



14 October 2009

## MINUTES

**MINUTES OF A FINANCE COMMITTEE MEETING, HELD IN THE UPSTAIRS MEETING AREA, ON WEDNESDAY 14 OCTOBER 2009, COMMENCING AT 7.02PM****F8. OPENING OF MEETING**

The Presiding Member declared the meeting open.

**F8.1 Present**

Mayor A Ferris

Cr R Olson Presiding Member

Cr S Dobro

Cr M Rico

Mr J Roberts Executive Manager Finance & Administration

**F9. WELCOME TO GALLERY**

There was one member of the public in the gallery.

**F10. APOLOGIES**

Cr de Jong

**F11. CONFIRMATION OF MINUTES****F11.1 Finance Committee – 11 March 2009**

Cr Rico – Mayor Ferris

That the Minutes of the Finance Committee held on 11 March 2009, and adopted at the Council Meeting held on 17 March 2009 be confirmed. CARRIED

**F12. CORRESPONDENCE (LATE RELATING TO ITEMS IN AGENDA)**

Nil.

**F13. REPORTS OF OFFICERS****F13.1 Monthly Financial Activity Statement for Period Ending 31 August 2009**

By John Roberts Executive Manager Finance & Administration on 18 September 2009

**PURPOSE**

To provide financial information to the Council in the form of a financial activity statement for revenues and expenditures, both operating and capital, in accordance with statutory requirements.

**BACKGROUND**

The monthly Financial Activity Statement for the period ending 31 August 2009 is appended and includes the following:

- Financial Activity Statement
- Notes to the Financial Activity Statement including schedules of investments and rating information.
- Capital Works/Major Capital Project Status Report **ATTACHMENT**

The attached Financial Activity Statement is prepared in accordance with the amended Local Government (Financial Management) Regulations 1996; with additional material to provide Council with easy to understand financial information on Council activities undertaken during the financial year.

**REPORT****Introduction/Comments**

The following is summary information on the attached financial reports:

The August 2009 year to date report shows an overall actual surplus of \$5,176,540 compared to the year to date budget of \$5,132,176.

Revenue and expenditure variances are generally timing in nature. The surplus is large at the start of the year as the full year rate revenue is brought to account. This surplus will decrease in the remaining months of 2009/10 as it is used to fund expenditure providing works and services..

The overall favourable variance of \$44,364 can be analysed as follows:

- The YTD actual Operating Revenue is \$5,195,665 compared to the YTD budget of \$5,253,799, a unfavourable variance of \$58,134. The variance is due primarily to the receipt of HACC services grant earlier than anticipated offset by lower than anticipated income from Old Royal George tenants and recoverable works.
- The YTD actual Operating Expenditure is \$969,237 compared to the YTD budget of \$1,090,568, a favourable variance of \$121,331. The variance is due primarily to lower than anticipated expenditure on functional administration expenses and recyclable collection costs.
- The YTD actual Capital Expenditure is \$24,375 when compared to the YTD budget of \$0 an unfavourable variance of \$24,375. The variance is due to commencement of upgrade works in Lee Park earlier than anticipated and Locke Park rotunda reconstruction works.

**Statutory Requirements**

Local Government Act 1995 (As amended)

Local Government (Financial Management) Regulations 1996 (As amended)

**Relevant Council Policies**

Significant accounting policies are adopted by Council on a periodic basis. These policies are used in the preparation of the statutory reports submitted to Council.

**Strategic Plan Implications**

Nil

**Financial/Resource/Budget Implications**

The August 2009 Financial Activity Statement shows variances in income and expenditure when compared with budget estimates.

**Conclusion**

The attached Financial Activity Statement for the period 1 July 2009 to 31 August 2009 be presented to the Council for information.

**RECOMMENDATION**

That the Financial Activity Statement for the period ending 1 July 2009 to 31 August 2009 be received.

