer - Lisa Haste
AUTHORISING OFFICER:	Chief Executive Officer - Mike Archer
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Investment Performance Report for Period Ending 31 August 2016⇒

9.37am At this time the Chief Executive Officer entered the meeting.

PRÉCIS

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

INFORMATION BULLETIN

1. Investment Performance 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 August 2016, the value of the City's invested funds totalled \$118.9M, up from \$109.1M as at 1 August.

During the month of August \$18.0M in term deposit funds matured. \$16.0M in deposits were renegotiated, for an average of 188 days at an average rate of 2.70% (down from 2.78% during July). A \$2.0M deposit was closed on 26 August due to uncompetitive low renewal rates being offered upon maturity. These funds were reinvested at a higher rate in early September.

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 \$14.5M as rates income was received mainly late in the month. These funds were invested in term deposits in early September.

Official Rates remained steady during August. However the market is factoring in possible future cuts in the coming year and this continues to weigh down rates on offer.

2. Chief Executive Officer – Corporate Credit Card

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

Date	Amount	Payee	Description
29-Jul-16	\$287.74	Jack In The Box	Electronic Delivery Bay To Bay
04-Aug-16	\$113.00	Firestation Wine Bar	Meeting Rio Tinto Staff X 2, Mayor & CEO
05-Aug-16	\$89.70	Mana Kai Café	Morning Tea With Ranger Services Team
05-Aug-16	\$511.56	Mt Bay Water Apartments	Accommodation LG Week (Cr Bennett)
05-Aug-16	\$527.80	Mt Bay Water Apartments	Accommodation LG Week (Cr Bleechmore)
15-Aug-16	\$1,177.40	International Cities Towns	Conference Registration (Cr Best)
17-Aug-16	\$154.00	Parks & Leisure Australia	Rego: How Much Risk Is Ok In Play? (Cr Paine)
18-Aug-16	\$88.00	Equinox Café	Food & Drinks DFES Commissioner, Mayor & CEO
22-Aug-16	\$1,468.86	Webjet	Ø Flights ICTC Conference (Cr Best & Wendy)

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

◆ Allocated against CEO Hospitality Expenses Allowance

Ø Councillor partner expenses to be reimbursed

3. Voluntary Contributions/Donations (Income)

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

No voluntary contributions have been approved this financial year to date during this period although it is anticipated that a sculpture from Rio will be forthcoming in the next few periods.

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

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

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

- 29 applications for sponsorship have been received during this financial year.
- The average donation approved for the financial year is \$268.96
- There were 29 applications for sponsorship received or assessed during August 2016.
- Expenditure from the Donations, Contributions and Subsidies Fund (Sponsorship Fund) for the financial year totals \$7,800.
- Total budget for the Donations, Contributions and Subsidies Fund (Sponsorship Fund) is \$37,450.

App. No.	Recipient	Purpose	Amount
01/1617	WA Rover Owners Car Club Inc	National Rally of Rover owners held in Busselton over 4 days. Funds to assist with catering and gifts for interstate and NZ visitors	\$1,000.00
02/1617	Geographe Bay Table Tennis Club	South West Open Championships - Funding to assist with purchasing trophies and running of the competition.	\$500
03/1617	Dunsborough CWA	Annual Christmas Luncheon - Funds requested to assist with catering costs involved.	\$800
04/1617	Melanie Kerr	Representing WA at School Sport Australia National Schools Swimming Championships - Darwin	\$200
05/1617	Maddison Johnston-Walker	Representing WA at School Sport Australia National Schools Swimming Championships - Darwin	\$200
06/1617	Ross Rann	Representing WA at School Sport Australia National Schools Swimming Championships - Darwin	\$200
07/1617	Busselton Camera Club	3 day photography event with a guest speaker being held in Busselton. Funds to assist with administrative costs in organising event.	\$300
08/1617	Josh Mitchell	Representing WA at the Australian Junior Squash Championships in Sydney in September	\$200
09/1617	Cornerstone Christian College - Busselton	End of year awards/graduation night (\$100 primary \$200 secondary)	\$300
10/1617	St Mary's Community Care - Cliff's Kitchen	Anti-poverty week luncheon. Funds to pay for the meat.	\$300
11/1617	Georgiana Molloy Anglican School	Representing WA at the National Science and Engineering Challenge being held in Hobart.	\$500
12/1617	Black2Basic Fitness	Requested funds to assist with hall hire for fundraiser for Relay for Life. Unsuccessful due to past considerations regarding raising for Charity.	\$0
13/1617	Geographe Primary School	End of year awards/graduation night (\$100 primary \$200 secondary)	\$100
14/1617	Dunsborough Bush Playgroup	Mud Morning - Funds to assist with costs associated with establishing the Mud Morning play. (Materials etc)	\$300
15/1617	Busselton Senior High School	End of year awards/graduation night (\$100 primary \$200 secondary)	\$200
16/1617	Vasse Primary School	End of year awards/graduation night (\$100 primary \$200 secondary)	\$100

