

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 3 JULY 2014

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MINUTES

MINUTES OF FINANCE COMMITTEE HELD IN THE COMMITTEE ROOM, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 3 JULY 2014 AT 9.30AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 9.30am.

2. ATTENDANCE

Presiding Member:

Cr Ian Stubbs Mayor

Members:

Cr John McCallum
Cr Gordon Bleechmore
Cr Jenny Green
Cr Coralie Tarbotton (Deputy Member)

Officers:

Mr Mike Archer, Chief Executive Officer
Mr Darren Whitby, Manager, Finance and Corporate Services
Mrs Deborah Holden, Civic Relations Officer (Until 9.45am)
Mrs Katie Banks, Administration Officer, Governance

Apologies

Nil

Approved Leave of Absence

Councillor Grant Henley

3. PUBLIC QUESTION TIME

Nil.

4. DISCLOSURE OF INTERESTS

Nil.

5. CONFIRMATION OF MINUTES

F1407/041 Moved Councillor J Green, seconded Councillor J McCallum

That the Minutes of the Finance Committee Meeting held 5 June 2014 be confirmed as a true and correct record.

CARRIED 5/0

6. REPORTS

6.1 FINANCE COMMITTEE INFORMATION BULLETIN – MAY 2014

SUBJECT INDEX:	Councillors' Information
STRATEGIC OBJECTIVE:	Governance systems that deliver responsible, ethical and accountable decision-making.
BUSINESS UNIT:	Executive Services
ACTIVITY UNIT:	Finance
REPORTING OFFICER:	Reporting Officers - Various .
AUTHORISING OFFICER:	Chief Executive Officer - Mike Archer
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Investment Report - May 2014

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 May 2014, the value of the City's invested funds totalled \$49.65M; representing a net increase of \$650K on the previous month's balance. During the month, \$12M in term deposits matured, of which \$8M was renegotiated; at an average rate of 3.60%. This is slightly less than the 3.65% achieved during the previous month. The net increase in invested funds was primarily attributable to the drawing of \$2.65M in borrowings, which have been quarantined pending end of financial year reconciliations.

In respect of interest earnings on credit funds, municipal interest is presently \$172K below year to date estimates, with reserve interest exceeding year to date budget estimates by \$83K (overall net budget shortfall of \$89K). Whilst generally consistent with end of financial year projections, municipal interest earnings may exceed the originally projected shortfall of approximately \$140K, due to a shorter availability of cash funds.

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
25/04/2014	751.00	Qantas Airways	Flights to attend meeting with airlines in Sydney (Manager, Commercial Services)

28/04/2014	244.20	CreateSend.com	E-mailing of Bay to Bay Newsletter
30/04/2014	376.50	The Goose Café, Busselton	Luncheon for Sugito delegation
01/05/2014	867.00	Laundry 43, Busselton	Dinner for Sugito delegation
04/05/2014	601.50	Aravina Estate, Yallingup	Luncheon for Sugito delegation
06/05/2014	30.00	Margaret River Chamber of Commerce	W A Post Budget Breakfast (CEO)
09/05/2014	75.00	Flowers on Prince	Floral arrangement – bereavement
13/05/2014	402.00	Townsville City Council	Registration for LG CEO conference (CEO)
15/05/2014	80.00	Flowers on Prince	Floral arrangement – bereavement
16/05/2014	458.35	Qantas Airways	Flights to attend LG CEO conference in Townsville (CEO)
16/05/2014	842.70	Equinox Café, Busselton	Sundowner for City of Joondalup Councillors and Executive
22/05/2014	550.00	Victorian Association of Performing Arts	Book purchase in relation to development of performing arts centres
26/05/2014	105.00	Busselton Chamber of Commerce & Industry	State and Federal Budget Breakfast attendance (Crs Best, Bleechmore and Green)

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 such voluntary contributions/ donations have been approved (by the CEO or the CEO and Mayor jointly) this financial year to date.

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:

- 82 applications for sponsorship have been received during the financial year.
- The average donation approved for the financial year is \$286.75.
- There were 5 applications for sponsorship received or assessed during May 2014.
- Expenditure from the Donations, Contributions and Subsidies Fund (Sponsorship Fund) for the financial year totals \$21,793.38.
- Total budget for the Donations, Contributions and Subsidies Fund (Sponsorship Fund) is \$25,000.00.

