



**MINUTES OF BUDGET AND FINANCE COMMITTEE MEETING HELD IN THE
COUNCIL CHAMBER, 12 JAMES STREET, SALISBURY ON**

16 APRIL 2018

MEMBERS PRESENT

Cr R Zahra (Chairman)
Mayor G Aldridge
Cr D Balaza
Cr S Bedford
Cr B Brug
Cr C Buchanan
Cr G Caruso
Cr L Caruso
Cr D Pilkington
Cr D Proleta
Cr S Reardon
Cr G Reynolds
Cr S White
Cr J Woodman

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
General Manager City Development, Mr T Sutcliffe
General Manager City Infrastructure, Mr M van der Pennen
General Manager Community Development, Ms P Webb
Manager Financial Services, Ms K George
Manager Governance, Mr M Petrovski
Manager Communications and Customer Relations, Mr M Bennington
Governance Support Officer, Ms K Boyd

The meeting commenced at 6:53 pm.

The Chairman welcomed the members, staff and the gallery to the meeting.

APOLOGIES

Apologies were received from Cr D Bryant, Cr R Cook and Cr E Gill.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr C Buchanan
Seconded Cr D Pilkington

The Minutes of the Budget and Finance Committee Meeting held on 19 March 2018, be taken as read and confirmed.

CARRIED

Moved Cr J Woodman
Seconded Cr L Caruso

The Minutes of the Confidential Budget and Finance Committee Meeting held on 19 March 2018, be taken as read and confirmed.

CARRIED

Moved Mayor G Aldridge
Seconded Cr L Caruso

The Minutes of the Special Budget and Finance Committee Meeting held on 28 March 2018, be taken as read and confirmed.

CARRIED

Moved Cr S Reardon
Seconded Cr D Proleta

The Minutes of the Confidential Special Budget and Finance Committee Meeting held on 28 March 2018, be taken as read and confirmed.

CARRIED

Moved Cr J Woodman
Seconded Cr L Caruso

The Minutes of the Special Budget and Finance Committee Meeting held on 04 April 2018, be taken as read and confirmed.

CARRIED

Moved Cr S Bedford
Seconded Cr D Proleta

The Minutes of the Confidential Special Budget and Finance Committee Meeting held on 04 April 2018, be taken as read and confirmed.

CARRIED

REPORTS

Administration

6.0.1 Future Reports for the Budget and Finance Committee

Moved Cr J Woodman
Seconded Cr D Pilkington

1. The information be received.

CARRIED

Financial Sustainability

6.2.1 Financial Sustainability Indicators

Moved Mayor G Aldridge
Seconded Cr D Pilkington

1. The Operating Ranges for Financial Sustainability Indicators be set as follows
 - a. Operating Surplus Ratio: between 0.5% and 5%
 - b. Net Financial Liabilities Ratio: less than 40%
 - c. Asset Sustainability Ratio: between 90% and 110%
2. The Operating Ranges for Financial Sustainability Indicators be reviewed as part of considering future Long Term Financial Plan updates.

CARRIED

*Annual Plan and Budget***6.4.1 Budget Bids 2018/19**

With the consent of the meeting, the Chair requested that Members nominate specific budget bids that are to be considered individually to either enable Elected Members to declare a conflict of interest, or for the Committee to indicate a preferred action specific to that bid.

Following the Committee's resolution of those individual bids, the Chair indicated he would then seek a motion to deal with the remaining bids as contained in the recommendation to Item 6.4.1 on the Agenda.

The following individual bids were identified and dealt with individually by the Committee:

- OPN213: Hard Waste – Change of Service Level for Home Collection Service
- DWR097: Watercourse Management Works Program
- TRN131: St Kilda Master Plan

OPN213: Hard Waste – Change of Service Level for Home Collection Service - \$220,000

Cr D Balaza declared a material conflict of interest on the basis of being a member of the NAWMA Board. Cr D Balaza left the meeting at 07:12 pm.

