

CITY OF PALMERSTON

**Minutes of Council Meeting
held in Council Chambers, Civic Plaza, Palmerston
on Tuesday, 15 March 2016 at 6.30pm**

Audio Disclaimer

An audio recording of this meeting is being made for minute taking purposes as authorised by City of Palmerston Policy MEE3 Recording of Meetings, available on Council's Website.

1. PRESENT

- Elected Members:** His Worship the Mayor Ian Abbott (Chair)
Deputy Mayor Sue McKinnon
Alderman Andrew Byrne
Alderman Paul Bunker
Alderman Geoff Carter
Alderman Athina Pascoe-Bell
- Staff:** Ricki Bruhn, Chief Executive Officer
Ben Dornier, Director of Corporate and Community Services
Mark Spangler, Director of Technical Services
Alyce Breed, Minute Secretary
- Gallery:** Silke Reinhardt, Finance Manager
Marg Lee, President PRSC
Geoff Boyton, Secretary PRSC
Neville Driver, Public Officer/Grants Officer PRSC
Craig Dunlop, NT News
Mark Owens, Resident

2. APOLOGIES

Alderman Seranna Shutt – Apology

ACCEPTANCE OF APOLOGIES AND LEAVE OF ABSENCE

Moved: Alderman Carter
Seconded: Deputy Mayor McKinnon

THAT the apology received from Alderman Shutt be received and granted.

CARRIED 8/1865–15/03/2016

3. CONFIRMATION OF MINUTES

Moved: Alderman Byrne
Seconded: Deputy Mayor McKinnon

1. THAT the minutes of the Council Meeting held Tuesday, 1 March 2016 pages 8491 to 8498, be confirmed.
2. THAT the Confidential minutes of the Council Meeting held Tuesday, 1 March 2016 pages 208 to 210, be confirmed.

CARRIED 8/1866–15/03/2016

4. MAYOR'S REPORT

M8-17

Moved: Deputy Mayor McKinnon
Seconded: Alderman Carter

1. THAT Council receives Report Number M8-17.
2. THAT the Mayor attend the Regional Capitals Australia Regionalism 2.0 Conference on Friday 8 April 2016 held at the City of Wodonga, Victoria.

POINT OF ORDER

Alderman Byrne raised a Point of Order pursuant to Section 25 of the Palmerston (Procedures for Meetings) By Laws stating that he had not been given the opportunity to debate the motion currently on the floor in relation to the Mayor's Report

Mayor Abbott replied that he had provided the opportunity for the Elected Members to speak and ask questions on the motion and a vote had now been taken on the motion. The Chair ruled against the Point of Order.

Moved: Alderman Byrne
Seconded: Alderman Bunker

THAT the Chair's ruling to the Point of Order not be agreed with.

3 Votes for, 3 votes against

The Chair used his casting vote and declared the motion LOST.

5. REPORT OF DELEGATES

Nil

6. QUESTIONS (WITHOUT DEBATE) FOR WHICH NOTICE HAS BEEN GIVEN

Nil

7. QUESTIONS (WITHOUT DEBATE) FOR WHICH NOTICE HAS NOT BEEN GIVEN

Nil

8. PETITIONS

Nil

9. DEPUTATIONS / PRESENTATIONS

9.1 Funding for Seniors Fortnight

Presentation by Geoffrey Boyton, Secretary and Neville Driver, Public Officer from The Palmerston and Rural Seniors Committee Inc.

10. CONSIDERATION OF MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

10.1 Notice of Motion to Amend

Moved: Alderman Bunker

Seconded: Alderman Byrne

1. THAT Council rescind decision number 8/1664.
2. THAT Council seek an independent valuation on the land shown in Attachment B to Report Number 8/0738 as lots 2 & 3.
3. THAT lots 2 & 3 as shown in Attachment B to Report Number 8/0738 be offered for sale to the owners of lots 8543 & 8544 respectively.
4. THAT a further report be provided to the EDI Committee detailing the following:
 - i. Offers made to purchase lots 2 & 3 as shown on Attachment B to Report Number 8/0738.
 - ii. Market valuation for the subject lots.
 - iii. Lot boundaries sought by the perspective purchases.
 - iv. Advice provided by Development Assessment Services on the feasibility of the proposed subdivision.
 - v. Advice provided by other relevant government departments.
 - vi. All costs.

CARRIED 8/1867–15/03/2016

10.2 Notice to Rescind

Moved: Alderman Bunker
Seconded: Alderman Byrne

THAT Council rescind Resolution Number 8/1757, which states the following:

*Moved: Alderman Bunker
Seconded: Alderman Carter*

1. *THAT after giving due consideration to the value of proposed Lots 2 & 3 at 168 Stuart Highway Yarrowonga Council approve the sale of the land at \$220/m2.*

CARRIED 8/1868–15/03/2016

10.3 Notice of Motion – Timing of Committee Meetings

Moved: Mayor Abbott
Seconded: Alderman Pascoe-Bell

THAT the Governance and Organisation (GOC) and the Economic Development and Infrastructure (EDI) Committee be held on the 3rd Thursday of the month excluding December commencing at 8.30am and 9.30am respectively.

MOTION WITHDRAWN

11. COMMITTEE RECOMMENDATIONS

11.1 Governance and Organisation

Moved: Alderman Byrne
Seconded: Deputy Mayor McKinnon

THAT the minutes from the Governance and Organisation Committee meeting held on 10 March 2016, be received and noted and that Council adopts the recommendations made by the Committee and accordingly resolves as follows:-

11.1.1 Draft EM04 Caretaker Policy

THAT Council adopt EM04 Caretaker Policy.

11.1.2 Draft GOV01 Policy Framework

THAT Council approves GOV01 Policy Framework.

