

SHIRE OF PEPPERMINT GROVE

AGENDA FOR THE

**WORKS AND FINANCE
COMMITTEE MEETING**

TO BE HELD ON

9 MARCH 2009

WORKS & FINANCE COMMITTEE MEETING

9 March 2009

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SHIRE OF PEPPERMINT GROVE

NOTICE OF WORKS & FINANCE COMMITTEE MEETING

Dear Committee Member

The next meeting of the Shire of Peppermint Grove Works and Finance Committee will be held on 9 March 2009 in the Council Chambers, 1 Leake Street, Peppermint Grove, commencing at 5.00pm

Graeme K Simpson
Chief Executive Officer

5 March 2009

AGENDA

PROTOCOL STATEMENT

Council recognizes that it is permissible to record the Shire's Council and Committee Meeting in the written, sound, vision medium (or any combination of the mediums) when open to the public, however, people who intend to record meetings are requested to inform the Presiding Member of their intention to do so.

A1 DECLARATION OF OPENING AND RECORDING OF ATTENDANCE AND APOLOGIES

A2 DELEGATION OF VISITORS

Porter Consulting Engineers to discuss the amended detailed design concept of the roundabout for the intersection of Keane and View Streets

A3 QUESTIONS BY MEMBERS OF THE PUBLIC

A4 DECLARATION OF INTEREST

A5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Recommended

That the Minutes of the Works and Finance Committee Meeting held on 9 February 2009 be confirmed as a true and accurate record of proceedings.

A6 PROJECT REPORT LIST

Attached as Appendix A6.

FE FINANCE CONTROL & EXPENDITURE

FE1 ACCOUNTS FOR PAYMENT

File Ref: ACC3
Author: P J Howard, Manager Finance
Date: 5 March 2009

Purpose

The purpose of this report is to obtain approval for cheques, electronic funds payments and direct debits drawn since the last report and accounts now presented for payment.

Background

Nil

Report

Appendix FE1 lists details of all cheques drawn since the last report and accounts now presented for payment. The following summarises the cheques, electronic fund transfers, direct debits and accounts included in the list presented for payment.

MUNICIPAL FUND	PAYMENT TYPE	<u>AMOUNT</u>
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Cheque numbers 10037 – 10052 (inclusive)

Electronic Funds Transfers 2463 – 2519 (Inclusive)
Direct Debits 777 – 784 (inclusive)

TOTAL

\$204,158.09

Policy Implications

Nil

Budget Implications

Nil

Recommendation

That

The payment of the cheques, electronic funds payments and direct debits drawn and accounts presented for payment, be approved.

FE2 FINANCIAL STATEMENTS

File Ref: ACC3
Author: P J Howard, Manager Finance
Date: 5 March 2009

Purpose

The purpose of this report is to provide Council with the financial reports for the period ended 28 February 2009.

Background

Nil

Report

The financial reports are provided for the period ended 28 February 2009.

Policy Implications

Nil

Budget Implications

Nil

Recommendation

That

The financial reports for the period ended 28 February 2009 be received and adopted.

FE3 INVESTMENTS

File Ref: INV1
Author: P J Howard, Manager Finance
Date: 5 March 2009

Purpose

The purpose of this report is to provide details of Council's investments as at 28 February 2009 including details of the investing authority and terms.

Background

Nil

Report

INVEST #	INVESTMENT	INVESTING AUTHORITY	DATE INVESTED	MATURITY DATE	TERMS	INTEREST RATE	AMOUNT
1	Reserve Fund	NAB	27.01.2009	27.04.2009	90 Days	4.70%	\$4,431,245.44
2	POS Fund	NAB	30.01.2009	27.02.2009	28 Days	3.81%	\$534,500.33
3	General Fund	NAB	30.01.2009	27.02.2009	28 Days	3.81%	\$627,495.21
TOTAL							\$5,593,240.98

For members information, it is advised that the Reserve Funds Investment at 31 January 2009 is comprised as follows:-

Staff Leave Reserve	\$ 23,454.32
Plant Replacement Reserve	\$ 171,173.84
Infrastructure/Building Reserve	\$4,017,296.72
Sitting Fee Reserve	\$ 42,943.10
Library Leave Reserve	\$ 42,298.54
Library Infrastructure Reserve	\$ 70,674.48
Road Reserve	<u>\$ 63,404.43</u>
	<u>\$ 4,431,245.44</u>