Applicati on No.	Recipient	Purpose	Amount
43/1314 Cancelled	Bay Cycle Day Committee	Inclusive Community ride cancelled due to difficulties with obtaining insurance coverage to hold the event.	(\$300.00)

Applicati on No.	Recipient	Purpose	Amount
		Funds were returned to Council.	
78/1314	Mathew Becket	Special Circumstances – Softball Australia U/19's Men's Development Team to tour USA and Canada 8-25/07/14.	\$200.00
79/1314	Jacob Msando	Special Circumstances – State representation in Athletics. Funds to assist with travel expenses to Singapore on 8-16/07/14.	\$200.00
80/1314	Zonta Club of Dunsborough	Bridge Competition Fundraiser 07/06/14 for Scholarship of Excellence, awarding \$2,000.00 toward a female student in 2 nd year at university; and \$250.00 towards one Year 11 student from each local high school (five in total). Funding to assist with NCC hire costs.	\$274.50
81/1314	CANSurvive Cancer Support Group	Gala Information Evening at St Mary's Church (including workshops, a guest speaker surviving cancer and allied health professionals) – benefiting the local community, particularly those affected by cancer, providing an opportunity for those with cancer and carers to access a range of information to maximise chances of recovery. It will be a gold coin donation event. Funds will assist with associated travel, accommodation, venue hire and volunteer's travel expenses to collect attendees that would otherwise be unable to attend (if required).	\$500.00
82/1314	Geographe Bay Table Tennis Club	South West Open Table Tennis Championships 30/05 to 01/06/14 – funding to assist with the Busselton Youth Centre hall hire costs, keeping entry fees between \$4.00 and \$35.00. The Club estimated that 60% of their competitors will be visitors from throughout the state.	\$500.00

Council may wish to note:

- The City donated \$491.00 to the Busselton Old Time Dance who hosted the South West Dance Festival in Busselton on 4 to 6 April 2014. The event raised a total of \$2,500.00 for the Royal Flying Doctors Service.
- 18 year old Tayla Bresland, Capel Naturaliste College student was granted \$200.00 under special circumstances and was the only regional player on the first WA side to claim the AFL youth girls national championship title in May. The state youth girl's side were the first team outside of Victoria to claim a national title at any level, beating Victoria Metro by 25 points in the grand final held in Canberra on 8 May 2014. Tayla is reported to have a bright future in women's AFL.

COMMITTEE DECISION AND OFFICER RECOMMENDATION

F1407/042

Moved Councillor C Tarbotton, seconded Councillor G Bleechmore

That the Finance Committee notes the Finance Committee Information Bulletin for the month of May 2014.

CARRIED 5/0

9.45am At this time the Civic Relations Officer left the meeting and did not return.

6.2 FINANCIAL ACTIVITY STATEMENTS – PERIOD ENDING 31 MAY 2014

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Finance and Information Technology
ACTIVITY UNIT:	Finance
REPORTING OFFICER:	A/Director, Finance and Corporate Services - Darren Whitby
AUTHORISING OFFICER:	Manager, Corporate Services - Sarah Pierson
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Financial Activity Statements - May 2014

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 May 2014.

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 22 July 2013, the Council adopted (C1307/185) the following material variance reporting threshold for the 2013/14 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 2013/14 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

NA.

FINANCIAL 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 6.3 - ‘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 treatment/ control that assists in addressing this risk.

CONSULTATION

NA.

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 year to date 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 year to date basis, and reconciles with the net current position as per the Statement of Financial Activity.

- Capital Acquisition Report

This report provides year to date 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 year to date basis.

- Reserve Transfers to Municipal Fund

This report provides specific detail in respect of expenditures being funded from reserves.

Additional reports and/ or charts are also provided to further supplement the information comprised within the statutory financial reports.