CARRIED 8/1869–15/03/2016

11.2 Economic Development and Infrastructure

Moved: Alderman Bunker
Seconded: Deputy Mayor McKinnon

THAT the minutes from the Ordinary and Confidential Economic Development and Infrastructure Committee meeting held on 10 March 2016, be received and noted and that Council adopts the recommendations made by the Committee, with the exception of item 11.2.1 and accordingly resolves as follows:-

11.2.2 Affixation of Common Seal - Transfer of Park Lots 11789 and 12778 – Zuccoli Stage 1 Subdivision

1. THAT Council approves transferring of Park Lots 11789 and 12778 in Zuccoli Subdivision Stage 1 from the developer, Urbex Pty Ltd, to the City of Palmerston.
2. THAT the Mayor and Chief Executive Officer be authorised to sign and seal all documentation in relation to the transfer of Lots 11789 and 12778 in Zuccoli Subdivision Stage 1 from the developer, Urbex Pty Ltd, to the City of Palmerston.

11.2.3 Disability Access Program

THAT as part of the annual disability access program development elected members receive an email from staff seeking any projects that may have been raised by the community with them four (4) weeks prior to the proposed program being presented to the Economic Development and Infrastructure Committee.

11.2.4 Affixation of Common Seal - Transfer of Open Space Lots in The Heights Durack

1. THAT the Council approves the transferring of ownership of Lots 11887, 12081, 12401, 12648, 12690 and 12817 from the Charles Darwin University to the City of Palmerston.
2. THAT the Mayor and Chief Executive Officer be authorised to sign and seal all documentation in relation to the transfer of ownership of Lots 11887, 12081, 12401, 12648, 12690 and 12817 from the Charles Darwin University to the City of Palmerston.

CARRIED 8/1870–15/03/2016

11.2.1 Zuccoli Bore Supply

Moved: Deputy Mayor McKinnon
Seconded: Alderman Pascoe-Bell

THAT Council contribute a total of \$200,000 toward the capital cost of the Zuccoli Bore and supply mains paid over 10 years at a rate of \$20,000 per year, not indexed.

CARRIED 8/1871–15/03/2016

Alderman Byrne called a division – as a consequence the result of the above motion was set aside.

Upon dividing, three members voted in the affirmative, three members voted in the negative.

Members Voting in the Affirmative

Mayor Abbott
Deputy Mayor McKinnon
Alderman Pascoe-Bell

Members Voting in the Negative

Alderman Byrne
Alderman Bunker
Alderman Carter

The Chair used his casting vote and declared the motion CARRIED

11.3 Community, Culture and Environment

Moved: Alderman Carter
Seconded: Alderman Pascoe-Bell

THAT the minutes from the Community, Culture and Environment Committee meeting held on 2 March 2016, be received and noted and that Council adopts the recommendations made by the Committee, with the exception of item 11.3.3 and accordingly resolves as follows:-

11.3.1 Animal Management – Cats

THAT Council approve in principle a feral cat euthanasia subsidy for 2016/17 subject to the development of an appropriate policy and procedure.

11.3.2 PAMRG Meeting 3 & 17 December 2015, and 28 January 2016

THAT the 'Palmerston Dog Owner Guide' be printed and delivered to all Palmerston residential properties.

11.3.4 Expression of Interest Community Activities

THAT an expression of interest be released to the public calling for submissions to host regular or one off community place making activities in Palmerston.

11.3.5 Financial Support – Athletics Northern Territory

THAT Council approve the sponsorship to Athletics Northern Territory to the value of \$10,000 for the Palmy5K Fun Run and Walk event.

CARRIED 8/1872–15/03/2016

11.3.3 Financial Support – Palmerston and Rural Seniors Committee Inc.

Moved: Deputy Mayor McKinnon
Seconded: Alderman Pascoe-Bell

THAT Council support the funding application from The Palmerston and Rural Seniors Committee Inc to the amount of \$10,000 per year over the next three financial years.

AMENDMENT

Moved: Alderman Byrne
Seconded: Alderman Bunker

THAT Council support the funding application from The Palmerston and Rural Seniors Committee Inc to the amount of \$12,000 per year over the next three financial years.

CARRIED 8/1873–15/03/2016

The amendment became the motion which was put and carried.

12. INFORMATION AGENDA

12.1 Items for Exclusion

Nil

12.2 Receipt of Information Reports

Moved: Alderman Pascoe-Bell
Seconded: Deputy Mayor McKinnon

THAT the information items contained within the Information Agenda, be received.

CARRIED 8/1874–15/03/2016

13. DEBATE AGENDA

13.1 Officer Reports

**13.1.1 Affixation of Common Seal – Awning Agreement – Lot 11020 (164)
Forrest Parade, Rosebery 8/0835**

Moved: Alderman Byrne
Seconded: Alderman Pascoe-Bell

1. THAT Council receives Report Number 8/0835.
2. THAT the Mayor and Chief Executive Officer be authorised to sign and seal the Permit Agreement relating to the erection of a veranda style awning over a section of the footpath on the Haydon Street frontage relating to Lot 11020 (164) Forrest Parade, Rosebery.

CARRIED 8/1875–15/03/2016

**13.1.2 Application for Rate Concession by Sporting Group for Lot 4626
8/0837**

Moved: Alderman Pascoe-Bell
Seconded: Deputy Mayor McKinnon

1. THAT Council receives Report Number 8/0837.
2. THAT Council grants a 75 per cent rate concession for Lot 4626 for the financial year 2015/16 under Section 167 Local Government Act.

AMENDMENT

Moved: Alderman Bunker
Seconded: Alderman Byrne

1. THAT Council receives Report Number 8/0837.
2. THAT Council grants a 100 per cent rate concession for Lot 4626 for the financial year 2015/16 under Section 167 Local Government Act.

CARRIED 8/1876–15/03/2016

The Amendment became the motion which was put and carried.

13.1.3 Financial Report for the month of February 2016 8/0838

Moved: Deputy Mayor McKinnon
Seconded: Alderman Byrne

THAT Council receives Report Number 8/0838.

CARRIED 8/1877–15/03/2016

13.1.4 Tourism Top End – Appointment of Representative 8/0839

Moved: Alderman Carter
Seconded: Alderman Pascoe-Bell

1. THAT Council receives Report Number 8/0839.

CARRIED 8/1878–15/03/2016

Moved: Alderman Pascoe-Bell
Seconded: Deputy Mayor McKinnon

2. THAT Council be represented on the Tourism Top End by Alderman Shutt.

CARRIED 8/1879–15/03/2016

13.1.5 Territory Made Markets 8/0841

Moved: Alderman Bunker
Seconded: Alderman Byrne

1. THAT Council receives Report Number 8/0841.
2. THAT Council approve entering into a lease with Territory Made Markets for a market in Goyder Square once a month on a Saturday between April and September 2016.

CARRIED 8/1880–15/03/2016

13.1.6 Financial Support – YMCA of the Top End Inc. 8/0843

Moved: Alderman Pascoe-Bell
Seconded: Deputy Mayor McKinnon

1. THAT Council receives Report Number 8/0843.

CARRIED 8/1881–15/03/2016

13.1.6 Financial Support – YMCA of the Top End Inc. (Continued) 8/0843

Moved: Deputy Mayor McKinnon
Seconded: Alderman Carter

2. THAT Council approve a grant to YMCA of the Top End Inc. to the value of \$2,500 for the Copz vs Kidz Basketball game to be held at the Palmerston Recreation Centre during Youth week 2016.

CARRIED 8/1882–15/03/2016

14. CORRESPONDENCE

Nil

15. RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

16. PUBLIC QUESTION TIME

At the invitation of the Chair

17. OTHER BUSINESS - ALDERMAN REPORTS

17.1 Review FIN02 Financial Management Policy 8/0845

Moved: Deputy Mayor McKinnon
Seconded: Alderman Carter

1. THAT Council accept the late report.

CARRIED 8/1883–15/03/2016

Moved: Alderman Carter
Seconded: Deputy Mayor McKinnon

2. THAT Council receives Report Number 8/0845.
3. THAT Council adopt the amended FIN02 Financial Management Policy.

CARRIED 8/1884–15/03/2016

17.2 Second Budget Review 2015/16 8/0846

Moved: Deputy Mayor McKinnon
Seconded: Alderman Pascoe-Bell

1. THAT Council accept the late report.

CARRIED 8/1885–15/03/2016

17.2 Second Budget Review 2015/16 (Continued)

8/0846

Moved: Alderman Byrne
Seconded: Alderman Bunker

2. THAT Council receives Report Number 8/0846.

CARRIED 8/1886–15/03/2016

Moved: Alderman Carter
Seconded: Deputy Mayor McKinnon

3. THAT Council adopts the Second Budget Review 2015/16, pursuant to Section 128 (2) of Local Government Act NT.

CARRIED 8/1887–15/03/2016

17.3 Participation of Political Parties and Politicians at Council Events and Activities

Moved: Alderman Carter
Seconded: Deputy Mayor McKinnon

THAT Council determine the level of participation that Political Parties and Politicians may have in Council coordinated events and activities.

CARRIED 8/1888–15/03/2016

Moved: Alderman Byrne
Seconded: Alderman Carter

THAT a report be provided to the Governance and Organisation (GOC) Committee to determine the level of participation that Political Parties and Politicians may have in Council coordinated events and activities.

CARRIED 8/1889–15/03/2016

17.4 Alderman Carter

Provided an update on a Governance Course Elected Members attended and offered to stand as Deputy Mayor if nominated at the next meeting, as he will be absent.

17.5 Alderman Pascoe-Bell

Provided an update on the concerns raised by residents at the Flynn Tavern Forum and expressed concerns of Gunn and Bakewell residents regarding a Telstra Tower proposal. Also recommended all Elected Members attend the next Governance Course that is made available.

18. CONFIDENTIAL REPORTS

Moved: Alderman Pascoe-Bell

Seconded: Alderman Byrne

18.1 Application – Rates Concession for Assessment 106207

8/0836

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer, Director of Technical Services, Director of Corporate and Community Services and Minute Secretary on the basis that Council considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider the report and associated documents in relation to confidential agenda item 18.1 Application – Rates Concession for Assessment 106207 and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the report and associated documentation involves:

- (b) information about the personal circumstances of a resident or ratepayer;

This item is considered confidential pursuant to Regulation 8 (b) of the Local Government (Administration) Regulations.

2. THAT Council orders that the minutes from the Confidential Council meeting held on 15 March 2016, in relation to confidential item number 18.1 Application – Rates Concession for Assessment 106207 and the report and associated documentation remain confidential and not available for public inspection for a period of 12 months from the date of this meeting or a lesser period as determined by the Chief Executive Officer.

18.2 Sale of Land – Lot 10029 and Part Lot 9608, 14 The Boulevard, Palmerston

8/0842

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer, Director of Technical Services, Director of Corporate and Community Services and Minute Secretary on the basis that Council considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider the report and associated documents in relation to confidential agenda item 18.2 Sale of Land – Lot 10029 and Part Lot 9608, 14 The Boulevard, Palmerston and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the report and associated documentation involves:

- (c) information that would, if publicly disclosed, be likely to:

- (i) cause commercial prejudice to, or confer an unfair commercial advantage on, any person; or

This item is considered confidential pursuant to Regulation 8 (c)(i) of the Local Government (Administration) Regulations.

2. THAT Council orders that the minutes from the Confidential Council meeting held on 15 March 2016, in relation to confidential item number 18.2 Sale of Land – Lot 10029 and Part Lot 9608, 14 The Boulevard, Palmerston and the report and associated documentation remain confidential and not available for public inspection.

CARRIED 8/1890–15/03/2016

The meeting moved into the Confidential Session at 8:33pm

19. CLOSURE

Meeting closed at 9.02pm

(Chair)

ITEM NO. 17.1 **Review FIN02 Financial Management Policy**

FROM: Director of Corporate and Community Services

REPORT NUMBER: 8/0845

MEETING DATE: 15 March 2016

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

Management has been placed under pressure to hold planned meetings of the Internal Audit Committee due to the unexpected absence of the External Chair of the Internal Audit Committee. The Second Budget Review 2015/16 has been prepared in due course to be presented to the Committee as requested under the policy FIN02 Financial Management. Management finds themselves in the situation to request a change to the current policy to be able to bring the Second Budget Review to Council.