App. No.	Recipient	Purpose	Amount
17/1617	Dunsborough Primary School	End of year awards/graduation night (\$100 primary \$200 secondary)	\$100
18/1617	Cape Naturaliste College (high)	End of year awards/graduation night (\$100 primary \$200 secondary)	\$200
19/1617	Busselton Primary School	End of year awards/graduation night (\$100 primary \$200 secondary)	\$100
20/1617	Georgiana Molloy Anglican School	End of year awards/graduation night (\$100 primary \$200 secondary)	\$300
21/1617	Lee Scurlock	Representing Australia at the UCI Gran Fondo world championship cycling event in Perth. Funds to assist with kit and travel costs	\$100
22/1617	Phil Magee	Representing Australia at the UCI Gran Fondo world championship cycling event in Perth. Funds to assist with kit and travel costs	\$100
23/1617	Sarah McLachlan	Representing Australia at the UCI Gran Fondo world championship cycling event in Perth. Funds to assist with kit and travel costs	\$100
24/1617	Geographe Education Support	End of year awards/graduation night (\$100 primary \$200 secondary)	\$300
25/1617	Yallingup Steiner School	End of year awards/graduation night (\$100 primary \$200 secondary)	\$100
26/1617	Probus Club Dunsborough Inc	Probus South West Get together. Funds requested to assist with the overall running of event, meals etc	\$200
27/1617	St Mary McKillop College	End of year awards/graduation night (\$100 primary \$200 secondary)	\$300
28/1617	Busselton Hospice Care Inc	Annual hospice golf day and dinner soiree - raising funds to assist with educating and training hospice volunteers.	\$500
29/1617	Indi Williams	Representing WA at the National School Sport Swimming Championships in Darwin	\$200
30/1617	Busselton Choral Society	Requested funding to purchase sheet music.	\$0
31/1617	Ella Butler	Representing WA at the National School Sport Swimming Championships in Darwin	\$200
32/1617	Maddison Fenwick	Representing WA at the Australian U/13's hockey championships	\$200
33/1617	South West Counselling Inc	Pain Management support Group – Seeking funds to purchase resources for this group and also print brochures making aboriginal community aware of the group. Unsuccessful due to it being an operational cost.	\$0

App. No.	Recipient	Purpose	Amount
34/1617	Jan Stewart - Travel Associates	Busselton Day Trip – A ticketed day out in Busselton for members of the community and SW. Unsuccessful as it is not an open event for all of the community, you have to pay for tickets.	\$0
35/1617	West Busselton Primary School	End of year awards/graduation night (\$100 primary \$200 secondary)	\$100
36/1617	Busselton RSL Branch	Funds for materials to make poppies for Remembrance Day	\$500
37/1617	Dunsborough Yallingup Chamber of Commerce	Hannay Lane Street Party – funds for liquor licence and traffic management. Not successful as funds have already been received for this event last financial year	\$0

5. Asset Management Report

The review of the Parks and Gardens Asset Management Plan is now well underway.

