

# Special Council Meeting Minutes

**22 April 2020**

## **Our Vision**

*A City which values its heritage, cultural diversity,  
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable  
and socially cohesive, with a strong community spirit.*

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City of  
Norwood  
Payneham  
& St Peters

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**VENUE** Council Chambers, Norwood Town Hall

**HOUR** 7.03pm

**PRESENT**

**Council Members**

Mayor Robert Bria  
Cr Kester Moorhouse (*via electronic communication*)  
Cr Evonne Moore (*via electronic communication*)  
Cr Garry Knoblauch (*via electronic communication*)  
Cr John Minney (*via electronic communication*)  
Cr Carlo Dottore (*via electronic communication*)  
Cr Kevin Duke (*via electronic communication*)  
Cr Mike Stock (*via electronic communication*)  
Cr Scott Sims (*via electronic communication*)  
Cr Fay Patterson (*via electronic communication*)  
Cr Sue Whittington (*via electronic communication*)  
Cr John Callisto (*via electronic communication*)  
Cr Christel Mex (*via electronic communication*)  
Cr Connie Granozio (*connected to the meeting via electronic communication at 7.28pm*)

**Staff**

Mario Barone (Chief Executive Officer)  
Peter Perilli (General Manager, Urban Services)  
Carlos Buzzetti (General Manager, Urban Planning & Environment)  
Lisa Mara (General Manager, Governance & Community Affairs)  
Sharon Perkins (General Manager, Corporate Services)  
Andrew Alderson (Financial Services Manager) (*via electronic communication*)  
Keke Michalos (Manager, Economic Development & Strategic Projects) (*via electronic communication*)  
Richard Wunderlich (Projects Manager) (*via electronic communication*)  
Tony Tyler (Project Manager, ICT Solutions)  
Marina Fischetti (Executive Assistant, Urban Services)  
Tina Zullo (Administration Officer, Governance & Community Affairs)

**APOLOGIES** Nil

**ABSENT** Nil

**1. CONFIRMATION OF THE MINUTES OF THE COUNCIL MEETING HELD ON 6 APRIL 2020**

*Cr Minney moved that the minutes of the Council meeting held on 6 April 2020 be taken as read and confirmed. Seconded by Cr Mex and carried unanimously.*

**2. STAFF REPORTS**

## 2.1 2020-2021 OPERATING AND CAPITAL PROJECTS BUDGET

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**REPORT AUTHOR:** General Manager, Corporate Services  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 83664585  
**FILE REFERENCE:** qA1821  
**ATTACHMENTS:** A - B

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### PURPOSE OF REPORT

The purpose of this report is to provide for the Council's consideration and "in principle" endorsement, the Operating and Capital Projects Budget components of the Draft 2020-2021 Budget (the Draft Budget).

### BACKGROUND

Pursuant to the provisions contained in Chapters 8, 9 and 10 of the *Local Government Act 1999 (the Act)*, the Council is required to adopt for each financial year, an Annual Business Plan (ABP) and Budget, after 31 May and before 31 August.

Part 2 of the Act, "Annual Business Plans and Budgets", requires the Council to consider its budget in conjunction with the Council's Annual Business Plan and adopt it following adoption of the Annual Business Plan.

Pursuant to Section 123 (3) of the Act, before the Council adopts an Annual Business Plan, the Council must prepare a draft Annual Business Plan and make it available for public consultation.

At its ordinary Council meeting held on 6 April 2020, the Council endorsed 'in principle', the Draft 2020-2021 Recurrent Budget, which projected an Operating Surplus of \$1.306 million, on a full accrual basis, prior to taking into account any increase in Rate Revenue and Operating Projects.

### RELEVANT STRATEGIC DIRECTIONS & POLICIES

The Council's long term strategic direction is outlined in *City Plan 2030: Shaping our Future*. The Draft 2020-2021 Annual Business Plan and supporting Draft 2020-2021 Budget, sets out the proposed services and programs and explains how the Council intends to finance its continuing activities which are proposed to be undertaken during the year.

The Council's Long Term Financial Plan (LTFP), is a key document in the Council's Planning Framework. It is the primary financial management tool which links the Council's Strategic Plan, *City Plan 2030 – Shaping our Future*, Whole-of-Life Assets Management Plans and the Annual Business Plan and Budget.

In determining the services and projects which are to be proposed to be provided or delivered in 2020-2021, the Council must ensure that they will assist in delivering on its Long Term Strategic directions and financial objective set out in the LTFP and *City Plan 2030 – Shaping our Future*.