Council is asked to approve of the attached amended policy FIN02.

Background:

The current policy FIN02 requests, that Budget Reviews are presented to the Internal Audit Committee before being forwarded to Council for decision. The Second Budget Review 2015/16 had been prepared in time by staff and was scheduled for a February meeting of the Internal Audit Committee.

The unexpected absence of the External Chair has prevented the Committee from meeting as a quorum under FIN09 Internal Audit Committee policy requires the independent member to be present.

General:

Management suggests the following amendments to the existing FIN02 Financial Management Policy:

Section of Policy FIN02	Addition/Deletion	Amendment	Reason
Approval Date	Deletion		Approval date will be set with date of Council decision
Next Review Date	Deletion		One year from approval date
4.4 Quarterly Budget Review			
4.4.1	Addition	In the case where circumstances prevent the Internal Audit	Enabling management to

		Committee from being able to meet, the Budget Review is to be laid before Council prior to presentation at the Internal Audit Committee.	present Council with the Budget Review, where a quorum of the Internal Audit Committee cannot be achieved.
--	--	--	--

Financial Implications:

Nil

Policy / Legislation:

FIN09 Internal Audit Committee Policy

4.6 Quorum

4.6.1 The quorum for the transaction of business shall be one independent member and one committee member that is a member of the Council. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all of the authorities, powers and discretions vested in or exercisable by the Committee.

RECOMMENDATION

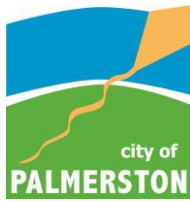
1. THAT Council accept the late Report.
2. THAT Council receives Report Number 8/0845.
3. THAT Council adopt the amended FIN02 Financial Management Policy.

Recommending Officer Ben Dornier, Director of Corporate and Community Services

Any queries on this report may be directed to Ben Dornier, Director of Corporate and Community Services on telephone (08) 8935 9976 or email ben.dornier@palmerston.nt.gov.au.

Schedule of Attachments:

Attachment – Draft FIN02 Financial Management Policy



Name:	Financial Management		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Manager Financial Services		
Approval Date:		Next Review Date:	

1 Purpose

This policy defines the contents and schedule for City of Palmerston Financial Management Reports and Statements in line with the legislative requirements by the Northern Territory Government.

2 Principles

Council follows the requirements for financial reporting in content and timing stipulated by the Local Government Act, Local Government (Accounting) Regulations and Local Government (Administration) Regulations. The Reporting follows the principals of the Australian Accounting Standards.

3 Definitions

For the purposes of this Policy, the following definitions apply:

Term	Definition

4 Policy Statement

- 4.1 The Monthly Financial Management Report includes the following reports and schedules:
 - 4.1.1 Executive Summary
 - 4.1.2 Budget Summary Report - represents actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month and includes quarterly forecast income and expenditure for the whole of the financial year.
 - 4.1.3 Investments Management Report – provides details of all cash and investments held by the council (including money held in trust)
 - 4.1.4 Reserves Schedule – account of all restricted monies
 - 4.1.5 Debtor Control Accounts – a categorised statement of debts owed to council. Sundry debtors are indicative of their age.
 - 4.1.6 Creditor Accounts Paid
 - 4.1.7 Statement of Credit Card Transactions
- 4.2 The Monthly Financial Management Report will be put to Council latest at the second Council meeting in the following month for the results of the previous month.
- 4.3 The Quarterly Budget Review Report includes the following reports:
 - 4.3.1 Summary of Budget Revision Proposals
 - 4.3.2 Income and Expenditure Statements
 - 4.3.3 Reserve Movements
- 4.4 The Quarterly Budget Review Report is to be completed three times within a financial year by the third week of the following month, for review then presented to the Internal Audit Committee and then forwarded to the next Council Meeting.

4.4.1 In the case of an emergency, that enables the Internal Audit Committee to meet, the Budget Review is to be laid before Council without presentation to the Internal Audit Committee.

- 4.5 By the End of the second week of each month all balance sheet accounts have to be reconciled, BAS has to be completed, Commitments Reports have to be reviewed by Directors and Exception Reports have to be reviewed by Manex.
- 4.6 Financial reporting occurs using the following process:
- 4.6.1 Information is compiled to complete Financial Management Report.
 - 4.6.2 Report is completed by Finance Manager and Director Corporate and Community Services.
 - 4.6.3 Report is reviewed by Finance Manager.
 - 4.6.4 Report is approved by Director of Corporate and Community Services.
 - 4.6.5 Report is included in agenda for Council meeting by Chief Executive Officer.
 - 4.6.6 Report is reported to Council.
 - 4.6.7 Report is made available to public if applicable.
- 4.7 The following tasks are completed to meet Local Government financial planning legislative requirements:
- 4.7.1 Estimates developed by Directors and reported to Manex.
 - 4.7.2 Five year forecast developed based on projected expenditure and revenue (e.g. Future projects, grants etc.) and included in Five Year Financial Plan.
 - 4.7.3 Manex develop draft financial plan.
 - 4.7.4 Financial plan reviewed and approved by Council.
 - 4.7.5 Budget actual to estimates reviewed at least quarterly by Manex.
 - 4.7.6 Variations to budget reviewed and approved by Council.

5 Associated Documents

- 5.1 City of Palmerston Finance Policy
- 5.2 City of Palmerston Internal Audit Committee Policy
- 5.3 City of Palmerston Annual Financial Statements Policy

6 References and Related Legislation

- 6.1 Northern Territory Local Government Act
- 6.2 Northern Territory Local Government (Administration) Regulations
- 6.3 Northern Territory Local Government (Accounting) Regulations
- 6.4 Australian Accounting Standards
- 6.5 Ministerial Guidelines

ITEM NO. 17.2 **Second Budget Review 2015/16**
FROM: Chief Executive Officer
REPORT NUMBER: 8/0846
MEETING DATE: 15 March 2016

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

This report presents the second review of the 2015/16 financial year budget.

The review was undertaken by senior management and based on the financial data as per 31 December 2015.

Background:

The below table outlines the changes requested in the second budget review as they impact the attached Profit & Loss Statement for the City of Palmerston.