For Members information:

At the same period last year the reserve balances were as follows:

Staff Leave Reserve	\$ 19,018.02
Plant Replacement Reserve	\$ 162,349.70
Infrastructure/Building Reserve	\$ 218,051.41
Sitting Fee Reserve	\$ 21,084.04
Library Leave Reserve	\$ 36,769.62
Library Infrastructure Reserve	\$ 32,138.04
Road Reserve	<u>\$ 59,300.69</u>
	<u>\$548,711.51</u>

For Members information:

Interest earnings of \$73,924.98 have been credited to the fund at maturity on 27 January, 2009. Budgeted transfers to reserves of \$49,400 together with library surplus of \$10,178 have been transferred from the Cash Maximiser term deposit and added to the Reserve fund on 27 January, 2009. The fund has now been invested for a further three months to mature on 27 April 2009 with the Government guarantee on amounts held over \$1,000,000 being taken up. Adjusted interest will be reported on in April.

Total amount held in Reserves as at 27 February 2009, is \$4,965,746 as shown in the Balance Sheet under heading Cash Restricted.

\$200,000 was transferred on 27 February 2009 from the Municipal term deposit account into the General Municipal banking account for general operating purposes. Balance of this fund as at 27 February is \$427,495.21. This amount held in the General term deposit is included in Cash At Bank on the Balance Sheet.

Policy Implications

Nil

Budget Implications

Nil

Recommendation

That

The Investment Register for 28 February 2009 be received.

FE4 LIBRARY PROJECT SUMMARY COSTS

08/09 year All figures are exclusive of GST										
	Cox	Davson Ward	Fundraising m'm	Brown McAllister	Josh Byrne	Misc	Western Pwr	Kooperman	J&S drilling	
										1,267,707
Jul-08	4,212	32,000				14,850				51,062
Aug-08	4,212					6,821				11,033
Sep-08	35,120									35,120
Oct-08	8,853									8,853
Nov-08	3,610				2,708					6,318
Dec-08	3,610					2,616	14,125	7,500		27,851
Jan-09	3,610									3,610
Feb-09										-
Mar-09										-
Apr-09										-
May-09										-
Jun-09										-
	63,228	32,000	-	-		24,287	14,125	7,500	-	\$ 1,411,555
Payments under cost sharing arrangement										
	Cottesloe	MP	PG	PG Office		Total				
						1,267,707				b/f 07/08
Jul-08	17,943	20,403	3,907	8,809		51,062				
Aug-08	3,779	4,298	823	2,133		11,033				
Sep-08	12,030	13,680	2,620	6,791		35,120				
Oct-08	3,033	3,448	660	1,712		8,853				
Nov-08	2,164	2,461	471	1,222		6,318				
Dec-08	10,156	11,549	2,212	3,935		27,851				
Jan-09	1,237	1,406	269	698		3,610				
Feb-09						-				
Mar-09						-				
Apr-09						-				
May-09						-				
Jun-09						-				
TOTALS	\$ 50,342	\$ 57,245	\$ 10,962	\$ 25,299	\$ -	\$ 1,411,555				
						Total expended to date	\$ 1,411,555			
	\$ 425,766	\$ 484,155				PG to date	\$ 319,841			
	Cott to date	MP to date				3 councils contributions	\$ 1,229,762			
						funded from reserves	\$ 181,793			
							\$ 1,411,555			

Recommendation

That

The report on Library Project Summary Costs be received.

FE5 ANNUAL BUDGET REVIEW

File Ref: BUD3
Author: P J Howard, Manager Finance
Date: 5 March 2009

Purpose

The purpose of this report is to review the 2008/2009 budget.

Background

Under the Regulation 33A of the Local Government (Financial Management) Regulations 1996 the Shire is required to conduct a budget review between 1 January and 31 March each financial year.

Report

The results of the review and the Statement of Financial Activity for the review period follow in the next two pages.

The Shire is also required to establish materiality levels for reporting on variances between actual figures and budget figures.

Policy Implications

Budget review policy established.