**Mayor Ferris – Cr Olson**

**That the Financial Activity Statement for the period ending 1 July 2009 to 31 August 2009 be received.** CARRIED

**F13.2**

**Monthly Financial Activity Statement for Period Ending 30 September 2009**  
*By John Roberts Executive Manager Finance & Administration on 9 October 2009*

**PURPOSE**

To provide financial information to the Council in the form of a financial activity statement for revenues and expenditures, both operating and capital, in accordance with statutory requirements.

**BACKGROUND**

The monthly Financial Activity Statement for the period ending 30 September 2009 is appended and includes the following:

- Financial Activity Statement
- Notes to the Financial Activity Statement including schedules of investments and rating information.
- Capital Works/Major Capital Project Status Report

**ATTACHMENT**

The attached Financial Activity Statement is prepared in accordance with the amended Local Government (Financial Management) Regulations 1996; with additional material to provide Council with easy to understand financial information on Council activities undertaken during the financial year.

**REPORT****Introduction/Comments**

The following is summary information on the attached financial reports:

The September 2009 year to date report shows an overall actual surplus of \$5,110,780 compared to the year to date budget of \$4,505,204.

Revenue and expenditure variances are generally timing in nature. The surplus is large at the start of the year as the full year rate revenue is brought to account. This surplus will decrease in the remaining months of 2009/10 as it is used to fund expenditure providing works and services..

The overall favourable variance of \$605,576 can be analysed as follows:

- The YTD actual Operating Revenue is \$5,508,925 compared to the YTD budget of \$5,530,201, a unfavourable variance of \$21,726 The variance is due primarily to the receipt of HACC services grant earlier than anticipated and a grant for revegetation of John Tonkin park plus an increase in planning development applications, offset by lower than anticipated income from Old Royal George tenants and recoverable works.
- The YTD actual Operating Expenditure is \$1,369,912 compared to the YTD budget of \$1,697,874, a favourable variance of \$327,962. The variance is due primarily to lower than anticipated expenditure on functional administration expenses and recyclable collection costs.
- The YTD actual Capital Expenditure is \$40,195 when compared to the YTD budget of \$337,470 a favourable variance of \$297,275. The variance is due to commencement of upgrade works in Lee Park earlier than anticipated and Locke Park rotunda reconstruction works offset by a delay in replacing vehicles.

**Statutory Requirements**

Local Government Act 1995 (As amended)

Local Government (Financial Management) Regulations 1996 (As amended)

**Relevant Council Policies**

Significant accounting policies are adopted by Council on a periodic basis. These policies are used in the preparation of the statutory reports submitted to Council.

**Strategic Plan Implications**

Nil

**Financial/Resource/Budget Implications**

The September 2009 Financial Activity Statement shows variances in income and expenditure when compared with budget estimates.



14 October 2009

## MINUTES

**Conclusion**

The attached Financial Activity Statement for the period 1 July 2009 to 30 September 2009 be presented to the Council for information.

**RECOMMENDATION**

That the Financial Activity Statement for the period ending 1 July 2009 to 30 September 2009 be received.

**Cr Rico – Cr Olson**

**That the Financial Activity Statement for the period ending 1 July 2009 to 30 September 2009 be received.** CARRIED

F13.3

**Accounts for Payment**

*By John Roberts, Executive Manager Finance & Administration on 9 October 2009*

**PURPOSE**

To endorse the list of payments for the periods 1 September 2009 to 30 September 2009.

**BACKGROUND**

It is a requirement of the Financial Management Regulations that the monthly Accounts for Payment are endorsed by the Council. The Lists of Accounts is attached.

**ATTACHMENT****REPORT****Comments/Discussion**

The List of Accounts for the period beginning 1 September 2009 and ending 30 September 2009 require endorsement by the Council.