The initial plan which was adopted in 2013 had a focus on the financial requirements for Parks and Gardens and provided an overall ‘gap analysis’ of current versus required expenditure. This is typical of an initial core asset management plan, in that it mainly provides information at a more network level.

The review will provide updated gap analysis information as well as introducing discussion on levels of service and service standards, based on factors such as park location, importance, function, future use etc. This is referred to as advanced asset management and is the natural progression from initial core asset management planning.

The initial focus of the review has been on collecting more detailed asset information at an individual component and area level. This involves mapping areas of parks and gardens that the City is responsible to maintain and defining the type of areas within these i.e. identifying within a reserve (or lot) the total area/amount of gardens, turf areas, playgrounds, bins, furniture, BBQs etc.

The example below shows how the areas have been defined for Bayside Park, Guerin Street in Geographe. Each of these areas is recorded as a different asset, with each having different renewal and maintenance requirements. The yellow dots represent other items of infrastructure such as bins, furniture, play equipment and signage.

This information, once complete; will provide a quantifiable list of parks assets across the whole municipality (as well as at an individual reserve level). It will provide information such as total areas of gardens, bushlands and turf, size and location of playgrounds, number of bins, park furniture, BBQs etc; as well as replacement and fair value of these assets and forward replacement programs.



This will improve the current asset register for parks and gardens through the visual representation the mapping provides, as well as providing more detail on garden and turf areas. The detail on the garden and turf areas becomes important for maintenance planning and allocating of tasks for work teams. Although maintenance planning is not a direct function of the assets team, the information is being collected to provide assistance for those officers who are undertaking maintenance planning.

Initial collection of garden, turf, playground, bushlands and beach areas has been undertaken via a desktop analysis of aerial photography. This method is very effective and is significantly less time consuming than undertaking site visits to each and every location. This has been undertaken for all areas of the municipality.

The next phase will include site visits to map the location and update the condition information for assets which are not easily visible via the aerial photography. This includes items such as furniture, play equipment, BBQs etc. Maintenance supervisors will also undertake a review of the information and provide feedback on any areas that may have been overlooked.

As well as providing a linkage with maintenance planning, the project will also provide detail to assist with the further development of the Public Open Space Strategy. Information such as size and location of playgrounds, turf areas, playing fields as well as other amenities will complement the strategic approach of the strategy.

The strategy will define the whether the parks are of a local, neighborhood or district significance and the updated Parks and Gardens Asset Management Plan will provide the asset related detail within all of these areas.

Committee Decision and Officer Recommendation

F1610/054 Moved Councillor P Carter, seconded Councillor C Tarbotton

That the Finance Committee notes the Finance Committee Information Bulletin for the month of August 2016.

CARRIED 5/0

6.2 LIST OF PAYMENTS MADE - AUGUST 2016

SUBJECT INDEX:	Financial Operations
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Financial Services
ACTIVITY UNIT:	Finance
REPORTING OFFICER:	Strategic Financial Plan Accountant - Stuart Wells
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Matthew Smith
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A List of Payments - August 2016⇒

PRÉCIS

This report provides details of payments made from the City's bank accounts for the month of August 2016, for noting by the Council and recording in the Council Minutes.

BACKGROUND

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

STATUTORY ENVIRONMENT

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

RELEVANT PLANS AND POLICIES

NA.

FINANCIAL IMPLICATIONS

NA.

Long-term Financial Plan Implications

NA.

STRATEGIC COMMUNITY OBJECTIVES

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

RISK ASSESSMENT

NA.

CONSULTATION

NA.

OFFICER COMMENT

NA.

CONCLUSION

NA.

OPTIONS

NA.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

NA.

