



## SHIRE OF BODDINGTON

'The Council and Staff of the Shire of Boddington, in partnership with the community, are committed to operating effectively and efficiently to provide quality lifestyle opportunities that encourage population growth and development'

## AGENDA

For The  
Special Meeting of Council  
To Consider  
The Review of the 2020-21 Budget  
To Be Held At  
5:30pm Wednesday 31<sup>st</sup> March

At the  
Council Chambers  
39 Bannister Road Boddington

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1. DECLARATION OF OPENING:

I acknowledge that this meeting is being held on the traditional lands of the Noongar people.

2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE:

2.1.1	Attendance
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2.1.2	Apologies
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2.1.3	Leave of Absence
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Nil at this time.

3. DISCLOSURE OF FINANCIAL INTEREST:

Nil at this time.

4. PUBLIC QUESTION TIME:

4.1 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE:

Nil at this time.

4.2 WRITTEN QUESTIONS PROVIDED IN ADVANCE:

Nil at this time.

4.3 PUBLIC QUESTIONS FROM THE GALLERY:

Nil at this time.

5. PETITIONS/DEPUTATIONS/PRESENTATIONS/  
SUBMISSIONS:

Nil at this time.

6. CONFIRMATION OF MINUTES:

Nil at this time.

7. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT  
DISCUSSION:

Nil at this time.

8. REPORTS OF OFFICERS AND COMMITTEES:

8.1 ACTING CHIEF EXECUTIVE OFFICER:

8.1.1	Statutory Budget Review as at 28 February 2021
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Disclosure of Interest:	Nil
Date:	26 March 2021
Author:	Darren Long – Finance Consultant
Authorising Officer:	Graham Stanley - Acting Chief Executive Officer
Attachments:	8.1.1A Boddington 2020-21 Budget Review Work Papers

Summary

The purpose of this report is for Council to consider and adopt the Budget Review Report, with any amendments, for the period 1 July 2020 to 28 February 2021.

Background

The Local Government Act provides for local governments, including regional local governments, to prepare an annual budget.

*6.2. Local government to prepare annual budget*

*(1) During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt\*, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.*

***\*Absolute majority required.***

The Local Government (Financial Management) Regulations 1996 require local governments to undertake a review of the Annual Budget.

*33A. Review of Budget*

- (1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.*
- (2A) The review of an annual budget for a financial year must –*
  - (a) consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*
  - (b) consider the local government’s financial position as at the date of the review; and*
  - (c) review the outcomes for the end of that financial year that are forecast in the budget.*
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*
- (3) A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

***\*Absolute majority required.***

- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

A detailed analysis at account level incorporating year to date actual results and budget projections to 30 June 2021, for the period ending 28 February 2021, is presented for consideration. A Statement of Financial Activity at program level has been prepared to provide a summarisation of the budget review results, as well as a Statement of Closing Funds detailing the projected surplus as at 30 June 2021.

Comment

The budget review has been prepared to include the information required by the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996, and the Australian Accounting Standards. Council adopted a 10% or \$10,000 threshold minimum for the reporting of material variances to be used in the Statement of Financial Activity and the annual Budget Review Report.

In summary, based on current trends, it is anticipated that a balanced budget can be achieved as at 30 June 2021, due to adjustments/amendments made to accommodate project/program variations.

The following table details the proposed budget amendments:

ACCOUNT	DESCRIPTION	ORIGINAL BUDGET AMOUNT	REVISED BUDGET AMOUNT	POSITIVE OUTCOME	NEGATIVE OUTCOME
2123010	Proceeds from sale of plant & equipment – higher trade in values received	(\$113,818)	(\$128,727)	(\$14,909)	