COMMENTS ON FINANCIAL ACTIVITY TO 31 MAY 2014

Operating Activity

- Operating Revenue

As at 31 May 2014, there is a variance of -0.8% in total operating revenue, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Operating Grants, Subsidies and Contributions	+27%	+\$955
Other Revenue	+51%	+\$206
Non-Operating Grants, Subsidies and Contributions	-28%	-\$2,962
Profit on Asset Disposal	-71%	-\$39

A summary of the above variances is provided as follows:

Operating Grants, Subsidies and Contributions (YTD Variance: +\$955K)

The current variance is primarily attributable to:

- The reimbursement of approximately \$825K in relation to storm damage clean-up costs (January 2013 - \$107K and September 2013 - \$718K). However, this revenue is significantly offset by the additional costs associated with the September 2013 clean-up.
- The earlier than projected receipt of a range of sundry grants and reimbursements (on a net basis).

Other Revenue (YTD variance: +\$206K)

The current variance is primarily attributable to:

- Recyclables revenue is presently \$50K above year to date budget estimates, with this principally due to the transfer of longstanding Trust funds held for recycling purposes.
- Collective fines and penalties revenue is presently \$34K above year to date budget estimates, albeit the variance is impacted by current budget timing differences (i.e. bushfire fines revenue is currently \$45K, however the annual revenue budget of \$70K is fully allocated to June 2014).
- Unbudgeted Long Service Leave contributions from other local government authorities totalling \$41K have been received, although this revenue is offset through employee costs.
- Registration fees totalling \$31K, relating to the Local Government CEO Conference. The adopted budget did not include an allocation for this revenue item.

Non-Operating Grants, Subsidies and Contributions (YTD Variance: -\$2,962K)

The current variance is primarily attributable to:

- The unbudgeted recognition of Bushfire Service donated assets totalling \$1.3M
- The receipt of additional developer contribution funds of approximately \$1.5M (above YTD budget estimates), albeit these funds are transferred to Restricted Assets upon receipt.
- A collective year to date budget variance of approximately -\$4.9M in respect of government grant funding, relating to projects such as the Busselton Regional Airport (-\$0.9M) and the Busselton Foreshore project (-\$3.0M).
- The non-receipt of a (budgeted) contribution of \$1.0M from the Busselton Jetty Environment and Conservation Association Inc. in respect of the Railway House Project (albeit this project has been deferred in 2013/14)

In numerous instances, grant funding has not been successful, and as such, the associated capital expenditures will not be incurred.

Profit on Asset Disposal (YTD Variance: -\$39K)

This (accounting) variance is directly related to the year to date performance in the 'Plant and Equipment' capital expenditure classification.

- Operating Expenditure

As at 31 May 2014, there is a variance of -1.3% in total operating expenditure, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Other Expenditure	-17%	-\$498
Allocations	+12%	+\$174
Interest Expenses	-48%	-\$169
Loss on Asset Disposals	-30%	-\$52

A summary of the above variances is provided as follows:

Other Expenditure (YTD Variance: - \$498K)

The current variance is primarily attributable to:

- Donations, contributions and sponsorships expenditure is presently \$240K below YTD budget estimates.
- Regional Development Strategies expenditure is presently \$71K below YTD budget estimates
- Collective advertising expenditure is presently \$42K below YTD budget estimates
- Marketing and promotions expenditure is presently \$36K below YTD budget estimates
- Overall valuation expenditure is presently \$35K below YTD budget estimates
- Community consultation related expenditure is presently \$30K below YTD budget estimates

Allocations (YTD Variance: +\$174K)

The current (accounting) variance is primarily due to timing differences. Whilst the majority of individual allocations are administration based (and clear each month), this activity also includes plant and overhead related allocations. Due to the nature of these line items, the activity reflects as a net offset against operating expenditure, in recognition of those expenses that are of a capital nature (and need to be recognised accordingly). The present variance is reflective of the increased level of capital works activities being undertaken prior to winter.

Interest Expenses (YTD Variance: -\$169K)

The current variance is primarily due to the delay in the drawdown of budgeted new loan facilities, with the variance further impacted by only a portion of two budgeted loans being drawn this financial year. In terms of the Annual Budget Review, it was projected that budget savings of approximately \$173K would be achieved in this activity by financial year end, excluding reserve funded loan repayments. With all 'expected' borrowings now drawn, this estimate has been revised upwards by approximately \$10K to \$183K.

Loss on Asset Disposals (YTD Variance: - \$52K)

As with the 'Profit on Asset Disposal' operating revenue category, this (accounting) variance is directly related to the year to date performance in the 'Plant and Equipment' capital expenditure classification.