Committee Recommendation and Officer Recommendation

F1610/055 Moved Councillor T Best, seconded Councillor P Carter

That the Council notes payment of voucher numbers M113257 – M113404, EF047721 – EF048196, T007268 – T007281, and DD002833 – DD002859; together totaling \$7,106,965.24.

CARRIED 5/0

6.3 FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 31 AUGUST 2016

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Financial Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Strategic Financial Plan Accountant - Stuart Wells
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Matthew Smith
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Financial Activity Statements - August 2016⇒

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 August 2016.

BACKGROUND

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

- Annual budget estimates
- Budget estimates to the end of the month in which the statement relates
- Actual amounts of revenue and expenditure to the end of the month in which the statement relates
- Material variances between budget estimates and actual revenue/ expenditure/ (including an explanation of any material variances)
- The net current assets at the end of the month to which the statement relates (including an explanation of the composition of the net current position)

Additionally, and pursuant to Regulation 34(5) of the Regulations, a local government is required to adopt a material variance reporting threshold in each financial year. At its meeting of 21 July 2016, the Council adopted (C1607/160) the following material variance reporting threshold for the 2016/17 financial year:

That pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations, the Council adopts a material variance reporting threshold with respect to financial activity statement reporting for the 2016/17 financial year to comprise variances equal to or greater than 10% of the year to date budget amount as detailed in the Income Statement by Nature and Type/ Statement of Financial Activity report, however variances due to timing differences and/ or seasonal adjustments are to be reported on a quarterly basis.

STATUTORY ENVIRONMENT

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

RELEVANT PLANS AND POLICIES

Not applicable

FINANCIAL IMPLICATIONS

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

Long-term Financial Plan Implications**STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 – ‘Open and Collaborative Leadership’ and more specifically Community Objective 6.3 - ‘An organisation that is managed effectively and achieves positive outcomes for the community’. The achievement of the above is underpinned by the Council strategy to ‘ensure the long term financial sustainability of Council through effective financial management’.

RISK ASSESSMENT

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

CONSULTATION

Not applicable

OFFICER COMMENT

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

▪ Statement of Financial Activity

This report provides details of the City’s operating revenues and expenditures on a full year 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 AUGUST 2016

Historically, significant variances are evident in most revenue and expenditure categories during the early part of each financial year. With this in mind, this initial monthly report will not make any specific commentary on individual variances, which are predominantly due to timing differences. However, the report does list, for information purposes, those activities where the 10% reporting threshold has been exceeded (irrespective of timing matters).

Operating Activity

- Operating Revenue

As at 31 August 2016, there is a variance of -0.66% (-\$345K) in total operating revenue, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Other Revenue	+27%	+\$17
Interest Earnings	-18%	-\$119
Profit on Asset Disposals	100%	+12

- Operating Expenditure

As at 31 August 2016, there is a variance of +5% (+\$539K) in total operating expenditure, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Materials and Contracts	+41%	+\$946
Utilities	+21%	+\$84
Other Expenditure	+30%	+\$132
Allocations	-66%	-\$252

Capital Activity

- Capital Revenue

As at 31 August 2016, there is a variance of -87% (-\$10,593K) in total capital revenue, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Transfer from Reserves	-84%	-\$7,729
Transfer from Restricted Assets	-97%	-\$2,921
Proceeds from Sale of Assets	+100%	+\$57

- Capital Expenditure

As at 31 August 2016, there is a variance of 73% (+\$16,600K) in total capital expenditure, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Land and Buildings	+47%	+\$2,159
Plant and Equipment	-83%	-\$54
Furniture and Equipment	+83%	+\$114
Infrastructure	+87%	+\$9,215
Transfers to Restricted Assets	-262%	-\$543
Transfers to Reserves	+79%	+\$5,709

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

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

CONCLUSION

Significant variances are not unusual in the very early part of each financial year, with this primarily due to budget timing differences, coupled with an increased tendency for higher variances to occur based on 'lesser' year to date budget allocations. In reviewing the financial performance to the end of July, the major variances are all primarily attributable to timing differences.