ACCOUNT	DESCRIPTION	ORIGINAL BUDGET AMOUNT	REVISED BUDGET AMOUNT	POSITIVE OUTCOME	NEGATIVE OUTCOME
2032020	Grants Commission – Local Road – increase in local road grant	(\$64,425)	(\$95,096)	(\$30,671)	
2032070	Local Roads and Community Infrastructure Grants – Additional funding from Commonwealth Government	(\$0)	(\$170,596)	(\$170,596)	
2033015	Interest on Term Deposit – Decrease in interest as no funds available for investment	(\$20,000)	(\$1,000)		\$19,000
3042015	Administration Salaries – Decrease in salaries due to position vacancies	\$1,212,627	\$1,023,450	(\$189,177)	
3042020	Administration superannuation – decrease in superannuation payments due to position vacancies	\$118,000	\$105,000	(\$13,000)	
3042030	Shire Office Cleaning & Maintenance – increase in insurance premiums, building maintenance expenses, electricity consumption and telephone call expenses	\$90,885	\$104,384		\$13,499
3042155	Workers Compensation Insurance – increase in premium	\$62,795	\$75,385		\$12,590
3042170	Consultants Fees – increase in consulting fees for local law reviews, workforce plan review, financial services and nursing home feasibility	\$71,700	\$164,780		\$93,080
3042182	CEO Vehicle Lease – payout of vehicle lease for CEO – offset by payroll deduction	\$15,000	\$85,203		\$70,203
2042025	Insurance Reimbursements – additional insurance claims for fusion items	(\$10,000)	(\$21,711)	(\$11,711)	
2042065	Employee Contributions – CEO contributions for payout of vehicle lease, increase in rent contributions	(\$2,600)	(\$75,695)	(\$73,095)	
3051001	Brigade operations – increase in costs for repairs to fire truck and tyre purchases	\$45,460	\$75,925		\$30,465
2051010	Standpipe Income – reduction in revenue from water supply fees	(\$35,000)	(\$20,000)		\$15,000
3053010	State Emergency Services – increase in operating costs	\$0	\$34,006		\$34,006
2074075	Room 4 Consulting room hire – additional hire fees	(\$5,465)	(\$16,791)	(\$11,326)	

ACCOUNT	DESCRIPTION	ORIGINAL BUDGET AMOUNT	REVISED BUDGET AMOUNT	POSITIVE OUTCOME	NEGATIVE OUTCOME
2082015	ILU Lease/Rentals – decrease in rental fees due to vacancies	(\$75,000)	(\$64,100)		\$10,900
2105020	Cemetery Fees – Decrease in fees	(\$16,800)	(\$4,876)		\$11,724
3132020	Boddington CRC Building – increase in insurance premiums, plumbing repairs, air conditioning repairs, and water consumption	\$62,237	\$85,381		\$23,144
3113050	Parks, Gardens & Reserves maintenance – Increase in electrical repairs, insurance premiums and shade sail replacements, decrease in reticulation repairs, overheads and plant costs	\$402,950	\$347,727	(\$55,223)	
3113056	Hotham Park Maintenance – increase in wages, overheads and plant costs as park shown separate from others	\$0	\$10,450		\$10,450
2113038	Sundry reimbursements – increase in reimbursement for materials purchased	(\$1,100)	(\$11,954)	(\$10,854)	
2113041	Resource Sharing Education Department – Contributions for 19/20 and 20/21 for shared use of oval	(\$0)	(\$14,045)	(\$14,045)	
2117050	Pump Track Grant Funding – Additional grant funding from 19/20	(\$37,500)	(\$87,500)	(\$50,000)	
3121055	Street Tree Maintenance – Increase in wages and overheads for staff time	\$26,496	\$54,630		\$28,134
3121069	Road Maintenance – Sealed Roads – Decrease in wages and overheads	\$205,669	\$180,972	(\$24,697)	
3121085	Repairs to bridges – increase in insurance premiums and repair expenses	\$32,170	\$51,142		\$18,972
2121803	Special Bridge Funding – No funding received this year - offset by decrease in capital expenditure	(\$664,500)	(\$0)		\$664,500
3132040	Caravan Park Expenses – Increase in insurance premiums, plumbing repairs, PVC awning installation, contract cleaning and water consumption	\$71,705	\$86,185		\$14,480
2132060	Caravan and Camping Income – Increase in camping fees	(\$142,000)	(\$160,159)	(\$18,159)	
3141015	Internal Works Staff – Decrease in salaries due to position vacancies,	\$156,250	\$134,725	(\$21,525)	