In the following table increases are shown as a positive and decreases as a negative figure.

	Current Budget 2016	2nd Review Increase / (Decrease)	Reviewed Budget 2016 in \$	Explanation of Review
Operating Income				
Rates	24,181,149	199,120	24,380,269	Increase in Waste Management Income - additional connections
Grants, subsidies & Contributions	2,186,758	40,000	2,226,758	Grant – Lambrick Avenue Pedestrian Crossing
Capital Income				
Asset Income	35,012,554	44,751	35,057,305	Sale of Council Vehicles
Grants received	2,388,000	2,500,000 232,028	5,120,028	NTG Funding Boulevard Stage 2 R2R Funding Boulevard Stage 2
Operating Expenses				
Employee Costs	6,779,802	(12,000)	6,772,302	Internal relocation to Library Security & Training Expenses

		4,500		Increase in Other Employee Costs HR
Professional Services	869,980	5,174 (1,000) (2,500)	871,654	Valuation Costs Cover Increase Employee Costs HR Traffic Control from Professional Services to Contractors
Materials & Contractors	11,719,041	87,962 (12,816) (65,000) 2,000	11,731,187	By-Election Costs Library Building Maintenance Costs moved to Capital Project Decrease in anticipated Waste Expenditure Various Expenditure Transfers
Other Expenses	3,433,042	(8,775) 3,326	3,427,593	Dolphin Timing System at Aquatic Centre moved to Capital Expenditure Various Expenditure Transfers
Capital Expenses				
Asset Purchases	2,166,353	4,571,500 40,000 8,775 44,751 (1,115)	6,830,264	Boulevard Stage 2 Lambrick Avenue Pedestrian Crossing Dolphin Timing System at Aquatic Centre Take Up Income from Sale of Council Vehicles for vehicle purchases Various Savings Open Space Capital Works
Asset Upgrade	17,396,571	376,000 12,816 (84,077)	17,701,310	Yarrowonga Road North Reconstruction Library Renovations from Building Maintenance Various Savings Open Space Capital Works to Reserves
Reserve Movement				
Election Expenses	0	(87,962)	(87,962)	Cover By-Election Expenditure
Infrastructure	(3,179,584)	(1,839,852) (376,000) 85,192	(5,310,244)	Boulevard Stage 2 funding Yarrowonga Road North Reconstruction Savings Open Space Capital Works
Waste Management	0	265,000	265,000	Add Waste Management Income & Savings to Reserves

Financial Implications:

Nil

Policy / Legislation:

Local Government Act 2008:

127 Annual budgets

- (1) A council must prepare a budget for each financial year.
- (2) The budget for a particular financial year must:
 - (a) outline:
 - (i) the council's objectives for the relevant financial year; and
 - (ii) the measures the council proposes to take, during the financial year, towards achieving those objectives; and
 - (iii) the indicators the council intends to use as a means of assessing its efficiency in achieving its objectives; and
 - (b) contain estimates of revenue and expenditure for the financial year (differentiating between operating and capital expenditure); and
 - (c) state the amount to be allocated to the development and maintenance of each class of infrastructure for the financial year; and
 - (d) state the amount the council proposes to raise by way of rates, and set out the rates structure, for the financial year; and
 - (e) contain an assessment of the social and economic effects of its rating policies; and
 - (f) state the allowances for members of the council for the financial year and the amount budgeted to cover payment of those allowances.
- (3) Subject to the regulations, a council must not budget for a deficit.

128 Adoption of budget or amendment

- (1) A council must adopt its budget for a particular financial year on or before 31 July in the relevant financial year.
- (2) A council may, after adopting its budget for a particular financial year, adopt an amendment to its budget (but once allowances for the members of the council for a particular financial year have been set, they cannot be changed by amendment).
- (3) As soon as practicable after adopting its budget, or an amendment to its budget, for a particular financial year, a council must:
 - (a) publish the budget or the amendment as adopted on the council's website; and
 - (b) notify the Agency in writing of the adoption of the budget or amendment; and
 - (c) publish a notice in a newspaper circulating generally in the area informing the public that copies of the budget or amendment may be downloaded from the council's website or obtained from the council's public office.
- (4) The council's budget forms part of the council's municipal or shire plan.

Local Government (Accounting) Regulations;

13 Deficit budgeting

A council must not budget for a deficit.

Note

A deficit occurs if overall expenditure for a financial year (disregarding depreciation) exceeds income. Transfers into, and out of, specific reserves are to be taken into account.

14 Allocation of money

- (1) A council must not allocate money for a particular purpose unless:
 - (a) provision for the allocation is made in the budget for the relevant financial year; or
 - (b) the allocation is:
 - (i) authorised by resolution of the council; and
 - (ii) made in anticipation of the adoption of a budget, or an amendment to a budget, making provision for the expenditure for the relevant financial year.

(2) An allocation of money for a particular purpose under subregulation (1)(b) must not exceed one-quarter of the expected budgetary provision for expenditure for the relevant purpose.

There is currently no legislated requirement on the intervals for budget reviews but it is anticipated that at least 3 will occur in each financial year.

RECOMMENDATION

1. THAT Council accept the late Report.
2. THAT Council receives Report Number 8/0846.
3. THAT Council adopts the Second Budget Review 2015/16, pursuant to Section 128 (2) of Local Government Act NT.

Recommending Officer: Ricki Bruhn, Chief Executive Officer

Any queries on this report may be directed to Ricki Bruhn, Chief Executive Officer on telephone (08) 8935 9902 or email ricki.bruhn@palmerston.nt.gov.au.