### FINANCIAL AND BUDGET IMPLICATIONS

The 'in-principle' endorsement of the Draft Budget as presented in this report, (prior to the incorporation of any Rate Revenue increases) will deliver an Operating Deficit of \$829,408 and a Net Surplus (after capital income) of \$102,952.

It should be noted that the Draft Budget Operating Surplus includes \$362,000 from the Roads-to-Recovery Grant Funding Program. In respect to this Program, the Council receives funding annually from the Federal Government under the Roads-to-Recovery Program to undertake works over and above the Councils existing Civil Infrastructure Capital Works Program. For 2020-2021, it is proposed that the Roads-to-Recovery funding will be utilised to undertake the reconstruction of Langman Grove, Felixstow.

## EXTERNAL ECONOMIC IMPLICATIONS

Given the current economic climate as a result of the COVID-19 Pandemic, the decisions made by the Council with respect to the Draft 2020-2021 Budget and rating decisions, will have a financial impact on property owners and suppliers of goods and services to the Council. The level of the impact will be dependent on the final decisions taken in respect to the service levels and the level of income required to meet the agreed service levels and funding of projects.

## SOCIAL ISSUES

No Applicable.

## CULTURAL ISSUES

Not Applicable.

## ENVIRONMENTAL ISSUES

Not Applicable.

## RESOURCE ISSUES

Not Applicable.

## RISK MANAGEMENT

As a result of the ever changing health, economic and financial impacts associated with the COVID-19 Pandemic, the Federal Government announced that its 2020-2021 Budget will be deferred to October 2020 (usually handed down in May 2020). As a result of the Federal Governments decision, the State Budget has also been deferred from June 2020 to November 2020.

A number of components of the Councils Draft Budget are impacted by decisions made by both the Federal and State Governments and given that the Federal and State Budgets will be delivered by 6 July 2020, (the current date set for the Council to adopt the 2020-2021 Annual Business Plan and Budget), a number of assumptions have been made with respect to those components of the Councils Draft Budget which are influenced by other tiers of government. These assumptions are:

- that Financial Assistance Grants, comprising of the General Assistance Grant and the General Road Funding Grant, will be provided based on the current funding arrangements of four (4) quarterly instalments, with the value of funding being indexed by 2%;
- supplementary Road funding to South Australia will not be re-instated;
- State Government Charges, which are set by Legislation, (i.e. parking expiation fines, development fees), will increase by 2%;
- no further increase in the Solid Waste Levy beyond the current fee of \$140 per tonnes; and
- no new fees and charges will be introduced.

Should these assumptions and other decisions upon which the Draft 2020-2021 Budget is based, not eventuate, there is a possibility that the Council will not be in a position to deliver its proposed budgeted Operating result.

Notwithstanding the uncertain times that are currently being faced, the preparation of the Annual Business Plan and Budget has been prepared to ensure the Council meets its legislative responsibilities in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

## COVID-19 IMPLICATIONS

The Council has submitted a number of grant applications to the State Governments *Open Space and People for Places Grant Funding Programs* and The Federal Government's *Local Government Land Transport Infrastructure Projects Scheme*.

The applications which have been submitted include a number of Capital Projects which have been identified as part of the Draft Capital Budget. As the outcome of these funding applications are yet to be determined, the grant income has not been included in the draft Budget.

Projects which have been included in the Draft Capital Budget where grant applications have been submitted are detailed in Table 1 below:

**TABLE 1: PROJECT FUNDING APPLICATIONS**

Project Name	Project Description	Project Cost	Funding Sought
<b>St Peters Street Detail Design</b>	The enhancement of St Peters Street as a strategic corridor within the Precinct, as well as improving the connection to key places of recreation and community life	\$100,000	\$50,000
<b>The Parade Masterplan Detail Design</b>	The project involves the preparation of the detail design and construction documentation for the implementation of the Parade Masterplan. The detail design will encompass the whole of The Parade, between Fullarton Road and Portrush Road and will include the north side of George Street, between The Parade and Webbe Street.	\$300,000	\$150,000
<b>Hannaford Reserve – Masterplan, Design and Construction</b>	To redevelop Hannaford Reserve to integrate the adjacent land which was purchased in 2018 and the establishment of a dedicated dog park (subject to the results of consultation). It should be noted that the funding submission that is included in the Draft Capital Budget is for the preparation of the Masterplan only.	1,000,000	\$500,000
<b>Stephen Street, Norwood, Upgrade Works</b>	Intent of the project is to undertake upgrade works on Stephen Street for the purpose of improving vehicle and pedestrian accessibility.	300,000	150,000
<b>Langman Grove Reconstruction</b>	Road reconstruction	1,100,000	550,000
<b>Marian Road / Hampden Street (Roundabout and Drainage Upgrade)</b>	This project involves improvements at the roundabout located on Marian Road and Hampden Road intersection.	650,000	325,000
<b>George Street, Norwood, Upgrade Construction Project</b>	This project involves the upgrade of George Street between The Parade and Webbe Street, as part of the implementation of the Parade Masterplan. This project will complement the installation of the Scramble Crossing at the intersection of The Parade and George Street.	800,000	400,000
<b>Dequetteville Terrace Footpath &amp; Kerb Upgrade</b>	Upgrade of footpath and kerbing between King William Street and Rundle Street, Kent Town	350,000	175,000
<b>Total</b>		<b>4,600,000</b>	<b>2,300,000</b>