Cr J Woodman declared a material conflict of interest on the basis of being a member of the NAWMA Board. Cr J Woodman left the meeting at 07:12 pm.

Cr G Reynolds declared a perceived conflict of interest on the basis of being a deputy member of the NAWMA Board. Cr G Reynolds left the meeting at 07:13 pm.

Moved Cr S White
Seconded Cr D Pilkington

That the budget bid OPN213: Hard Waste – Change of Service Level for Home Collection Service, as contained in Attachment 1 to this report (Budget and Finance Committee, 16 April 2018, Item 6.4.1), be endorsed for inclusion in the Draft 2018/19 Annual Plan and Budget.

CARRIED

Cr D Balaza returned to the meeting at 07:13 pm.

Cr G Reynolds returned to the meeting at 07:13 pm.

Cr J Woodman returned to the meeting at 07:14 pm.

DWR097: Watercourse Management Works Program - \$758,000

Cr D Balaza declared a perceived conflict of interest on the basis of his employment. Cr D Balaza left the meeting at 07:14 pm.

Moved Cr D Pilkington
Seconded Cr G Caruso

That the budget bid DWR097 – Watercourse Management Works Program, as contained in Attachment 1 to this report (Budget and Finance Committee, 16 April 2018, Item 6.4.1), be endorsed for inclusion in the Draft 2018/19 Annual Plan and Budget.

CARRIED

Cr D Balaza returned to the meeting at 07:15 pm.

TRN131: St Kilda Master Plan - \$200,000 net (\$300,000 expenditure, \$100,000 funding)

Cr D Balaza declared a perceived conflict of interest on the basis of his employment. Cr Balaza managed the conflict by remaining in the meeting and not voting on the item.

Moved Mayor G Aldridge
Seconded Cr B Brug

That the budget bid TRN131 – St Kilda Master Plan, as contained in Attachment 1 to this report (Budget and Finance Committee, 16 April 2018, Item 6.4.1), be endorsed for inclusion in the Draft 2018/19 Annual Plan and Budget.

CARRIED

*The majority of members present voted IN FAVOUR of the MOTION
Cr D Balaza DID NOT VOTE on the MOTION*

6.4.1 Budget Bids 2018/19

Cr D Balaza declared a conflict of interest on:

- *STN117 – Salisbury City Centre Regional Community Hub*
- *TRN208 – Salisbury City Centre Revitalisation*
- *INT170 – Smart City Initiatives, and*
- *OPN182 – City of Salisbury Events*

on the basis of being a member of the governing body of the Salisbury Business Association. Cr Balaza managed the conflict by remaining in the meeting and voting in the best interests of the community.

Cr C Buchanan declared a perceived conflict of interest on:

- *PBN214 – Sport Club Additional Solar Installs*

on the basis of being the President of a club which may benefit from the bid.

Cr Buchanan managed the conflict by remaining in the meeting and voting in the best interest of the community.

Cr G Caruso declared a perceived conflict of interest on the basis of his employment. Cr G Caruso managed the conflict by remaining in the meeting and voting in the best interests of the residents.

Moved Mayor G Aldridge

Seconded Cr D Pilkington

1. The four year Budget Bid Program as per Attachment 1 to this report (Budget and Finance Committee, 16 April 2018 Item 6.4.1), be endorsed for inclusion in the Draft 2018/19 Annual Plan and Budget, with 2018/19 net expenditure totalling:

• Capital	\$38,076,000
• Information Technology	\$893,000
• Plant, Furniture and Equipment	\$3,066,000
• Operating	\$1,423,480

CARRIED

The majority of members present voted IN FAVOUR of the MOTION

Cr D Balaza voted IN FAVOUR of the MOTION

Cr C Buchanan voted IN FAVOUR of the MOTION

Cr G Caruso voted IN FAVOUR of the MOTION

6.4.2 Budget Status Update

Moved Cr D Pilkington
Seconded Cr G Caruso

1. Information be received.
2. The Long Term Financial Plan be set with an ongoing rate increase of CPI+0.6% for years two to ten, noting that year one is to be set at the level determined through the consideration of Item 6.4.3 Rating Strategy April 2018.