Schedule of Attachments:

Attachment A: Statement of Comprehensive Income & Reserves
Attachment B: 2nd Budget Review 2016 – List of Request detailed per department
Attachment C: 2nd Budget Review 2016 – Departmental Overview

Minute Book Page 8520

STATEMENT OF COMPREHENSIVE INCOME
16/02/2016

	YTD Balance	Original Budget 2016	1st Review Increase/ (Decrease)	2nd Review Increase/ (Decrease)	3rd Review Increase/ (Decrease)	Reviewed Budget
Operating Income						
Rates	\$23,862,158	\$23,916,452	\$264,697	\$199,120	\$0	\$24,380,269
Statutory charges	\$609,838	\$868,750	\$0	\$0	\$0	\$868,750
User charges	\$254,568	\$419,300	\$10,101	\$0	\$0	\$429,401
Grants, subsidies and contributions	\$1,711,257	\$2,151,173	\$35,585	\$40,000	\$0	\$2,226,758
Investment income	\$476,627	\$846,160	\$0	\$0	\$0	\$846,160
Other income	\$188,044	\$48,685	\$44,172	\$0	\$0	\$92,857
Total Operating Income	\$27,102,492	\$28,250,520	\$354,555	\$239,120	\$0	\$28,844,195
Capital Income						
Asset Income	\$57,305	\$35,000,000	\$12,554	\$44,751	\$0	\$35,057,305
Grants received	\$0	\$1,938,000	\$450,000	\$2,732,028	\$0	\$5,120,028
Developer Contributions	\$221,997	\$400,000	\$0	\$0	\$0	\$400,000
Total Capital Income	\$279,302	\$37,338,000	\$462,554	\$2,776,779	\$0	\$40,577,333
TOTAL INCOME	\$27,381,794	\$65,588,520	\$817,109	\$3,015,899	\$0	\$69,421,528
Operating Expenses						
Employee costs	\$3,771,219	\$6,624,802	\$155,000	(\$7,500)	\$0	\$6,772,302
Professional Services	\$358,380	\$909,980	(\$40,000)	\$1,674	\$0	\$871,654
Insurance	\$334,388	\$433,900	\$0	\$0	\$0	\$433,900
Utilities	\$1,212,413	\$2,262,846	\$2,000	\$0	\$0	\$2,264,846
Materials & Contractors	\$5,939,560	\$11,689,041	\$30,000	\$12,146	\$0	\$11,731,187
Depreciation, amortisation & impairment	\$4,666,725	\$8,062,100	\$0	\$0	\$0	\$8,062,100
Elected Members Allowances	\$159,614	\$276,889	\$0	\$0	\$0	\$276,889
Other Expenses	\$1,565,647	\$3,002,758	\$430,284	(\$5,449)	\$0	\$3,427,593
Total Operating Expenses	\$18,007,946	\$33,262,316	\$577,284	\$871	\$0	\$33,840,470
Capital Expenses						
Land Purchase	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchase	\$748,405	\$320,000	\$1,846,353	\$4,663,911	\$0	\$6,830,264
Asset Upgrade	\$5,845,581	\$11,847,889	\$5,548,682	\$304,739	\$0	\$17,701,310
Total Capital Expenses	\$6,593,986	\$12,167,889	\$7,395,035	\$4,968,650	\$0	\$24,531,574
TOTAL EXPENSES	\$24,601,933	\$45,430,205	\$7,972,318	\$4,969,521	\$0	\$58,372,044
OPERATING SURPLUS / (DEFICIT)	\$2,779,862	\$20,158,316	(\$7,155,210)	(\$1,953,622)	\$0	\$11,049,484
Less Non Cash Income/Expense	(\$4,666,725)	(\$8,062,100)	\$0	\$0	\$0	(\$8,062,100)
Net OPERATING SURPLUS / (DEFICIT)	(\$16,798,871)	\$3,050,305	(\$222,729)	\$238,249	\$0	\$3,065,824
CAPITAL SURPLUS / (DEFICIT)	\$17,157,251	\$25,170,111	(\$6,932,481)	(\$2,191,871)	\$0	\$16,045,759
Less Gifted Assets		\$35,000,000				\$35,000,000
Net CAPITAL SURPLUS / (DEFECIT)	(\$15,944,839)	(\$9,829,889)	(\$6,932,481)	(\$2,191,871)	\$0	(\$18,954,241)
Net SURPLUS / (DEFECIT)	\$5,939,560	(\$6,779,584)	(\$7,155,210)	(\$1,953,622)	\$0	(\$15,888,416)
Borrowings		\$4,000,000				\$4,000,000
Transfer FROM Reserves		(\$3,800,000)	(\$7,155,210)	(\$2,303,814)	\$0	(\$13,259,024)
Transfer TO Reserves		\$1,020,416	\$0	\$350,192	\$0	\$1,370,608
NET OPERATING SURPLUS / (DEFICIT)	\$5,939,560	(\$0)	\$0	\$0	\$0	(\$0)

STATEMENT OF RESERVES
29/02/2016

	Opening Balance	Original Budget 2016	1st Review Increase/ (Decrease)	2nd Review Increase/ (Decrease)	3rd Review Increase/ (Decrease)	Reviewed Budget	Balance at the EOY 2016
OTHER RESERVES							
Election Expenses	\$150,000	\$0	\$0	(\$87,962)	\$0	(\$87,962)	\$62,038
Disaster Recovery	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Strategic Initiatives	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Unexpended Grants	\$352,479	\$0	(\$184,425)	\$0	\$0	(\$184,425)	\$168,054
Unexpended Capital Works	\$6,924,035	\$0	(\$6,924,035)	\$0	\$0	(\$6,924,035)	\$0
Property	\$1,881,189	\$0	\$0	\$0	\$0	\$0	\$1,881,189
Plant & Equipment	\$511,404	\$0	\$0	\$0	\$0	\$0	\$511,404
Infrastructure	\$5,584,184	(\$3,179,584)	\$0	(\$2,130,660)	\$0	(\$5,310,244)	\$273,940
Developer Funds In Lieu Of Construction	\$4,118,287	\$400,000	\$0	\$0	\$0	\$400,000	\$4,518,287
Community Grants	\$146,750	\$0	(\$46,750)	\$0	\$0	(\$46,750)	\$100,000
Waste Management	\$0	\$0	\$0	\$265,000	\$0	\$265,000	\$265,000
Total Reserves	\$20,668,327	(\$2,779,584)	(\$7,155,210)	(\$1,953,622)	\$0	(\$11,888,416)	\$8,779,911