Capital Activity

- Capital Revenue

As at 31 May 2014, there is a variance of -16% in total capital revenue, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Proceeds from the Sale of Assets	-48%	-\$367
Proceeds from New Loans	-49%	-\$3,650
Transfers from Restricted Assets	-47%	-\$1,889
Transfers from Reserves	+340%	+\$3,770

A summary of the above variances is provided as follows:

Proceeds from the Sale of Assets (YTD Variance: -\$367K)

This variance is directly impacted by the current performance in the 'Plant and Equipment' capital expenditure classification. With total plant and equipment acquisitions approximately \$1.7M (or 44%) below year to date budget estimates, the revenue associated with budgeted plant disposals/ trade-in's is also well below year to date projections.

Proceeds from New Loans (YTD Variance: -\$3,650K)

In terms of the amended budget, the following loan facilities were budgeted to have been drawn by 31 May 2014:

Description	2013/14 Budget (\$M)
Land Acquisition for Parking	\$2.2
Geographe Leisure Centre (GLC) Extensions	\$1.2
Busselton Foreshore	\$4.0
- Active Playing Fields (\$1.1M)	
- Tennis/ Croquet Club Infrastructure (\$2.1M)	
- Brown Street Extension (\$0.8M)	
TOTAL	\$7.4

However, as at the end of May, only \$3.75M in borrowings had been drawn, comprising:

- \$1.1M for 'Land Acquisition for Parking' (pertaining to Busselton land only)
- \$1.2M for the GLC Extensions
- \$1.1M for the Barnard Park Active Playing Fields (Busselton Foreshore)

- \$0.35M for the Busselton Regional Airport Jet Refuelling Facility (budgeted to be drawn in June)

The residual borrowing allocations for the 'Land Acquisition for Parking' (\$1.1M) and 'Busselton Foreshore' (\$2.9M) projects will not be required to be drawn in 2013/14.

Transfers from Restricted Assets (YTD Variance: - \$1,889K)

This budget comprises a range of matters including the transfer of:

- cash in lieu of parking (land acquisitions)
- unspent loan funds (geothermal project)
- unspent grant funding (for a range of projects)
- contributions to works as identified in the adopted budget

Whilst actual performance remains below year to date budget projections at this juncture, this is primarily due to timing matters in relation to grant funded capital projects. Notwithstanding this, transfers are now being made as and when associated projects are completed, with over \$1.45M transferred during May.

Transfers from Reserves (YTD Variance: +\$3,770K)

This variance is primarily attributable to the earlier than projected transfer of funds (to recoup associated expenditures incurred), to assist in funding the City's operational cash-flow requirements. Details of the specific transfers made are included in the attachments to this report.

- Capital Expenditure

As at 31 May 2014, there is a variance of -27% in total capital expenditure, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Land and Buildings	-48%	-\$5,292
Plant and Equipment	-44%	-\$1,730
Infrastructure	-50%	-\$11,878
Total Loan Repayments – Principal	-25%	-\$204
Transfers to Restricted Assets	+1,693%	+\$6,022
Transfers to Reserves	+15%	+812

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

In respect of the other classifications, an overview of the year to date financial performance is provided as follows:

Total Loan Repayments – Principal (YTD Variance: - \$204K)

This variance mirrors the 'Interest Expenses' operating expenditure variance, albeit this activity refers to principal repayments. In terms of the Annual Budget Review, it was projected that budget savings of approximately \$138K would be achieved in this activity by financial year end, excluding reserve funded loan repayments. With all 'expected' borrowings now drawn, this estimate has been revised upwards by approximately \$13K to \$151K.

Transfers to Restricted Assets (YTD Variance: +\$6,022K)

The annual budget in any year is based on a conservative estimate of contribution funds that may be received, plus an estimated transfer of Aged Housing funds. The current favourable variance is primarily due to:

- The receipt of contribution monies of approximately \$1.8M (initially brought to account via the non-operating grants, subsidies and contributions operating revenue category)
- Bond and deposit receipts of approximately \$1.9M (for which no annual budget allocation is made)
- The quarantining of borrowings drawn in May 2014 of \$2.65M, pending end of financial year reconciliations

It is important to note that performance in this activity does not directly impact on the City's overall annual closing position, as funds received are quarantined.