ACCOUNT	DESCRIPTION	ORIGINAL BUDGET AMOUNT	REVISED BUDGET AMOUNT	POSITIVE OUTCOME	NEGATIVE OUTCOME
	increase in superannuation expenses				
3141018	Housing Expenses allocated – increasing in housing expenses allocated – non cash	\$26,297	\$37,174		\$10,877
3141025	Sick Pay Works Staff – Decrease in sick pay	\$40,200	\$23,000	(\$17,200)	
3144015	Depot Staff Allowances – Decrease in allowances	\$62,500	\$40,000	(\$22,500)	
3141050	PWO Recoup – Decrease in overhead costs allocated	(\$510,062)	(\$459,422)		\$50,640
3142001	Plant Repairs Wages – Decrease in repair wages expenses	\$38,954	\$28,500	(\$10,454)	
3144010	Gross Salaries & Wages – Decrease in gross wages paid due to position vacancies	\$2,663,335	\$2,463,500	(\$199,835)	
3144020	Less Salaries and Wages allocated – Decrease in salaries and wages allocated to other programs	(\$2,663,335)	(\$2,463,500)		\$199,835
3033201	Transfer to Reserves – Decrease in reserves transfer due to less interest earned	\$20,000	\$1,000	(\$19,000)	
000000	(Surplus)/Deficit brought forward – decrease in surplus due to audit adjustments	(\$1,023,329)	(\$673,772)		\$349,557
3042209	Computer equipment – allocation not required	\$25,000	\$2,240	(\$22,760)	
3042208	Office Equipment – full allocation not required	\$25,000	\$5,260	(\$19,740)	
3082060	Early Learning Centre Building – Patio structure not proceeding this year	\$20,000	\$0	(\$20,000)	
3112120	Swimming Pool Building Capital – Reduction in solar panel installation costs	\$96,000	\$86,000	(\$10,000)	
3123001	Grader Purchase – increase in acquisition cost	\$350,000	\$362,350		\$12,350
3121704	Road Reseals – Reduction in resealing works	\$100,000	\$70,000	(\$30,000)	
3121801	Local Roads and Community Infrastructure Project Expenses – increase in wages, overheads and materials for new projects under LRCI funding	\$0	\$170,596		\$170,596
3121086	MRWA Bridge Program - Bridge works not proceeding this year	\$664,500	\$0	(\$664,500)	
3121803	Footpaths – Scope of works reduced	\$50,000	\$37,800	(\$12,200)	

ACCOUNT	DESCRIPTION	ORIGINAL BUDGET AMOUNT	REVISED BUDGET AMOUNT	POSITIVE OUTCOME	NEGATIVE OUTCOME
3112220	Culverts & Drainage Capital Expenditure – additional costs for drainage works to Wuraming Avenue	\$100,000	\$158,929		\$58,929
3105500	Foreshore Landscaping – Reduction in car park and drainage works required	\$1,079,325	\$946,580	(\$132,745)	
3083204	Youth Centre Playground – Reduction to playground improvements	\$25,000	\$4,000	(\$21,000)	
3113120	Other Council Initiatives – works not proceeding this year	\$24,446	\$0	(\$24,446)	
	Other minor variations below the \$10,000 threshold			(\$218,416)	\$230,853
	TOTAL			(\$2,153,784)	\$2,153,784
Net Adjustment to 2020/21 Budget				\$0	

### Statutory Environment

Local Government Act 1995 Section 6.2

Local Government (Financial Management) Regulations 1996, Regulation 33A.

### Options

Council can:

1. Adopt the Officer's Recommendation; or
2. Adopt the Officer's Recommendation with amendments giving reasons for the amendments; or
3. Not accept the Officer's Recommendation, giving reasons.

Voting Requirement – Absolute Majority

### OFFICER'S RECOMMENDATION – 8.2.1

*That Council:*

1. *Adopt the 2020/21 Annual Budget Review, as presented in Attachment 1, and note that the estimated closing funds are based on current revenue and expenditure trends;*
2. *approve the following budget amendments as authorised expenditure:*

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TOTAL				(\$2,153,784 )	\$2,153,784
Net Adjustment to 2020/21 Budget				\$0	

9. ELECTED MEMBERS' MOTION OF WHICH PREVIOUS MOTION HAS BEEN GIVEN:

Nil at this time.

10. URGENT BUSINESS WITHOUT NOTICE WITH THE APPROVAL OF THE PRESIDENT OR MEETING:

Nil at this time.

11. CONFIDENTIAL ITEM:

Nil at this time.

12. CLOSURE OF MEETING: