



# Finance Committee

27 May 2014

# MINUTES



**MINUTES OF FINANCE COMMITTEE MEETING, HELD IN THE UPSTAIRS MEETING AREA, ON TUESDAY, 27 MAY 2014 COMMENCING AT 6.30PM**

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27 May 2014

## MINUTES

**MINUTES OF A FINANCE COMMITTEE MEETING, HELD AT DOVENBY HOUSE,  
ON TUESDAY, 27 MAY 2014, COMMENCING AT 6.30PM****F13. OPENING OF MEETING**

The Presiding Member opened the meeting.

**F13.1 Present**

Cr M McPhail	Presiding Member
Cr J O'Neill	Mayor
Cr A Watkins	
Mr L Mainwaring	Executive Manager Finance & Administration

**F14. ACKNOWLEDGEMENT OF COUNTRY**

*"On behalf of the Council I would like to acknowledge the Nyoongar people as the traditional custodians of the land on which this meeting is taking place."*

**F15. WELCOME TO GALLERY**

There were no members of the public present.

**F16. APOLOGIES**

Cr S Martin (Chairing the Town Planning Advisory Panel Meeting)  
Cr M Rico.

**F17. PUBLIC QUESTION TIME**

Nil.

**F18. CONFIRMATION OF MINUTES****F18.1 Finance Committee Meeting – 25 February 2014**

**Cr Watkins – Mayor O'Neill**

**That the Minutes of the Finance Committee held on 25 February 2014 and adopted at the Council Meeting held on 18 March 2014 be confirmed. CARRIED**

**F19. CORRESPONDENCE (LATE RELATING TO ITEMS IN AGENDA)**

Nil.

**F20. BUSINESS****F20.1 WATC – Master Lending Agreement**

*By Les Mainwaring Executive Manager Finance & Administration on 11 April 2014*

**PURPOSE**

To replace individual lending agreements with one master lending agreement with the Western Australian Treasury Corporation (WATC) to simplify future lending business with the WATC.

**BACKGROUND**

The WATC is implementing the Local Government Master Lending Agreement (LGMLA) which will incorporate all current and future loans under the one agreement instead of having to execute individual loan agreements at each and every loan advance.

The LGMLA will also improve the efficiency of the lending process for local governments and incorporates the security interest registration prescribed under the Personal Properties Security Act (PPSA).



The WATC has approached the Town of East Fremantle with a request to create a master lending agreement. **ATTACHMENT**

### REPORT

All existing lending procedures and financial approval requirements will remain the same, however the new arrangements will sweep all existing loans under the LGMLA and facilitates future borrowings under the one agreement thereby removing the need for individual loan agreements to be executed under seal each time the Town borrows from the WATC.

Any borrowing under the LGMLA will be subject to WATC's credit approval policy at the time of application, and the release of funds is subject to the issuance of a firm rate quote WATC and its acceptance by an authorised signatory of the Town.

For the LGMLA to be effective, WATC requires that the Town execute the LGMLA under its Common Seal as authorised by a resolution of Council.

### Statutory Requirements

Local Government Act 1995 (As amended)

#### 9.49A. Execution of documents

- (1) A document is duly executed by a local government if —
  - (a) the common seal of the local government is affixed to it in accordance with subsections (2) and (3); or
  - (b) it is signed on behalf of the local government by a person or persons authorised under subsection (4) to do so.
- (2) The common seal of a local government is not to be affixed to any document except as authorised by the local government.
- (3) The common seal of the local government is to be affixed to a document in the presence of —
  - (a) the mayor or president; and
  - (b) the chief executive officer or a senior employee authorised by the chief executive officer,each of whom is to sign the document to attest that the common seal was so affixed.
- (4) A local government may, by resolution, authorise the chief executive officer, another employee or an agent of the local government to sign documents on behalf of the local government, either generally or subject to conditions or restrictions specified in the authorisation.

#### Relevant Council Policies

Nil

#### Strategic Plan Implications

Nil

#### Financial/Resource/Budget Implications

Nil.

#### Conclusion

Following the request of the WATC it would be administratively prudent to enter the LGMLA in the interests of existing and future loan transactions.

**Voting Requirements**

Simple Majority

**RECOMMENDATION**

That Council hereby resolves:

1. the Town of East Fremantle enters into a Master Lending Agreement with Western Australian Treasury Corporation as per the document tabled at this meeting.
2. to approve the affixation of the Common Seal of the Town of East Fremantle to the said Master Lending Agreement in the presence of the Mayor and the Chief Executive Officer each of whom shall sign the document to attest the affixation of the Common Seal.
3. the Chief Executive Officer is authorised to sign schedule documents under the Master Lending Agreement and or to give instructions thereunder on behalf of the Town of East Fremantle.

**RECOMMENDATION TO COUNCIL****Mayor O'Neill – Cr Watkins**

That Council hereby resolves:

1. the Town of East Fremantle enters into a Master Lending Agreement with Western Australian Treasury Corporation as per the document tabled at this meeting.
2. to approve the affixation of the Common Seal of the Town of East Fremantle to the said Master Lending Agreement in the presence of the Mayor and the Chief Executive Officer each of whom shall sign the document to attest the affixation of the Common Seal.
3. the Chief Executive Officer is authorised to sign schedule documents under the Master Lending Agreement and or to give instructions thereunder on behalf of the Town of East Fremantle.

CARRIED**F20.2****Tree Pruning Operations 2014***By Les Mainwaring Executive Manager Finance & Administration on 19 May 2014***PURPOSE**

To advise on the details of the annual cycle of tree pruning operations within the Town.

**BACKGROUND**

At the Ordinary Meeting 18 March 2014 Council resolved;

*“That the Executive Manager Finance & Administration provide a report to the next Finance Committee Meeting outlining the process for engagement of the Town’s tree pruning contractors and any mechanism for keeping these costs within the budget. The report to include how the works are scheduled and prioritised.”*

**REPORT**

Street tree pruning is scheduled and prioritised based on a range of inputs that include requests from members of the public, requests from various agencies eg Western Power, Transperth, rubbish contractors etc as well as monitoring by the Parks Supervisor. Certain events can also necessitate works, such as storm damage and dangerous or falling limbs due to heat stress, disease and other causes.

Under storey pruning of footpaths is carried out 3-4 times per year, coinciding with and taking advantage of green waste verge collections.

Generally two thirds of the cost involves work undertaken by Council staff, however larger and more difficult jobs and emergency works are undertaken by contractors. When confronted with urgent jobs, especially outside of normal working hours, contractors are generally engaged based on immediate availability. Where possible however, works are based on the receipt of three quotations.



The cost of the tree pruning operation has averaged \$111,000 over the past 3 years, with \$112,500 last year and \$92,000 year to date. The Parks Supervisor monitors the year to date expenditure against the budget on a monthly basis, and this year's forecast is within the original budget of \$117,000.

As indicated above, approximately two thirds of the costs involved are staff costs (ie salaries, overheads, plant etc) which Council would be meeting anyway.

**Statutory Requirements**

Local Government Act 1995 (As amended)

**Relevant Council Policies**

Nil

**Strategic Plan Implications**

Nil

**Financial/Resource/Budget Implications**

Nil

**Conclusion**

Nil

**RECOMMENDATION TO COUNCIL**

That the report be received.

**Cr Watkins – Mayor O'Neill**  
**That the report be received.**

CARRIED

**F20.3**      **2014-2015 Draft Budget Submissions, Buildings & Infrastructure**  
*By Les Mainwaring Executive Manager Finance & Administration on 23 May 2014*

**PURPOSE**

To provide a draft schedule of new submissions, building and infrastructure projects for the purposes of discussion and prioritisation.

**BACKGROUND**

On the 15 April 2014 a circular was issued to all elected members seeking submissions for inclusion into the budget cycle, which have been included into one schedule together with information from the forward capital works program and strategic community plan documents.