In addition, funding applications have been submitted for a number of infrastructure improvement projects which are not currently included in the Draft Capital Budget. These projects have been determined based on the potential projects which are in the 'pipeline'. The estimated capital cost of these projects is in the order of \$15 million. Should the Council be successful with these applications, the net increase to the Councils Draft Capital Program would be \$7.5 million, based on a 50:50 funding contribution. It is unlikely, however that the Council will receive funding for all of the projects which have been submitted.

At its meeting held on 6 April 2020, the Council endorsed "in principle" the Draft 2020-2021 Recurrent Budget, which delivers an Operating Surplus of \$1.306 million. At that time, staff were still working through the financial implications on the Draft budget resulting from the COVID-19 Pandemic. Proposed adjustments to the Draft Recurrent Budget are discussed in the Discussion Section of this report.

## CONSULTATION

- **Elected Members**

At its meeting held on 6 April 2020, the Council considered and endorsed "in-principle" the Draft 2020-2021 Recurrent Budget. An overview of the Draft 2020-2021 Operating and Project Budgets was provided to Elected Members at an Information Briefing held on 15 April 2020.

- **Community**

The community will have input into the Draft 2020-2021 Budget through public consultation on the Draft Annual Business Plan.

- **Staff**

The preparation of the Draft 2020-2021 Recurrent Budget and Operating and Capital Projects has been completed with the involvement of the Chief Executive Officer, General Managers and Council staff responsible for budget management.

- **Other Agencies**

Not Applicable.

## DISCUSSION

### Recurrent Budget

As Elected Members are aware, the Draft Budget is prepared in two stages, with Stage One being the preparation and consideration of the Recurrent Budget and Stage Two being the preparation and consideration of the Operating and Capital Projects Budget. This report deals with Stage Two.

At its meeting held on 6 April 2020, the Council endorsed 'in principle', the Draft 2020-2021 Recurrent Budget, which projected an Operating Surplus of \$1.306 million, prior to factoring into account any increase in Rate Revenue and Operating Projects. It should be noted the interest costs included within the Draft 2020-2021 Recurrent Budget, are based on existing long term loans. The value of new borrowings will be reviewed upon the endorsement of the proposed 2020-2021 Capital Budget and the interest expense will be adjusted accordingly based on the funds required to be borrowed to finance the Capital expenditure program.

The value of borrowings and associated interest expense included within the Recurrent Budget, are based on the assumption that the Council is successful in securing all of proposed Capital Grant Funding detailed in the proposed Capital Budget.

Given the current economic climate as a result of the COVID-19 Pandemic and the social distancing and mass gathering restrictions that have been put in place to minimise the spread of the virus and the associated health impacts, the Council needs to make some decisions regarding the ongoing impact of COVID-19 on the Draft 2020-2021 Recurrent Budget.

To that end, the following adjustments to the Draft 2020-2021 Recurrent Budget which are proposed are detailed in Table 2 below.

