



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

15 APRIL 2019

MEMBERS PRESENT

Cr B Brug (Chairman)
Mayor G Aldridge
Cr M Blackmore
Cr L Braun (Deputy Chairman)
Cr C Buchanan
Cr A Duncan
Cr K Grenfell
Cr N Henningsen
Cr D Hood
Cr P Jensen
Cr D Proleta
Cr S Reardon
Cr G Reynolds
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 Community Development, Ms P Webb
General Manager City Infrastructure, Mr J Devine
Manager Governance, Mr M Petrovski
Governance Support Officer, Ms K Boyd

The meeting commenced at 7.06 pm.

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

APOLOGIES

An apology was received from Cr S Ouk.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr K Grenfell
Seconded Cr J Woodman

The Minutes of the Budget and Finance Committee Meeting held on 18 March 2019, be taken and read as confirmed.

CARRIED
UNANIMOUSLY

REPORTS

Administration

6.0.1 Future Reports for the Budget and Finance Committee

Moved Cr D Proleta
Seconded Cr J Woodman

1. The information be received.

CARRIED
UNANIMOUSLY

Financial Sustainability

6.2.1 Financial Sustainability Indicators

Moved Cr J Woodman
Seconded Mayor G Aldridge

1. That the measure for Operating Surplus remain being the legislatively required Operating Surplus Ratio.
2. The Long Term Financial Plan be set with an ongoing rate increase of forecast CPI+0.6% for years two to ten, with CPI assumptions as detailed in paragraph 3.1.1(d) of this item (6.2.1 Budget and Finance Committee 15 April 2019 “Financial Sustainability Indicators”). Noting that that year one rate increase is to be set at the level determined through the consideration of Item 6.4.3 Rating Strategy April 2019.
3. 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 Renewal Funding Ratio: between 90% and 110%

CARRIED

6.4.1 Budget Bids 2019/20

Moved Cr C Buchanan
Seconded Cr D Proleta

1. The four year Budget Bid Program as per Attachment 1 to this report (Budget and Finance Committee, 15 April 2019 Item 6.4.1), be endorsed for inclusion in the Draft 2019/20 Annual Plan and Budget, with 2019/20 net expenditure totalling:

• Infrastructure	\$34,115,000
• Information Technology	\$100,000
• Plant, Furniture and Equipment	\$1,666,700
• Operating	\$1,609,580

CARRIED

6.4.2 Budget Status Update

Moved Cr J Woodman
Seconded Cr N Henningsen

1. Information be received.
2. PSN000368 - Kentish Green Upgrade Freestanding Slide component be:
Option 1 – incorporated into PSN000275 Playspace / Playground Program in 2019/20 with additional funding of \$12,000.
3. STN000294 Salisbury Oval Master Plan Implementation funding be endorsed as non-discretionary with 2019/20 net expenditure totalling \$1.68M, subject to other Council decisions in relation to this project, and noting that the review of the master plan may impact on the funding requirements for this project.
4. DWN000255 Major Flooding Mitigation Program – Pauls Drive funding be endorsed as non-discretionary, with 2019/20 net expenditure totalling \$1.756M.

With leave of the meeting and consent of the seconder Cr J Woodman
VARIED the MOTION as follows:

1. Information be received.
2. PSN000368 - Kentish Green Upgrade Freestanding Slide component be:
Option 1 – incorporated into PSN000275 Playspace / Playground Program in 2019/20 with additional funding of \$12,000.
3. STN000294 Salisbury Oval Master Plan Implementation funding of net expenditure totalling \$1.68m be included in the 2019/20 budget, noting that this is subject to other Council decisions in relation to this project, and noting that the review of the master plan may impact on the funding requirements for this project.
4. DWN000255 Major Flooding Mitigation Program – Pauls Drive funding be endorsed as non-discretionary, with 2019/20 net expenditure totalling \$1.756M.

CARRIED

6.4.3 Rating Strategy 2019/20

Moved Cr L Braun
 Seconded Cr J Woodman

1. Information be received.
2. The rate increase based on a 2.5% average increase, including the minimum, be endorsed as the basis for setting rates in 2019/20 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 2019/20.

CARRIED

6.4.4 Higher Value Property Review

Moved Cr M Blackmore
 Seconded Cr D Proleta

1. The Higher Property Value Rate Remission for 2019/20 for residential properties be set on the following basis:

Tier	Value Range	Rate Adjustment
1	0- \$465,000	0
2	\$465,001 - \$515,000	10%
3	\$515,001 - \$625,000	15%
4	>\$625,000	35%

CARRIED

6.4.5 Draft 2019/20 Annual Plan and Budget

Moved Mayor G Aldridge
 Seconded Cr S Reardon

1. Information be received.
2. Draft 2019/20 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 15 April 2019 and Council 22 April 2019.

CARRIED
 UNANIMOUSLY

OTHER BUSINESS

6.8.1 Project Budget Delegations

Moved Cr L Braun

Seconded Cr J Woodman

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 2020/21 Budget process.

CARRIED

Cr C Buchanan left the meeting at 7.35 pm.

CONFIDENTIAL ITEMS

6.9.1 Update on Action on Rates Assessment Outstanding under Section 184 of the Local Government Act 1999

Moved Cr M Blackmore
 Seconded Cr J Woodman

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if Council so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on that grounds that:

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*
 - *This report contains financial and personal information in relation to their personal circumstances, it is adequate that this information remains confidential with a review to possibly remain confidential after 5 years*

*On that basis the public's interest is best served by not disclosing the **Update on Action on Rates Assessment Outstanding under Section 184 of the Local Government Act 1999** 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 7.36 pm.

Mayor G Aldridge left the meeting at 07:37 pm.

The meeting moved out of confidence at 7.48 pm.

6.9.2 Council Solutions Update

Moved Cr L Braun
Seconded Cr J Woodman

Pursuant to section 83(5) of the *Local Government Act 1999* the Chief Executive Officer has indicated that, if Council so determines, this matter may be considered in confidence under Part 3 of the *Local Government Act 1999* on that grounds that:

1. *Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) 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 could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *information the disclosure of which would, on balance, be contrary to the public interest.*
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 this item will protect commercially sensitive information the disclosure of which at this time may prejudice the commercial position of Council.*

*On that basis the public's interest is best served by not disclosing the **Council Solutions Update** 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 7.49 pm.

The meeting moved out of confidence and closed at 7.49 pm.

CHAIRMAN.....

DATE.....