CARRIED**6.4.3 Rating Strategy 2018/19**

Cr G Caruso declared a perceived conflict on the basis of owning properties that will be on minimum rates. Cr G Caruso managed the conflict by remaining in the meeting and voting in the best interest of the residents.

Moved Cr C Buchanan
Seconded Cr B Brug

1. Information be received.
2. The rate increase based on a 1.0% average increase, and no change to the minimum rate, be endorsed as the basis for setting rates in 2018/19 and included in the Draft Annual Plan & Budget for public consultation.
3. The current general rate capping policy (as set out in section 3.6 of this report, Item No. 6.4.3, Budget and Finance Committee, 16/04/2018) remains unchanged for 2018/19.

FORESHADOWED MOTION:

To be Moved by Cr D Pilkington -

That paragraph 2 of the motion before the Chair be amended to read as follows:

2. The rate increase based on a 2.0% average increase with the minimum rate remaining the same as 2017/18, be endorsed as the basis for setting rates in 2018/19 and included in the Draft Annual Plan & Budget for public consultation.

Cr C Buchanan sought leave of the meeting to speak for a second time and leave was granted.

*Cr G Reynolds left the meeting at 07:37 pm.
Cr G Reynolds returned to the meeting at 07:40 pm.*

LOST

*The majority of members present voted AGAINST the MOTION
Cr G Caruso voted AGAINST the MOTION*

*A **DIVISION** was requested by Cr Buchanan and the following members responded to the Chair's call as having voted in favour of the **MOTION**:*

Crs D Balaza, B Brug, C Buchanan and D Proleta

*The following members responded to the Chair's call as having voted against the **MOTION**:*

Mayor G Aldridge, Crs S Bedford, G Caruso, L Caruso, D Pilkington, S Reardon, G Reynolds, S White and J Woodman

*The Chair declared the **MOTION** was **LOST***

6.4.3 Further Motion: Rating Strategy 2018/19

Moved Cr D Pilkington

Seconded Cr G Caruso

1. The information be received.
2. The rate increase based on a 2.0% average increase, and no change to the minimum rate, be endorsed as the basis for setting rates in 2018/19 and included in the Draft Annual Plan & Budget for public consultation.
3. The current general rate capping policy (as set out in section 3.6 of this report, Item No. 6.4.3, Budget and Finance Committee, 16/04/2018) remains unchanged for 2018/19.

CARRIED

*A **DIVISION** was requested by Cr Pilkington and the following members responded to the Chair's call as having voted in favour of the **MOTION**:*

Mayor G Aldridge, Crs G Caruso, L Caruso, D Pilkington, S Reardon, G Reynolds, S White and J Woodman

*The following members responded to the Chair's call as having voted against the **MOTION**:*

Crs R Zahra, D Balaza, S Bedford, B Brug, C Buchanan and D Proleta

*The Chair declared the **MOTION** was **CARRIED***

6.4.4 Higher Value Property Review

Moved Cr D Pilkington
 Seconded Mayor G Aldridge

1. The Higher Property Value Rate Remission for 2018/19 for residential properties be set on the following basis:

Tier	Value Range	Rate Adjustment
1	0- \$500,000	0
2	\$500,001 - \$605,000	15%
3	>\$605,000	35%

CARRIED

6.4.4 Further Motion: Higher Value Property Review

Moved Cr C Buchanan
 Seconded Cr G Caruso

That a further report be provided informing Council of the effect of amending the value range of tier 2 to \$450,000, and increasing the rate adjustment for the middle tier to 20% and 25%.

CARRIED

6.4.5 Draft 2018/19 Annual Plan and Budget

Moved Cr D Pilkington
 Seconded Mayor G Aldridge

1. Information be received.
2. Draft 2018/19 Annual Plan and Budget be endorsed for the purposes of Public Consultation, subject to further editing and formatting improvements without changing the substantive nature of the document, and changes required to reflect decisions of Council made at Budget and Finance Meeting 16 April 2018 and Council 23 April 2018.

CARRIED

Cr D Balaza left the meeting at 08:19 pm.

6.4.6 2018-19 New Initiative Bid Variance with Endorsed Asset Management Plans

Moved Mayor G Aldridge
Seconded Cr D Pilkington

1. The Strategic Asset Management Plans endorsed in 2015 and revised in 2017 be revised and updated to reflect changes outlined in this report and attachments, and these revised figures be used as the basis of future Asset Sustainability Ratio calculations for the 2018/19 financial year.
2. Staff be authorised to adjust the Asset Management Plans to reflect any further changes to New Initiative Bids for the 2018/19 Annual Budget.
3. Staff develop a new suite of Asset Management Plans commencing in 2018/19 for endorsement with year one reflecting the endorsed renewal budget.

CARRIED

6.4.7 Long Term Financial Plan and Budget Workshops Actions Update

Cr D Balaza returned to the meeting at 08:22 pm.

Moved Cr D Pilkington
Seconded Mayor G Aldridge

1. Information be received and noted.

CARRIED

Rating Matters

6.6.1 Public Awareness - Rates Notice Information

Moved Cr G Reynolds
Seconded Mayor G Aldridge

1. That the information be received.
2. That staff coordinate and display timely and relevant public awareness messages on rates notices and envelopes that are informative to our ratepayers, with Local Government Elections being the focus for the Quarter 1 and 2 2018/19 rate notices which are posted to our ratepayers in July and October as per the requirements under the Local Government Act.

Amendment:

Moved Cr S Reardon
Seconded Cr G Caruso

The motion before the Chair be amended for paragraph 2 to read as follows:

2. That staff coordinate and display timely and relevant public awareness messages on rates notices and envelopes that are informative to our ratepayers, with Local Government Elections being the focus for the Quarter 1 and Quarter 2 focus be the 100th anniversary of armistice of the First World War, 2018/19 rate notices which are posted to our ratepayers in July and October as per the requirements under the Local Government Act.

Cr S Reardon sought leave of the meeting to speak for a second time and leave was granted.

The MOTION as AMENDED was LOST

The MOTION was PUT and CARRIED

CARRIED

OTHER BUSINESS

6.8.1 Project Budget Delegations

Moved Cr S Bedford
Seconded Cr L Caruso

1. A Financial Delegation (the Project Budget Delegation) continue to be provided to the relevant General Manager to increase an approved budget of an individual capital project in the financial year provided that the program (Information Technology, Transportation, Property and Buildings, Drainage and Waterways, Parks and Streetscapes, Plant, Furniture and Equipment, Water Business Unit, Strategic Projects and Strategic Property) and sub-classification (new, renewal) will not exceed budget, and that there is no change in project scope as a result.
2. The Project Budget Delegation limit continue to be set at \$15,000 per individual capital project with a budget up to \$150,000 in each financial year, and 10% of the project value for projects with budgets greater than \$150,000 in each financial year.
3. In any quarter when the Project Budget Delegation is exercised a separate standalone report continue to be presented to the Budget and Finance Committee at the end of that quarter with details also to be reported in the Quarterly Budget Review.
4. The Project Budget Delegation be reviewed during the 2019/20 Budget process.

CARRIED

CONFIDENTIAL ITEMS

6.9.1 Outstanding Sundry Debt - Write Off Request

Moved Cr S White

Seconded Cr J Woodman

1. *Pursuant to Section 90(2) and (3)(a) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*

- it relates to information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

2. *In weighing up the factors related to disclosure,*

- disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations

- Non-disclosure of the matter and discussion of this item in confidence would protect information related to the personal affairs of any person (living or dead) and proposed action by Council

*On that basis the public's interest is best served by not disclosing the **Outstanding Sundry Debt - Write Off Request** item and discussion at this point in time.*

3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

CARRIED

The meeting moved into confidence at 8:41 pm.

The meeting moved out of confidence and closed at 8:48 pm.

CHAIRMAN.....

DATE.....