**REPORT**

The schedule is comprised of three sections:

- i) Buildings,
- ii) Infrastructure, and
- iii) Operating submissions

for consideration for inclusion into the draft operating budget.

**ATTACHMENT**

Buildings

The draft capital expenditure program for buildings totals \$2,423,000, of which \$1,200,000 would be funded by loans and \$1,223,000 would be funded by the Civic Buildings Reserve.

Current estimates indicate that the maximum that would be available from the Civic Building Reserve is \$1,359,000 therefore the draft capital building program as scheduled could be funded 100% by reserve monies. However it is recommended at least \$200,000 be retained in the Civic Building Reserve for contingencies, cost overruns etc.



The intent of the meeting would be to review the appropriateness of the draft building program.

Infrastructure

The draft capital expenditure program for infrastructure totals \$2,611,000, of which \$345,000 would be funded from Trust contributions and \$2,266,000 which would be funded by the Strategic Plan & Infrastructure Reserve.

Current estimates indicate that the maximum that would be available from the Strategic Plan & Infrastructure Reserve is \$1,162,000 therefore the draft capital infrastructure program as scheduled could be funded 53% by reserve monies, a shortfall of \$1,104,000.

The intent of the meeting would be to assess the infrastructure works listed in the draft infrastructure program.

Operating

A schedule of submissions for operating expenditure totals \$194,800.

The intent of this meeting is to review the submissions on merit and nominate those for inclusion into the draft operating budget process.

At the time of this report, draft information for the operating budget has been prepared but still requires uploading to the financial system and balancing. Over the course of the next two weeks senior staff will be balancing the budget into a 1<sup>st</sup> draft and presenting this to a Council budget workshop (scheduled for the 2<sup>nd</sup> week of June).

Budget Program

The intent of this meeting would be to consider a date for the Budget Workshop, which would coincide with a Special Council Meeting to adopt the proposed differential rates for advertising.

Once rates are advertised for a 21 day comment period, Council is free to adopt the budget, which could be as early as 15 July 2014.

**Statutory Requirements**

Local Government Act 1995 (As amended)  
6.2 Local Government to prepare an annual budget

**Relevant Council Policies**

Nil

**Strategic Plan Implications**

All plans

**Financial/Resource/Budget Implications**

Draft Budget 2014/2015

**Conclusion**

To review the building capital works plan, to assess infrastructure works priorities that can be financially achieved in 2014/2015, to review operating submissions on merit for inclusion to the draft operating budget and to consider a date for the budget workshop and special meeting for adoption of rates.

**Voting Requirements**

Simple Majority

**RECOMMENDATION**

That the report be received for discussion.



Mayor O'Neill left the meeting at 7.58pm

Due to a lack of a quorum, the meeting was adjourned.

Mayor O'Neill returned to the meeting at 8.15pm

The meeting resumed with all those present prior to the adjournment in attendance.

**Mayor O'Neill – Cr Watkins**  
**That the report be received.**

CARRIED

**F20.4 Council Newsletters/Public Consultation**

The Executive Manager Finance & Administration gave advice that there was \$20,000 available in the current budget for public relations activities and a preliminary draft of \$30,000 was proposed for 2014/15. Similarly \$8,000 was available in the current year for organisational surveys and a preliminary draft of \$12,000 was proposed for 2014/15.

**F21. NOTICE OF MOTION FOR CONSIDERATION AT THE FOLLOWING MEETING**

Nil.

**F22. URGENT BUSINESS WITHOUT NOTICE BY PERMISSION OF THE MEETING**

Nil.

**F23. CLOSURE OF MEETING**

There being no further business, the meeting closed at 8.43pm.

*I hereby certify that the Minutes of the meeting of the **Finance Committee** of the Town of East Fremantle, held on **27 May 2014**, Minute Book reference **F13. to F23.** were confirmed at the meeting of the Committee on*

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**Presiding Member**