OPTIONS

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

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

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

Note: The Committee requested that Officers write to the Department of Local Government and Communities regarding the 'MyCouncil' website, specifically the methodology of one of the 'Financial Health Indicators' displaying the City of Busselton poorly.

Committee Recommendation and Officer Recommendation

F1610/056

Moved Councillor R Bennett, seconded Councillor P Carter

That the Council receives the statutory financial activity statement reports for the period ending 31 August 2016, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 5/0

6.4 BUDGET AMENDMENTS - ENGINEERING WORKS & SERVICES, VARIOUS

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	Infrastructure assets are well maintained and responsibly managed to provide for future generations.
BUSINESS UNIT:	Engineering and Works Services
ACTIVITY UNIT:	Engineering and Works Services
REPORTING OFFICER:	Engineering Management Accountant - Stephen Wesley
AUTHORISING OFFICER:	Manager, Engineering and Facilities Services - Daniell Abrahamse
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A Alpha Road Footpath Concept ↗ Attachment B South West Catchment Council Funding Agreement ↗

10.12am At this time the Director, Engineering and Works Services and the Design and Survey Coordinator entered the meeting.

PRÉCIS

This report seeks approval from Councils for the following budget amendments;

1. Bring to account extra funding received from Main Roads Western Australia for preliminary works on Causeway Road. This will also require a 1/3rd matching contribution from the City. **(adjustment 1)**
2. Transfer the left over budget on two existing projects to a new project to construct a footpath along Alpha Road to tie-in to the existing path network near the Busselton Hospital. **(adjustment 2)**
3. Bring to account a grant secured from the South West Catchment Council for various water quality improvement purposes. **(adjustment 3)**

BACKGROUND

Adjustment 1 – Extra Main Roads Western Australia (MRWA) Grant Funding Received

The City was recently notified by MRWA, under the Regional Road Group Funding program that an additional \$50,000 in road funding had become available. In accepting this grant the City would need to contribute \$25,000 of its own funding. It is proposed that the \$25,000 be drawn down from the City's Infrastructure Asset Renewal Reserve, being the balance specifically pertaining to the partitioned amount associated with Road Asset Renewal. Each year the City draws-down the majority of the extra 1% in rates collected for the purpose of addressing the funding gap as detailed in the Roads Asset Management Plan; however we are mindful to leave a small balance in the reserve for the purpose of accepting extra grant funding where a matching contribution is needed, if the opportunity arises.

This funding will be used to undertake detailed design and preliminary planning works associated with the project to expand Causeway Road to a dual carriage way as set-out in the Busselton Traffic Study. Due to a limited time-frame required to provide a response to MRWA, the funds were subsequently accepted on behalf of the Council. This report now seeks Councils approval to adjust the budget to bring this new capital project to account.

Adjustment 2 – Left over Footpath and Cycle way funding to be used for a new path along Alpha Road, West Busseleton

Council's approval is sought to construct a footpath along Alpha Street, West Busseleton. The path will provide a tie-in with the existing path network built as part of the new Busseleton Hospital. **See Attachment A.** To fund this project it is proposed the City use left-over funding from path projects primarily carried out in the previous financial year.

Part 1 – Brown Street Footpath

Towards the end of the 2015/16 financial year a footpath was constructed along Brown Street, extending from Kent Street in the South through to Marine Terrace in the North. This project was conservatively estimated at \$153,000. The project subsequently cost \$94,212 thus representing an underspent to budget of \$58,788. The project was estimated conservatively at the time due to power transmission (poles and wires) and various trees positioned along the then proposed alignment. After detailed design it was found that the path could be constructed without moving power poles or removing a number of trees as was first envisaged. To this end, City Officers seek to use the unspent money to construct a new path along Alpha Street in West Busseleton.