Transfers to Reserves (YTD Variance: +\$812K)

This variance is primarily due to the earlier than projected transfer of the Busselton Jetty Environment and Conservation Association Inc. (BJECA) licence fee for 2013/14 (\$669K) to the Jetty Maintenance Reserve, along with additional interest earnings on reserve funds of approximately \$83K.

As with 'Transfers to Restricted Assets', performance in this activity does not directly impact on the City's overall annual closing position, as transfers and interest earnings are quarantined.

BUDGET VARIATIONS AND OTHER 'KNOWN'S'

Councillors were recently informed that consequent to the Engineering and Works Services Directorate's review and compilation of 'donated assets' for the 2013/14 financial year, that this figure is estimated to be in the order of \$15M. Whilst not directly impacting on the cash position, the 'Non-operating Grants, Subsidies and Contributions' budget for 2013/14 (through which donated assets pass) will be exceeded by an equivalent amount.

In addition to the above, preliminary estimates are that the fair valuation of Land and Buildings will result in a collective increment of in excess of \$40M as at 30 June 2014. Whilst also not impacting on the cash position, this will nonetheless represent a material transaction in the Council's 2013/14 Financial Report.

CONCLUSION

In terms of the Annual Budget Review, completed as at 28 February 2014, a surplus closing position of approximately \$330K was projected as at 30 June 2014 (excluding re-list items). The Net Current Position as at 31 May 2014 (\$3.3M) is some \$0.75M less than the 31 May 2013 position, in which a closing surplus position of \$1.7M was achieved at financial year end. Whilst acknowledging this variance, the closing position for 2013/14 will continue to be impacted by a range of factors, including those funds that are required to be quarantined as at 30 June (e.g. net transfer of funds to the Waste and Airport Reserves etc.); which will reduce the closing Net Current Position. Staff will continue to closely monitor the City's cash position leading up to financial year end.

OPTIONS

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

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

NA.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1407/043 Moved Councillor J McCallum, seconded Councillor J Green

That the Council receives the statutory financial activity statement reports for the period ending 31 May 2014, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 5/0

6.3 LIST OF PAYMENTS MADE – MAY 2014

SUBJECT INDEX:	Financial Operations
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Finance and Information Technology
ACTIVITY UNIT:	Finance
REPORTING OFFICER:	A/Director, Finance and Corporate Services - Darren Whitby
AUTHORISING OFFICER:	Manager, Corporate Services - Sarah Pierson
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Payment Listing - May 2014

PRÉCIS

This report provides details of payments made from the City's bank accounts for the month of May 2014, 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, the 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.

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

F1407/044 Moved Councillor J McCallum, seconded Councillor C Tarbotton

That the Council notes the payment of voucher numbers M108669 – M108909, EF034228 – EF034757, T007080 – T007086, and DD002185 – DD002205, together totalling \$5,928,476.46.

CARRIED 5/0

7. GENERAL DISCUSSION ITEMS**Discussion regarding borrowing Strategies for the Civic Administration Centre and continuation of Busselton Foreshore Redevelopment**

The CEO discussed with the Committee the borrowing strategies incorporated in the City's Draft 2014/15 Budget for the Civic and Administration Centre (\$18m loan over 20 yrs) and for the continuation of the Busselton Foreshore redevelopment (\$6.8m loan over 15yrs).

The Committee were reminded that the \$18m loan for the admin building is forecast to be drawn early in the new financial year. Given the consistent decrease in interest rates since the project was included in the Draft 2014/15 Budget, the CEO asked the Committee whether they thought consideration should be given to either reduce the term of the loan or retain the current term of 20 years, retaining the saving on interest as a contingency in the event that project costs come in higher or alternatively enabling the City to have increased borrowing capacity for other projects which may eventuate during the course of the year that are unknown at this point in time.

The Committee discussed this matter and agreed that the current strategies including terms of the two proposed loans as per the Draft 2014/15 Budget should remain as is.

8. NEXT MEETING DATE

Thursday, 7 August 2014

9. CLOSURE

The meeting closed at 10.50am.

THESE MINUTES CONSISTING OF PAGES 1 TO 16 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON THURSDAY, 7 AUGUST 2014.

DATE: _____

PRESIDING MEMBER:
