



Extraordinary Meeting of Council

Wednesday 28 February 2024

4.00pm

Council Chambers

209 Comur Street, Yass

Extraordinary Meeting of Council

AGENDA

Open Forum

Page No.

Webcasting

This meeting is being webcast, a reminder to those in attendance that you should refrain from making any defamatory statements.

Acknowledgement of Country

Yass Valley Council recognises the Ngunnawal people, the Traditional Custodians of the land, water, and sky. We pay our respect to their Elders past, present and future emerging leaders. We extend our respect to other Aboriginal and Torres Strait Islander people who live in the Yass Valley Local Government Area.

1. Prayer

2. Apologies

3. Declaration of Pecuniary Interests/Special Disclosures

4. Reports to Council

4.1 2023/24 Second Quarterly Budget Review Statements3

Close of Meeting Time

Chris Berry

CHIEF EXECUTIVE OFFICER

4.1 2023/24 SECOND QUARTERLY BUDGET REVIEW STATEMENTS

SUMMARY

This report outlines the 2023/24 Second Quarterly Budget Review Statements (QBRs) for the period 1 October to 31 December 2023. As a result of the in-depth review and adjustments in our system, we advise that Council's 2023/24FY adjusted forecast for **Operating Result from Continuing Operations** from surplus of \$2.9M to a surplus of \$7.6M; and a **Net Operation Result before Grants and Contributions provided for Capital Purposes** from a deficit of \$12.8M to a deficit of \$8.7M.

RECOMMENDATION

That:

- 1. The 2023/24 Second Quarterly Budget Review Statements and adjustments, as detailed in the report be approved.*
- 2. It be noted that in accordance with the Local Government (General) Regulation (NSW) Clause 203 (2)(a), Council's financial position as at 31 December 2023 is satisfactory, having regard to revised projected estimates of income and expenditure, and the original budgeted income and expenditure.*

FINANCIAL IMPLICATIONS

The details of Council's projected year end operating result for the 2023/24 financial year are contained within the report below.

POLICY & LEGISLATION

- *Local Government Act 1993*
- *Local Government General Regulation 2005*
- *Office of Local Government 2010 QBRs Guidelines*

REPORT

This Quarterly Budget Review Statements (QBRs) presents a summary of Council's financial position as at 31 December 2023 for the 2023/24 financial year.

Council staff and finance contractor have reviewed all Council's general ledger transactions between 1 July to 31 December 2023 to conduct a full review of our current operational plan.

A total of 13,846 general ledger lines were reviewed by the responsible managers, including more than 300 projects. As a result, there were over 1,000 movements due to transactions being recorded incorrectly, as well as managers reviewing their forecast for the remainder of the 2023/24FY.

This has resulted in staff coming away with a much better understanding of their budgets and new project codes created to assist with allocation of funding. Managers are now undertaking their reviews monthly.

Below is a list of major adjustments that resulted in movements in the new forecast for 2023/24.

- **Income**
 - Rating forecast was adjusted by \$337k to bring it in line with actuals.
 - User Fees & Charges had a double entry in the budget, which was adjusted; Water Supply income was reduced as the budget was thought to be too high, in line with actuals.
 - Operating Grants & Contributions was increased by \$2.8M as the Roads and Bridges, and Roads to Recovery budgets were left off.

- Capital Grants & Contributions variation was an increase of \$559K due to additional grants within this period.
- Investment income increased due to a variation of \$208K due to improved interest investment rates.
- Other income was decreased by \$226K due to fair value increment on investment property not eventuating this financial year, and a review of the lease income forecast in the budget.
- Expenditure
 - Employee costs forecast has decreased by \$2M due to current vacancies which are expected to continue for the remainder of this financial year.
 - Materials and Services has increased overall by \$361K, which includes costs such as contractors, raw materials, street lighting, and vehicle maintenance, registration, and insurance.
 - Borrowing cost forecast was decreased by \$1.2M, which included \$970K for the Crago Mill loan drawdown and water loan. As well as a reclassification of the landfill remediation of \$270K.
 - Other expenses increased by \$231K due to the reclassification of landfill from borrowings, and a reduction on the reforecast of landfill expenditure.
- Capital Projects
 - Lands & buildings: reduced by \$11.8M as the Crago Mill project moved to 2024/25FY.
 - Open Space & Recreational Assets: Murrumbateman Rec Ground Amenities forecast was decreased by \$1.1M
 - Plant & Equipment: increased by \$1.6M to account for replacement of plant.
 - Roads: reduced by \$3.7M for road resealing programs and new roads.
 - Sewer: reduced by \$170K as the Integrated Water Cycle Management Plan is not completing this financial year; and a reduction of \$30K in the Yass STP Augmentation capital expenditure forecast.
 - Waste: \$255K increase due to transfer station improvements in Yass and Murrumbateman and the Murrumbateman Leachate Electrical Pump.
 - Water Supply: decreased by \$450K due to delay in Options study of Morton Low Level Reservoir Repair budget reduction and an increase of \$100K in Telemetry System Upgrade – Water, and an increase of \$150K in Water Reticulation Upgrade Program.

The time and effort put into this review by everyone is assisting with the review of Council’s Long Term Financial Plan.

This review was thorough and used actuals for 2023/24FY, however there may be further changes in future quarter reviews as staff are starting to monitor their income and expenditure on a monthly basis.

STRATEGIC DIRECTION

Key Pillar	Our Civic Leadership
CSP Strategy	CL2: Council is a financially sustainable organisation that can meet community needs
Delivery Program Action	CL2.1 - Manage resources in a responsible manner that supports the ongoing viability of Council
Operational Plan Activity	Abide by Accounting Standards and Office of Local Government accounts regulations

ATTACHMENTS: A. Q2 QBRS Report