Part 2 – Busseleton Bypass "Cycle Highway"

Last financial year the City constructed three separate sections of the path comprising the Busseleton Bypass "Cycle Highway". Upon completion this cycle way will represent a continuous dedicated dual use path approximately 9 km long extending from Vasse in the West through to Strelly Street in the East. This path also doubles as a section of the Wadundi Rail Trail crossing the restored wooden rail bridge crossing Kangaroo Gully.

This path comprises 6 sections as shown below;

Section 1:- Strelly Street to Clydebank Avenue crossing Cook Street (light industrial area)

Section 2:- Clydebank Avenue to Grace Court

Section 3:- Grace Court to Fairway Drive

Section 4:- Fairway Drive to Kangaroo Creek bridge

Section 5:- Kangaroo Creek to Caprock Crescent Path Entrance

Section 6:- Caprock Crescent Path End to Glenview Drive

Sections 1, 4 & 6 were constructed last financial year and are the subject of this report. (RBN, City, Blackspot funded)

Section 2 will be built this financial year, 2016/17. (Regional Bicycle Network grant)

Section 3 was built in 2009 – City Funded

Section 5 was built in 2011-2012 by Estate Developers as a condition for the provision of community infrastructure.

Section 1 was constructed with 50% of grant funds received under the Regional Bicycle Network grant program (RBN) at an estimated cost of \$245,000. The works came in under budget and Engineering Works and Services Officers sought to apply the left over grant money against section 5 that was 100% City funded at a value of \$56,000. After much debate approval was subsequently granted and this allowed for the substitution of City funds with grant funds saving the City \$54,304.

Summary

Adjustment 2 seeks approval by Council to use both the \$58,788 and \$54,304 savings to construct a pathway to the value of \$113,092 along Alpha Road, West Busseleton. **See Attachment A**

Adjustment 3 – South West Catchments Council grant for various water quality improvement purposes

The City was recently notified of its success in securing \$44,000 from the South West Catchments Council towards various water quality improvement initiatives. Details on these initiatives are contained in the draft grant agreement, **see Attachment B**.

The two primary outcomes from this agreement are;

1. The purchase and installation of a gross pollutant trap (GPT) to be installed to treat storm water entering the RAMSAR listed Vasse Estuary. The GPT will remove gross pollutants (rubbish), sediments, oils and nutrients from the storm water. The grant money is to purchase the GPT while the City pays for the cost of installation.
2. The development of a technical manual on how to maintain the different types of water quality infrastructure located throughout the City. A suitably qualified consultant will be employed to help develop this manual.

Councils approval is sought to accept this funding and document it within the City's financial management system via a budget adjustment.

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

Adjustment 1

Roads Asset Management Plan, Busselton Traffic Study

Adjustment 2

Bike Plan, Footpath Asset Management Plan

Adjustment 3

City of Busselton Environment Strategy – Waterways management

FINANCIAL IMPLICATIONS

This budget adjustment will have no financial implications on the City's overall financial net position, and have no impact on net municipal funds other than a reduction to the City's Infrastructure Asset Renewal Reserve by \$25,000.

STRATEGIC COMMUNITY OBJECTIVES

Caring and Inclusive Community

- 1.3 A community that supports healthy, active ageing and services to enhance quality of life as we age. (Footpaths)

Well Planned, Vibrant and Active Places

- 2.3 Infrastructure assets that are well maintained and responsibly managed to provide for future generations. (New Roads)

Connected City

- 4.3 A linked network of cycle ways and pedestrian paths providing alternative transport options. (Footpaths)

Cared for and Enhanced Environment

- 5.1 Our natural environment is cared for and enhanced for the enjoyment of the community and visitors. (Vasse Wetlands)

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 taken place with Main Roads Western Australia with regards to amendment 1. Consultation has taken place with the South West Catchments Council with regards to amendment 3.

OFFICER COMMENT

Nil

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, organized and completed by June 30 2017.

