



**MINUTES OF BUDGET AND FINANCE COMMITTEE MEETING HELD IN LITTLE
PARA CONFERENCE ROOMS, 34 CHURCH STREET, SALISBURY ON**

20 APRIL 2020

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 (*via videoconference*)
Cr D Hood
Cr P Jensen
Cr S Ouk
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 City Infrastructure, Mr J Devine
A/General Manager Community Development, Ms V Haracic
Manager Governance, Mr M Petrovski
Risk and Governance Program Manager, Ms J Crook
Governance Support Officer, Ms K Boyd

The meeting commenced at 7.29 pm.

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

APOLOGIES

There were no apologies.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr K Grenfell
Seconded Cr D Proleta

The Minutes of the Budget and Finance Committee Meeting held on 16 March 2020, be taken and read as confirmed.

CARRIED

Moved Cr K Grenfell
Seconded Mayor G Aldridge

The Minutes of the Confidential Budget and Finance Committee Meeting held on 16 March 2020, be taken and read as confirmed.

CARRIED

NAWMA Presentation and Bringing Forward Item 6.1.1

The Chairman advised Members that representatives of NAWMA had joined the meeting via teleconference to make themselves available for Committee discussions regarding the NAWMA Draft 20/21 Budget. Mr Brian Cunningham, Chairman, Mr Adam Faulkner, CEO, and Ms Rachel Zhou, Finance Manager were acknowledged as being present.

Moved Cr C Buchanan
Seconded Cr J Woodman

1. That the representatives from NAWMA be invited to give a presentation to the Committee, to be followed by opportunity for a question time on the presentation.
2. Item 6.1.1 be brought forward for consideration immediately following the presentation.

CARRIED

Mr Faulkner, gave a presentation on NAWMA's proposed draft budget and responded to questions from Members.

Finance

6.1.1 NAWMA Draft 2020/2021 Budget

Moved Cr J Woodman
Seconded Cr N Henningsen

1. That the information received from NAWMA on the draft 2020/21 Budget is noted.
2. That Council endorse the draft NAWMA 2020/21 budget.

CARRIED

The meeting then proceeded with remaining items listed on the Agenda.

REPORTS

Administration

6.0.1 Future Reports for the Budget and Finance Committee

Moved Cr C Buchanan
Seconded Cr J Woodman

1. The information be received.

CARRIED

6.0.2 Managing the response to COVID-19

Moved Cr C Buchanan
Seconded Cr G Reynolds

1. Council endorse the following measures to support the community impacted by COVID-19.
 - a. Waive various business fees & charges, as listed in section 6.7 of this report, for the period of 1 April through to 30 June 2020.
 - b. Waiving of commercial rents for the following period 1 April 2020 through to 30 June 2020
 - Commercial leases excluding telecommunications leases (such as café leases and business premises)
 - Permit for a Business Purpose (such as use of road reserves for signage, storage yards, etc)
 - Minor permits (for uses such as awnings over road reserves of fixed chairs and tables for a café)
 - Joint use agreements
2. A further waiving of Community & Sporting Club lease fees and additional measures identified in part 1 (a) & (b) for the period July 2020 to December 2020 be considered at the July Budget & Finance Committee.

3. Council endorse the following measures to be implemented
 - a. Provision of subsidised business support as noted in Section 6.12 of this report for 6 months
 - b. Deferral of loan payments for six months for the Salisbury Bowling Club.
4. That staff bring back a further report on a proposed Sports and Community Clubs COVID-19 Recovery Support Package and grant guidelines (to be administered by the Sport Recreation & Grants Committee), that incorporates the repurposing of existing Council grants as listed in Section 10.3.1 (Item 6.0.2, Managing The Response to COVID-19, 20 April 2020) and the inclusion of:
 - a. Other Not For Profit Sporting & Community clubs that currently do not have a council lease
 - b. General operating costs of the clubs as eligible support that Council can approve within the grant guidelines of the Sports and Community Club COVID-19 Recovery Support Package.
5. Council write to all Sports and Community Clubs advising of the State Government \$250 Million Community and Jobs Support Fund and provide assistance with application through the Property Services Division and Polaris Centre.

CARRIED
UNANIMOUSLY

6.0.3 Salisbury Water - COVID-19 Financial Support

Moved Cr G Reynolds

Seconded Mayor G Aldridge

Council endorse the following:

1. Payment deferral be implemented for Salisbury Water customers experiencing financial hardship due to COVID-19 so that the latest date for payment of 'Third Quarter 2019/20, Fourth Quarter 2019/20 and the First Quarter 2020/21 Water Notices' is deferred to 1st December 2020, noting that Water Notices will be issued with the relevant instalment due dates, but will highlight the relief being provided by Council. No legal action is to be taken in relation to deferred payments and customer supply will not be restricted due to non-payment if based on the extended due date. Salisbury Water customers are to be encouraged to make regular payment where possible.
2. The criteria for the Salisbury Water Hardship Policy for residential customers be expanded to include financial hardship from COVID-19. The assessment of residential customers claiming hardship from COVID-19 will align with the COVID-19 Hardship Policy in order to maintain consistency across the organisation.

3. Salisbury Water non-residential customers suffering financial hardship from COVID-19 need to apply and be assessed against the following criteria:
 - a. community or sporting organisation that has previously been approved as a Salisbury Water Community-Based Not for Profit Organisation
 - b. business or activity that has temporarily suspended operations or shut down as a direct impact of COVID-19 and intends to resume operations post COVID-19
 - c. not a private or government school or tertiary education institution.

CARRIED

Financial Sustainability

6.2.1 Financial Sustainability Indicators

Mayor G Aldridge left the meeting at 8:24 pm.