**RECOMMENDATION TO COUNCIL**

That the List of Accounts for the periods beginning 1 September 2009 and ending 30 September 2009, be received, as per the following tables:

<i>August 2009</i>		
<b>Voucher Nos</b>	<b>Account</b>	<b>Amount</b>
3666-3694	Municipal (Cheques)	\$13,419.04
EFT11044 – EFT11170	Electronic Transfer Funds	\$635,163.53
Payroll	Electronic Transfer Funds	\$160,814.11
DD5640.1/ DD5662.1	Direct Debits (2)	\$18,738.43
	<b>Municipal Total Payments</b>	<b>\$828,135.11</b>

**Mayor Ferris – Cr Rico**

**That the List of Accounts for the period beginning 1 September 2009 and ending 30 September 2009 be received.** CARRIED

F13.4

**Proposed Repeal of Legislation — City of Fremantle and Town of East Fremantle Trust Funds Act 1961**

*By John Roberts Executive Manager Finance & Administration on 14 October 2009*

**PURPOSE**

For Council to request the Minister for Local Government and Regional Development to repeal the City of Fremantle and Town of East Fremantle Trust Funds Act 1961.

**BACKGROUND**

The "City of Fremantle and the Town of East Fremantle Trust Funds Act 1961" was created by an Act of Parliament, which followed the dissolution of the Fremantle Municipal Transport Board. The Board was established by both Councils to carry out the activities of electricity, tramways and passenger transport in both Fremantle and East Fremantle.

At the time of the dissolution a payment of 60,000 pounds and 10,000 pounds was made to the City of Fremantle and the Town of East Fremantle respectively. It further stated in the Act that "otherwise no capital payment shall be made hereunder to the City or Town (except as a loan authorised by this indenture) but the capital shall be retained in **perpetuity** for the City and Town respectively".

The Town of East Fremantle held a cash only component of \$218,813.77 against which were loans of \$121,797.65 (principal only) leaving a balance of \$97,015.62.

The Act stated that separate funds were to be established comprising of the Fremantle Fund and the East Fremantle Fund and the financial benefits of these two funds were to be distributed back at the rate of 6/7 to the City of Fremantle and 1/7 to the Town of East Fremantle.

At a Structured Link Meeting with the City of Fremantle in November 2002, the issue of jointly seeking the repeal of the legislation was raised. Since that time work has progressed on the matter in conjunction with the City of Fremantle. That work culminated with a joint approach to the Department of Local Government and Regional Development with a proposal to have the legislation repealed.

**REPORT**

After consideration of the matter by the Department and advice received from the State Solicitor's Office, the Department have now advised what is required from the Town of East Fremantle and the City of Fremantle for the matter to be presented to the Minister.

This advice states the Trust Funds Act may be repealed, providing that the City of Fremantle and the Town of East Fremantle

- Wish to bring the City of Fremantle Trust Fund and the Town of East Fremantle Trust Fund to an end
- Agree that the Act should be repealed
- Agree upon the manner in which the assets of the Trust Funds are to be dispersed

**ATTACHMENT**

The City of Fremantle Council agreed unanimously to these conditions at the Council meeting 28 February 2007. Officers of the Town of East Fremantle have delayed progressing the move to repeal awaiting the outcome of the Left Bank lease agreement.

**ATTACHMENT****Statutory Requirements**

The City of Fremantle and Town of East Fremantle Trust Funds Act 1961 provides for the legislative requirements of the funds.

The repeal of the Act requires the approval of the Minister to present it to Parliament.

**Relevant Council Policies**

Significant accounting policies as adopted by Council.

**Strategic Plan Implications**

Repeal of the Act is a strategic action

**Financial/Resource/Budget Implications**

Currently the finances of the Town of East Fremantle Trust Fund are consolidated with the Town of East Fremantle for the preparation of the Town's annual budget and financial statements. As a consequence, if the Act was repealed along the lines recommended, any cash or cash investments held in the trust would become available to the Town to determine how they should be invested or spent in the future. Currently there is about \$164,200 in the Trust that would be available.

**Conclusion**

It is considered that the repeal of the legislation with the assets and liabilities reverting to their respective local governments is the most appropriate action.

**RECOMMENDATION**

Council resolve that the Town of East Fremantle:

1. wishes to bring the City of Fremantle Trust Fund and the Town of East Fremantle Trust funds to an end.
2. agrees that the City of Fremantle and Town of East Fremantle Trust Funds Act 1961 should be repealed; and
3. agrees that the existing assets and liabilities of each trust fund revert to their respective local authority.
4. advise, in conjunction with the City of Fremantle, the Department of Local Government of the agreement

**Mayor Ferris – Cr Olson**

Council resolve that the Town of East Fremantle:

1. wishes to bring the City of Fremantle Trust Fund and the Town of East Fremantle Trust funds to an end.
2. agrees that the City of Fremantle and Town of East Fremantle Trust Funds Act 1961 should be repealed; and
3. agrees that the existing assets and liabilities of each trust fund revert to their respective local authority.
4. advise, in conjunction with the City of Fremantle, the Department of Local Government of the agreement

CARRIED**F13.5*****Financial Timetable 2009/10***

The 2009/10 financial timetable, prepared by Mr Roberts, was considered.

2008/2009 Financial Statements

31 August 2009	Completion of 2008/2009 Financial Statements including Pensioner Rebate, ESL, HACC and Roads to Recovery returns.
Early Sept 2009	Annual Audit of 2008/2009 Financial Statements by council auditor.
30 Sept 2009	Audit sign-off of 2008/2009 Financial Statements by council auditor.
14 Oct 2009	Annual Financial Statements Report to Audit Committee. Representation by External Auditor.
20 Oct 2009	Annual Financial Statements Report to Council for Adoption.

2009 Compliance Audit

January 2010	Complete the 2009 Department of Local Government Compliance Audit.
10 March 2010	Compliance Audit Report to Audit Committee.
16 March 2010	Compliance Audit Report to Council for Adoption.
31 April 2010	Compliance Audit report to DLGRD.

2009/10 Budget – Mid-Year Review

January 2010	Review the 2009/2010 financial position based on the 31 December 2009 year-to-date actuals.
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10 March 2010 *Mid-Year Review Report to Finance Committee.*  
 16 March 2010 *Mid-Year Review Report to Council for Adoption.*  
 17 March 2010 *Letter and copy of report to DLGRD.*

Plan for the Future (Strategic Financial Plan)

February 2010 *Preparation of the Plan for the Future of the District using the 2009/2010 Mid-Year review as the baseline.*  
 10 March 2010 *Draft Plan for the Future to Finance Committee.*  
 16 March 2010 *Draft Plan for the Future Report to Council for Adoption.*  
 April 2010 *Local Public Notice of the Plan to be given.*

2010/2011 Budget

10 March 2010 *Finance Committee to discuss broad parameters for the budget. eg Rates, CPI, Fees & Charges.*  
 31 March 2010 *Budget submissions to be received from community and staff by Executive Manager Finance and Administration.*  
 27 April 2010 *Councillor Forum receive Draft Budget for review.*  
 16 June 2010 *Draft 2010/11 Budget to Finance Committee for final review.*  
 7 July 2010 *Special Council Meeting to Adopt 2010/2011 Budget.*

2009/2010 Financial Statements

31 August 2010 *Completion of 2009/2010 Financial Statements including Pensioner Rebate, ESL, HACC and Roads to Recovery returns.*  
 Early Sept 2010 *Annual Audit of 2009/2010 Financial Statements by council auditor.*  
 30 Sept 2010 *Audit sign-off of 2009/2010 Financial Statements by council auditor.*  
 Oct 2010 *Annual Financial Statements Report to Audit Committee. Representation by External Auditor.*  
 Oct 2010 *Annual Financial Statements Report to Council for Adoption.*

**Cr Rico – Mayor Ferris**

**That the 2009/10 financial timetable be received and agreed to.**

CARRIED

**F14. CLOSURE OF MEETING**

There being no further business, the meeting closed at 7.28pm.

*I hereby certify that the Minutes of the meeting of the **Finance Committee** of the Town of East Fremantle, held on **14 October 2009**, Minute Book reference **F8. to F14.** were confirmed at the meeting of the Committee on*

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**Presiding Member**