2nd Budget Review 2016 - List of Requests detailed

Type	CC name	Dep name	Account Name	Sum of Amount
Purchase	Staff Training	Library Services	Course Seminar & Conference Registration	5,000
	Staff Training Total			\$5,000
	Road Capital Works	Office of the Director Technical Services	Asset New Purchase	4,571,500
		Roads & Transport	Asset Renewal	376,000
			Asset New Purchase	35,000
	Road Capital Works Total			\$4,982,500
	Professional Services	Human Resources	Consultants	(1,000)
		Rates	Valuation Expenses	5,174
	Professional Services Total			\$4,174
	Employee Costs	Human Resources	Other Employee Costs	4,500
		Library Services	Salaries & Wages	(7,000)
			Other Employee Costs	(5,000)
	Employee Costs Total			(\$7,500)
	Cleaning Costs	Driver Resource Centre	Contractors	1,000
			Fire System Control Service	2,500
		Gray Community Hall	Contractors	(2,000)
	Cleaning Costs Total			\$1,500
	Sundry Expenses	Animal Management	Other Sundry Expenses	5,000
	Sundry Expenses Total			\$5,000
	Building Maintenance	Driver Resource Centre	Contractors	20,000
		Gray Community Hall	Contractors	(20,000)
		Library Services	Contractors	(12,816)
		Recreation Centre	Contractors	(20,000)
	Building Maintenance Total			(\$32,816)
	Pest Control	Driver Resource Centre	Contractors	1,000
	Pest Control Total			\$1,000
	Vandalism Costs	Driver Resource Centre	Contractors	500
		Gray Community Hall	Contractors	(500)
	Vandalism Costs Total			\$0
	Traffic Control	Office of the Director Technical Services	Contractors	2,500
		Roads & Transport	Other External Services	(2,500)
	Traffic Control Total			\$0
	Mowing	Open Space	Contractors	10,500
		Roads & Transport	Contractors	4,000
	Mowing Total			\$14,500
	Office Administration Expenditure	Human Resources	Subscriptions & Memberships	(3,500)
		Library Services	Stationery & Office Consumables	(1,000)
			Courier	1,000

Minute Book Page 8522

Type	CC name	Dep name	Account Name	Sum of Amount
	Office Administration Expenditure	Office of the Director Corp and Community Services	Stationery & Office Consumables	(15,000)
		Office of the Director Technical Services	Stationery & Office Consumables	2,000
			Food & Catering Costs	700
			Furniture & Equipment expensed	(2,700)
		Records Management	Postage	15,000
	Office Administration Expenditure Total			(\$3,500)
	Tree Maintenance/Management	Open Space	Materials Purchased	(30,000)
	Tree Maintenance/Management Total			(\$30,000)
	Public Lighting Maintenance	Open Space	Contractors	(20,000)
	Public Lighting Maintenance Total			(\$20,000)
	Building Capital Works	Aquatic Centre	Asset New Purchase	8,775
		Civic Centre	Asset Renewal	(11,660)
		Library Services	Asset Renewal	12,816
	Building Capital Works Total			\$9,931
	Plant Machinery & Equipment Capital Works	Office of the Director Corp and Community Services	Asset New Purchase	44,751
	Plant Machinery & Equipment Capital Works Total			44,751
	Mayor & Elected Member Expenses	Elected Members	Air Travel	(1,500)
			Elected Members Allowances	(5,000)
			Elected Members Electoral Allowance	(1,500)
			Deputy Mayoral Electoral Allowance	1,500
			Deputy Mayoral Allowance	5,000
	Mayor & Elected Member Expenses Total			(1,500)
	Vehicle Expenses	Elected Members	Motor Vehicle Services & Parts	1,500
		Office of the CEO	Motor Vehicle Services & Parts	1,000
	Vehicle Expenses Total			2,500
	Recruitment Costs	Office of the CEO	Advertising	(1,000)
	Recruitment Costs Total			(1,000)
	Security	Gray Community Hall	Fire System Control Service	(2,500)
		Library Services	Security Patrols	7,000
	Security Total			4,500
	Pound Management	Animal Management	Animal Euthanasia	(5,000)
	Pound Management Total			(5,000)
	Markets	Open Space	Contractors	6,000
	Markets Total			6,000
	Line Marking	Roads & Transport	Contractors	(31,000)
	Line Marking Total			(31,000)
	Open Space Capital Works	Open Space	Asset Renewal	(25,000)
	Open Space Capital Works Total			(25,000)
	Other Capital Works	Open Space	Asset Renewal	(39,077)
			Asset New Purchase	3,885
		Roads & Transport	Asset Renewal	(8,340)

Type	CC name	Dep name	Account Name	Sum of Amount
	Other Capital Works Total			(43,532)
	Playground Maintenance	Open Space	Materials Purchased	30,000
	Playground Maintenance Total			30,000
	Legal & Debt Recovery Costs	Rates	Search Costs	(5,174)
	Legal & Debt Recovery Costs Total			(5,174)
	Grants / Donations/Contributions Paid	Community Development	Community Grants	(8,775)
	Grants / Donations/Contributions Paid Total			(8,775)
	Domestic Bin Collection	Waste Management	Contractors	(65,000)
	Domestic Bin Collection Total			(65,000)
	Irrigation System Maintenance	Open Space	Contractors	30,000
			Materials Purchased	40,000
		Roads & Transport	Contractors	20,000
	Irrigation System Maintenance Total			90,000
	Insurance	Financial Services	General Asset Insurance	(105,400)
			Other Insurance	(2,000)
			Motor Vehicle Insurance	2,000
			Public Liability Insurance	105,400
	Insurance Total			0
	Election Expenses	Elected Members	Contractors	87,962
	Election Expenses Total			87,962
	Driveway Maintenance	Roads & Transport	Contractors	(30,000)
	Driveway Maintenance Total			(30,000)
	Public Amenities Maintenance	Open Space	Contractors	(10,000)
	Public Amenities Maintenance Total			(10,000)
	Litter Collection	Waste Management	Contractors	(8,850)
	Litter Collection Total			(8,850)
	Kerb Side Collections	Waste Management	Contractors	8,850
	Kerb Side Collections Total			8,850
Sale	Grants & Subsidies Recurrent	Roads & Transport	Operating Territory Grants & Subsidies	(40,000)
	Grants & Subsidies Recurrent Total			(\$40,000)