Budget Implications

Nil

SHIRE OF PEPPERMINT GROVE
STATEMENT OF FINANCIAL ACTIVITY 2008/2009
of Projected variances to 30 June 2009 for the 12 month period 1 July 2008 to 30 June 2009

<u>Operating</u>	2008/2009 Budget	February 2009 Y-T-D Budget \$	February 2009 Actual \$	Projected Actuals \$	Variance Projected Actuals to budget \$	Variances Projected Actuals as % of Budget %
Revenues/Sources						
General Purpose Funding	1,897,459	1,799,758	1,874,461	1,946,461	49,002	2.58%
Governance	23,031	15,354	15,435	23,435	404	1.75%
Law, Order, Public Safety	50,015	33,343	46,022	50,222	207	0.41%
Community Amenities	76,547	51,031	48,185	76,278	-270	(0.35%)
Recreation and Culture	794,091	529,394	617,339	818,811	24,720	3.11%
Transport	7,100	4,733	63,962	63,962	56,862	800.87%
Economic Services	68,350	45,567	66,502	66,502	-1,848	(2.70%)
Other Property and Services	3,700	2,467	2,303	3,703	3	0.08%
Education and Welfare	0	0	0	0	0	0%
	<u>2,920,293</u>	<u>2,481,647</u>	<u>2,734,209</u>	<u>3,049,374</u>	<u>129,081</u>	<u>10%</u>
(Expenses)/(Applications)						
General Purpose Funding	(62,050)	(41,367)	(40,990)	(61,485)	565	0.91%
Governance	(409,929)	(273,286)	(281,857)	(422,786)	(12,857)	(3.14%)
Law, Order, Public Safety	(103,879)	(69,253)	(47,780)	(71,670)	32,209	31.01%
Health	(33,700)	(22,467)	(20,794)	(33,191)	509	1.51%
Community Amenities	(531,470)	(354,313)	(357,735)	(536,603)	(5,133)	(0.97%)
Recreation & Culture	(1,203,483)	(802,322)	(971,881)	(1,357,822)	(154,339)	(12.82%)
Transport	(432,223)	(288,149)	(268,025)	(392,038)	40,186	9.30%
Economic Services	(73,100)	(48,733)	(97,330)	(125,995)	(52,895)	(72.36%)
Other Property and Services	0	0	(49,725)	(51,725)	(51,725)	0.00%
Education and Welfare	(22,513)	(15,009)	(17,004)	(23,506)	(993)	4.41%
	<u>(2,872,348)</u>	<u>(1,914,898)</u>	<u>(2,153,121)</u>	<u>(3,076,819)</u>	<u>(204,472)</u>	<u>(7.12%)</u>
Adjustments for Non-Cash						
(Revenue) and Expenditure						
(Profit)/Loss on Asset Disposals	(31,341)	(20,894)	(4,481)	(14,481)	16,860	(53.80%)
Increase in equity WMRC	0	0	0	0	0	0.00%
Movement in LSL Leave Provisions	0	0	0	0	0	0.00%
Provisions/other accruals	5,000	3,333	0	5,000	0	0.00%
Depreciation on Assets	225,870	150,580	172,128	258,192	32,322	14.31%
Capital Revenue and (Expenditure)						
Purchase Land and Buildings	(4,330,800)	(2,887,200)	(137,306)	(155,959)	4,174,841	96.40%
Purchase Infrastructure Assets - Roads	(318,357)	(212,238)	(53,376)	(173,376)	144,981	45.54%
Purchase Infrastructure Assets - Parks	(560,000)	(373,333)	(10,000)	(50,000)	510,000	91.07%
Purchase Plant and Equipment	(268,960)	(191,307)	(132,321)	(202,321)	66,639	24.78%
Purchase Furniture and Equipment	(1,850)	(1,233)	(38,977)	(38,977)	(37,127)	(2007%)
Proceeds from Disposal of Assets	132,772	88,515	70,096	121,096	(11,676)	8.79%
Transfers to Reserves (Restricted Assets)	(249,400)	(166,267)	(264,949)	(314,949)	(65,549)	26.28%
Transfers from Reserves (Restricted Assets)	4,935,800	3,290,533	202,000	475,000	(4,460,800)	90.38%
ADD Net Current Assets July 1 B/Fwd	413,380	413,380	187,862	187,862	(225,518)	(54.55%)
Closing Surplus/ (deficit) C/F	0	660,618	571,764	69,642	69,642	

Works and Finance Committee Meeting
9 March 2009

SHIRE OF PEPPERMINT GROVE
STATEMENT OF FINANCIAL ACTIVITY 2008/2009
Report on Significant Variances Greater than 10% and/or \$5,000

NOTES ON VARIANCE PROJECTED ACTUALS TO BUDGET.

Variances greater than 10% and/or \$5,000 were due to:

Revenues:

General Purpose Funding: Revenues above YTD Budget.

Projected Interest on investments is \$50,000 above budget.

Law, Order, Public Safety: \$39,735 carried forward from 2007/08

Transport: above budget

\$60,000 received in November as 40% of Black Spot funding of \$150,000 for Stirling Highway, Johnston St works.

Economic Services:

BCITF levies are \$50,000 above budget

Expenses:

Recreation & Culture: Above budget

\$202,000 expensed for sinking of pumping station, originally budgeted as capital works but now after clarification classed as expense.

Water Corp owns the structure, whilst the land is vested in PG. Budget YTD of \$802,322 is 8/12 of budgeted annual expense of \$1,203,483.

Library expenses are within YTD budget.

Transport: \$40,000 below YTD budget. Road drainage and footpath maintenance below budget.

Economic Services: Funds remitted to BCITF \$50,000 above budget

Other Property and Services: Public works overheads and Plant operation are allocated to other programs by a monthly average allocation rate. Annual budget is zero as all budgeted expenses are allocated to various programs. Actual expense above budget due to annual MV insurances and registrations paid in July, Leave taken by staff to January. Also \$10,000 LSL and Accrued leave payments to D Saunders, retiring works foreman.

Adjustments for Non-Cash

(Revenue) and Expenditure: (Profit)/Loss on asset disposals

CEO and foreman vehicle yet to be disposed.

Capital Revenue

Proceeds from disposal of assets: \$70,096 received from sale MDS vehicle, MoF vehicle, works rodeo, Isuzu truck and two portacabins. CEO vehicle and foremans to be disposed.

Transfers to reserves: Projected \$65,000 above budget, mainly extra interest earnings.

Capital Expenditure

Purchase Infrastructure Assets - Roads: \$145,000 Below Budget.

Reseal Forrest st complete \$34,800, \$20,000 below budgeted cost. Preliminary work on roundabout begun.

Reconstruction of Esplanade deferred.

Traffic calming and installation of sumps, a/c 12010 not yet begun, budget of \$45,000.

Purchase Infrastructure Assets - Parks: \$510,000 Below Budget.

These costs originally included Sinking of Pump Station which has now been expensed rather than capitalised.

\$350,000 is budgeted for the Keane's Pt redevelopment.

\$50,000 is new Keane's Point public convenience which is budgeted to be withdrawn from reserves.

Land and Buildings

\$4,200,000 below budget, major library works not yet begun.

\$70,000 to date on office building and \$36,000 on shire's share of library. To be withdrawn from reserves.

Purchase of Plant and Equipment: below budget. CEO Vehicle, foreman vehicle and out front mower not yet purchased.

Purchase of Furniture and Equipment: \$37,500 Above budget.

Actual includes \$6,800 library computer equipment purchased to date which was misclassified in the budget as Plant and Equipment, which accurately is Furniture and Equipment. Actual also includes \$1,700 replacement stolen TV.

Includes Pump control cubicle \$19,376 and Ecoscape payment of \$3,700 - Playground site analysis.

Transfers from reserves:

\$4,460,000 below budget, mainly due to library and admin office construction not yet begun.

Approximately \$110,000 will be transferred from reserves to cover current year cost for library and admin building.

\$100,000 is budgeted to be withdrawn to fund redevelopment of depot at Manners Hill Park and \$50,000 is due to be withdrawn from POS funds to cover Keane's Point redevelopment work to date. \$15,000 from sitting fee fund to cover projects funded.

Recommendation

- (a) That Council adopt the review of the 2008/2009 budget and
- (b) Under the Regulation 34(5) of the Local Government (Financial Management) Regulations 1996, Council adopts a materiality level of 10% and/or \$5,000 to report on variances between actual, projected actual and budget figures in the Budget review.

W WORKS

No reports for this month

FOP OPERATIONAL ISSUES

FOP1 RANGER REPORT

No report this month

CLOSURE