Moved Cr G Reynolds
Seconded Cr S Reardon

1. The Long Term Financial Plan be set with an ongoing rate increase of forecast CPI+0.6% for years two to ten, as detailed in scenario 5 (Item 6.2.1 Budget and Finance Committee 20 April 2020 “Financial Sustainability Indicators”). Noting that that year one rate increase is to be set at the level determined through the consideration of Item 6.2.1 Rating Strategy April 2020.
2. 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 70%
 - c. Asset Renewal Funding Ratio: between 90% and 110%

CARRIED

6.4.1 Budget Bids 2020/2021

Mayor G Aldridge returned to the meeting at 08:28 pm.

Moved Cr J Woodman
 Seconded Cr N Henningsen

1. The four year Budget Bid Program as per Attachment 1 to this report (Budget and Finance Committee, 20 April 2020 Item 6.4.1), be endorsed for inclusion in the Draft 2020/2021 Annual Plan and Budget for public consultation, with 2020/2021 net expenditure totalling:

	Capital Expenditure	Operating Expenditure
Infrastructure	\$39,546,000	\$1,665,000
Information Technology	\$0	\$372,000
Plant, Furniture and Equipment	\$1,127,000	\$8,000
Operating	\$0	\$672,000

2. The program in 2020/2021 and 2021/2022 be expanded to deliver on the COVID-19 Infrastructure Recovery Program, with some projects and funding retimed from 2022/2023 and 2023/2024 as per Attachment 2 to this report (Budget and Finance Committee, 20 April 2020 Item 6.4.1), with project specifics provided through future reports.

CARRIED

6.4.2 Budget Status Update

Moved Cr C Buchanan
 Seconded Cr P Jensen

1. Information be received.
2. The following changes to operating Bids be incorporated into the 2020/21 budget:
 - OPN000533 Performance Excellence Program. The costs associated with this Bid have been updated from \$25k to \$30k as resolved at the Council Meeting held on 23 March 2020 (Resolution 0465/2020).
 - OPN000555 Community Grants Program. A \$38k Bid has been included as per the recommendation made at the Council meeting held 23 March 2020 (Resolution 0472/2020) to increase the Community Grants Program for the 2020/21 year.

3. The following Infrastructure Bids be removed for consideration in the 2020/21 budget:
 - PSN000499 Netball Courts Reconstruction and Lighting Upgrade. Council resolved to not progress with consideration in the 2020/21 Budget but be included in the \$100m COVID infrastructure recovery program.
 - PSN000540 New Supply and Irrigation Bluehills Reserve. Council resolved that this be considered for prioritization following the development of the Place Activation Strategy.
4. Option 2 being a 0% rate increase plus growth and including a service and business optimisation dividend of \$2.4M and the additional COVID-19 Infrastructure Recovery Program as presented in paragraph 3.18 below be endorsed as the basis for the 2020/21 draft budget for public consultation purposes.

CARRIED

Cr C Buchanan sought leave of the meeting to defer the break, as per the Code of Practice for Meeting Procedures, until the end of the Budget and Finance Committee meeting.
Seconded Cr K Grenfell

6.4.3 Rating Strategy 2020/21

Cr S Ouk left the meeting at 08:32 pm.

Cr S Ouk returned to the meeting at 08:34 pm.

Moved Cr C Buchanan

Seconded Cr D Proleta

1. Information be received.
2. The rate increase based on a 0.0% average increase, including the minimum, be endorsed as the basis for setting rates in 2020/21 and included in the Draft Annual Plan & Budget for public consultation.
3. The COVID-19 general rate capping policy (as set out in section 3.5 of this report, Item No. 6.4.3, Budget and Finance Committee, 20/04/2020) is to apply for 2020/21.

CARRIED

6.4.4 Higher Value Property Review

Moved Mayor G Aldridge
Seconded Cr S Ouk

1. The Higher Property Value Rate Remission for 2020/21 for residential properties be set on the following basis:

Tier	Value Range	Rate Adjustment
1	0- \$472,000	0
2	\$472,001 - \$523,000	10%
3	\$523,001 - \$635,000	15%
4	>\$635,000	35%

With staff authorised to make any manual adjustments required so that the higher value rate remission applied to each assessment is consistent with that applied in the previous year.

CARRIED
UNANIMOUSLY

6.4.5 Draft 2020/21 Annual Plan and Budget

Moved Cr C Buchanan
Seconded Cr M Blackmore

1. Information be received.
2. Draft 2020/2021 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 20 April 2020 and Council 27 April 2020.

CARRIED

*Rating Matters***6.6.1 COVID-19 Rates Financial Hardship and measures for Sundry Debtors**

Moved Cr G Reynolds
Seconded Cr C Buchanan

1. Information be received.
2. The COVID-19 Rates Financial Hardship Policy as contained in Attachment 1 to this report, with the exception that Policy Statement Part E, part 3, be amended from \$10,000 to \$30,000, (Budget and Finance Committee, 20 April 2020 Item 6.6.1), be endorsed with a review date of August 2020.
3. The Financial Hardship Policy as contained in Attachment 2 to this report (Budget and Finance Committee, 20 April 2020 Item 6.6.1) be endorsed.

CARRIED
UNANIMOUSLY

OTHER BUSINESS

6.8.1 Project Budget Delegations

Moved Cr C Buchanan
Seconded Mayor G Aldridge

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, Salisbury Water Business, 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 2021/22 Budget process.

CARRIED
UNANIMOUSLY

The meeting closed at 8.54 pm.

CHAIRMAN.....

DATE.....