OPTIONS

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

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

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

OFFICER RECOMMENDATION**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That Council endorses the following amendments to the 2016/17 budget:

Budget Account Number	Description 1	Description 2	2015/16 adopted budget	2015/16 proposed budget	Difference
Adjustment 1 – Main Roads Western Australia					
541.SNEW.1210.0000	Main Road Western Australia Grant	Causeway Road works	0	-50,000	-50,000
541.SNEW.3280.0000	Contractors	Project cost	0	\$75,000	\$75,000
RESERVE TRANSFER		City's financial contribution	\$733,634	-\$25,000	\$708,634
Adjustment 2 – New footpath Alpha Road					
541.F0059.3280.0000	Brown Street	Transfer left over funds	\$58,788	-\$58,788	0
541.F1008.3280.0000	Bypass Cycle way	Transfer left over funds	\$54,304	-\$54,304	0
541.FNEW.3280.0000	New project	Alpha Road	0	\$113,092	\$113,092
Adjustment 3 – South West Catchments Council (SWCC) Grant					
541.S0049.1215.0000	SWCC Grant	For GPT	0	-32,000	-32,000
521.10850.1239.0000	SWCC Grant	For WQ manual	29,862	-12,000	-41,862
541.S0049.7723.0000	Gross Pollutant Trap (GPT) est.cost	Purchase GPT	0	\$32,000	\$32,000
521.10850.3260.0000	Water Quality (WQ) report	Consultant	0	\$12,000	\$12,000

Note: Officers proposed a Revised Recommendation for Committee consideration that would amend the reserve transfer amounts, an incorrect budget account number and some descriptions.

Committee Recommendation and Revised Officer Recommendation

F1610/057

Moved Councillor P Carter, seconded Councillor C Tarbotton

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That Council endorses the following amendments to the 2016/17 budget:

Budget Account Number	Description 1	Description 2	2016/17 adopted budget	2016/17 proposed budget	Difference
<u>Adjustment 1 – Main Roads Western Australia</u>					
541.SNEW.1210.0000	Main Road Western Australia Grant	Queen Street Road works	0	-50,000	-50,000
541.SNEW.3280.0000	Contractors	Project cost	0	\$75,000	\$75,000
RESERVE TRANSFER		City's financial contribution	-\$1,705,967	-\$25,000	-\$1,730,967
<u>Adjustment 2 – New footpath Alpha Road</u>					
541.F0059.3280.0000	Brown Street	Transfer left over funds	\$58,788	-\$58,788	0
541.F1008.3280.0000	Bypass Cycle way	Transfer left over funds	\$54,304	-\$54,304	0
541.FNEW.3280.0000	New project	Alpha Road	0	\$113,092	\$113,092
<u>Adjustment 3 – South West Catchments Council (SWCC) Grant</u>					
541.S0049.1215.0000	SWCC Grant	For GPT	0	-32,000	-32,000
421.10850.1239.0000	SWCC Grant	For WQ manual	-29,862	-12,000	-41,862
541.S0049.3280.0000	Gross Pollutant Trap (GPT) est.cost	Purchase GPT	0	\$32,000	\$32,000
421.10850.3260.0000	Water Quality (WQ) report	Consultant	0	\$12,000	\$12,000

CARRIED 5/0

BY ABSOLUTE MAJORITY

10.22am At this time the Director, Engineering and Works Services and the Design and Survey Coordinator left the meeting and did not return.

7. GENERAL DISCUSSION ITEMS

Councillor Bleechmore queried the negotiations for a licence agreement for the Coles Carpark.

The Chief Executive Officer advised that at this point the City was waiting on a response from the Proponent.

The Engineering Management Accountant advised the Committee that a flood claim was being prepared for submission, details to be provided to the Finance Committee when received.

8. NEXT MEETING DATE

Thursday, 3 November 2016

9. CLOSURE

The meeting closed at 10.28am.

THESE MINUTES CONSISTING OF PAGES 1 TO 23 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON THURSDAY, 3 NOVEMBER 2016.

DATE: _____

PRESIDING MEMBER: _____