2nd Budget Review 2016 Departmental Overview

Minute Book Page 8524

Type	Dep name	Sum of YTD+Comm	Budget	2nd Budget Review	Budget Available
<input checked="" type="checkbox"/> Purchase	Arts & Culture	\$97,970	\$140,000	\$0	\$42,030
	Community Development	\$477,515	\$939,010	(\$8,775)	\$499,471
	Events Promotion	\$71,996	\$309,000	\$0	\$237,004
	Families & Children	\$78,584	\$237,292	\$0	\$343,133
	Health and Wellbeing Services	\$300	\$42,000	\$0	\$41,700
	Library Services	\$752,989	\$1,201,302	\$0	\$449,483
	Senior Citizens	\$3,797	\$9,500	\$0	\$5,703
	Youth Services	\$3,412	\$22,000	\$0	\$18,588
	Customer Services	\$121,979	\$227,737	\$0	\$101,758
	Financial Services	\$803,353	\$1,141,467	\$0	\$315,114
	Human Resources	\$159,633	\$271,849	\$0	\$112,216
	Information Technology	\$758,614	\$1,160,264	\$0	\$397,650
	Office of the Director Corp and Community Services	\$5,282,772	\$8,738,694	\$29,751	\$3,633,156
	Rates	\$271,253	\$101,000	\$0	\$6,710
	Records Management	\$180,488	\$339,365	\$15,000	\$173,877
	Elected Members	\$260,110	\$320,740	\$87,962	\$148,592
	Office of the CEO	\$380,177	\$689,986	\$0	\$309,809
	Public Relations and Communications	\$47,162	\$113,150	\$0	\$65,988
	Animal Management	\$96,921	\$79,080	\$0	\$12,159
	Aquatic Centre	\$349,490	\$328,200	\$8,775	\$60,585
	Archer Sports club	\$2,609	\$12,910	\$0	\$10,300
	Civic Centre	\$308,829	\$1,111,372	(\$11,660)	\$790,883
	Depot	\$67,657	\$87,277	\$0	\$19,620
	Driver Resource Centre	\$6,340	\$0	\$25,000	\$21,160
	Emergency Operations	\$80,044	\$99,917	\$0	\$18,703
	Gray Community Hall	\$41,417	\$108,975	(\$25,000)	\$42,558
	Office of the Director Technical Services	\$5,803,503	\$1,452,956	\$4,574,000	\$6,632,050
	Open Space	\$3,314,302	\$5,569,882	(\$3,692)	\$2,666,888
	Parking & Other Ranger Services	\$357,685	\$717,145	\$0	\$359,460
	Private Works	\$40,984	\$80,023	\$0	\$39,039
	Recreation Centre	\$167,430	\$209,930	(\$20,000)	\$24,500
	Roads & Transport	\$1,892,524	\$6,000,158	\$363,160	\$4,922,794
	Stormwater Infrastructure	\$201,435	\$1,181,000	\$0	\$979,565
	Street Lighting	\$306,095	\$1,161,500	\$0	\$855,405
	Subdivisional Works	\$80,091	\$80,000	\$0	(\$91)
	Waste Management	\$5,136,243	\$10,976,551	(\$65,000)	\$5,837,808
	Birripa Court Investment Property	\$71,657	\$168,974	\$0	\$99,317
Purchase Total		\$28,077,361	\$45,430,205	\$4,969,521	\$30,294,683
<input "="" type="checkbox"/> Sale	Arts & Culture	\$0	(\$12,000)	\$0	(\$12,000)
	Community Development	(\$3,511)	\$0	\$0	\$0
	Events Promotion	(\$1,000)	(\$21,000)	\$0	(\$20,000)
	Library Services	(\$638,154)	(\$729,273)	\$0	(\$91,119)
	Senior Citizens	\$0	(\$1,500)	\$0	(\$1,500)
	Youth Services	(\$2,000)	(\$4,000)	\$0	(\$2,000)
	Financial Services	(\$193,964)	(\$400,000)	\$0	(\$216,697)
	Office of the Director Corp and Community Services	(\$189,450)	\$0	(\$44,751)	\$102,145
	Rates	(\$17,906,280)	(\$18,181,252)	\$0	(\$539,668)
	Office of the CEO	(\$529,743)	(\$690,000)	\$0	(\$185,113)
	Animal Management	(\$294,496)	(\$399,000)	\$0	(\$104,504)
	Aquatic Centre	(\$55,587)	(\$95,300)	\$0	(\$39,713)
	Archer Sports club	\$0	\$0	\$0	\$0
	Civic Centre	(\$120,861)	(\$186,600)	\$0	(\$65,739)
	Driver Resource Centre	(\$19,063)	(\$7,500)	\$0	\$1,462
	Gray Community Hall	(\$10,240)	(\$16,000)	\$0	(\$5,760)
	Office of the Director Technical Services	(\$34,016)	(\$49,250)	\$0	(\$15,234)
	Parking & Other Ranger Services	(\$95,876)	(\$171,185)	\$0	(\$75,309)
	Private Works	(\$84,416)	(\$90,000)	\$0	(\$5,584)
	Roads & Transport	(\$595,883)	(\$2,733,000)	(\$2,772,028)	(\$5,359,874)
	Stormwater Infrastructure	(\$965)	(\$4,000)	\$0	(\$3,035)
	Subdivisional Works	(\$349,796)	(\$35,580,000)	\$0	(\$35,230,204)
	Waste Management	(\$5,986,102)	(\$5,771,500)	(\$199,120)	\$5,482
	Birripa Court Investment Property	(\$271,054)	(\$446,160)	\$0	(\$175,106)
Sale Total		(\$27,382,458)	(\$65,588,520)	(\$3,015,899)	(\$42,039,070)
Grand Total		\$694,903	(\$20,158,316)	\$1,953,622	(\$11,744,387)