**TABLE 2: RECURRENT BUDGET ADJUSTMENTS DUE TO COVID-19**

Adjustment	Reason for Adjustment	Budget Impact Favourable (Unfavourable)
<b>Non declaration of the Parade Separate Rate</b>	Given the extent of the social distancing restrictions with respect to mass-gatherings and the general advice to stay at home, the business sector has been significantly impacted through the reduction of foot traffic and visitation to the Parade and in some circumstances the forced closure of their business during the COVID-19 Pandemic.	(\$215,000)
<b>Outdoor Dining Permits</b>	Given the extent of the social distancing restrictions with respect to mass-gatherings and the forced cessation of dine-in meals during the COVID-19 Pandemic, it is proposed that fees associated with Outdoor Dining Permits not be charged from 1 July 2020 until 31 December 2020, based on the assumption that the social distancing restrictions should be lifted by 1 January 2021.	(\$50,000)
<b>Increased Marketing and Promotion cost for the City's Business sector</b>	Proposed increase in the Economic Development budget to promote the City's Business Precincts following the relaxation of the social distancing restrictions. The proposed funding is in addition to the \$215,000 included within the Recurrent Budget to fund the delivery of The Parade Precinct Annual Business Plan which was endorsed by the Council at its meeting held on 6 April 2020.	(\$150,000)
<b>Seasonal Permits for Sporting Clubs</b>	Given the extent of the social distancing restrictions with respect to mass-gatherings and the recommended cessation or organised sports, it is proposed to waive the permit fee associated with seasonal permits issued to the community sporting organisations that utilise the Councils sporting grounds.	(\$56,000)
<b>Rent Relief – Community Organisations</b>	Subject to the Council's Financial Hardship Policy, the provision of three (3) month rent relief to community organisations that lease Council owned buildings.	(\$10,000)
<b>Rent Relief – Commercial Organisations</b>	Subject to the Council's Financial Hardship Policy, the provision of three (3) month rent relief to commercial entities that lease Council owned buildings	(\$11,000)
<b>Community Facilities and Reserve Hire</b>	Reduced income due to the expectation that social distancing restrictions with respect to mass-gatherings will not be relaxed until the end of 2020.	(\$38,000)
<b>Fines and Interest foregone on Outstanding rates</b>	Extension of existing Rate postponement arrangements for a three (3) month period to September 2020.	(\$40,000)
<b>Forgone Interest Income due to reduced cash balances</b>	Reduction in interest earned due to reduced cash balances	(\$125,000)
<b>Swimming Centre user fees</b>	Due to the expectation that social distancing restrictions with respect to mass-gatherings will not be relaxed until the end of 2020	(\$262,000)
<b>Swimming Centre Operational Costs</b>	Due to the expectation that social distancing restrictions with respect to mass-gatherings will not be relaxed until the end of 2020	\$530,000
<b>Norwood Concert Hall Hire Fees</b>	Due to the expectation that social distancing restrictions with respect to mass-gatherings will not be relaxed until the end of 2020	(\$240,000)
<b>Norwood Concert Hall operational Costs</b>	Due to the expectation that social distancing restrictions with respect to mass-gatherings will not be relaxed until the end of 2020	\$160,000

Adjustment	Reason for Adjustment	Budget Impact Favourable (Unfavourable)
<b>Reduced Parking Infringement Income</b>	An extension of the relaxation of enforcement of time limited parking infringements and anticipated reduction in income collected from the reduced number of expiation notices issued resulting from reduced traffic and visitors across the City.	(\$250,000)
<b>Cancellation of Events</b>	Due to the expectation that social distancing restrictions with respect to mass-gatherings will not be relaxed until the end of 2020	\$194,000
<b>Total COVID-19 Impacts</b>		<b>(\$563,000)</b>

With the exception of the services detailed in Table 2, it is assumed that all other Council Services will be provided to the Community for 1 July 2020.

### 2020-2021 Proposed Operating Projects

The Draft Budget, as presented, incorporates Operating Projects to the value of \$1.296 million exclusive of 2019-2020 carry forwards.

The proposed Operating Projects for 2020-2021 have been broken down into a number of categories as detailed in Table 3 below:

**TABLE 3: OPERATING PROJECT CATEGORIES**

Operating Project Category	2020-2021 Proposed Operating Projects \$
Proposed New Projects arising from	
• Council resolutions	152,000
• Regular/Recurring Project approved in prior years	677,000
• Council Administration, Policy and Council Plans	467,000
<b>Total Operating Projects Expenditure</b>	<b>1,296,000</b>

It should be noted that the draft Operating Projects Budget includes a number of events and programs that given their planned timing may need to be cancelled or deferred due to the social distancing restrictions that still may be in place due to the COVID-19 Pandemic. The value of the funding allocation for these projects is \$66,000.

In addition to the new Operating Projects, there are a number of Operating Projects that were adopted as part of the 2019-2020 Budget, that are not anticipated to be completed by 30 June 2020. The Operating projects to be carried forward and completed during the 2020-2021 Financial year are valued at \$338,000 and will be funded by cash reserves.

Details of the recommended Operating Projects to be included in the Draft Budget are contained in **Attachment A**.

### Budgeted Capital Projects

The Draft Budget, as presented, incorporates Capital Projects to the value of \$ 13.714 million exclusive of 2019-2020 carry forwards and staff costs of \$785,000 which are capitalised and included in the final asset cost.

This expenditure is offset by Capital Funding which incorporates grants and other revenues to the value of \$882,360, which result in a net cost to Council of \$12.832 million (exclusive of capitalised salaries, which are estimated to be in the order of \$785,000). The proposed Capital Projects for 2020-2021, have been broken down into a number of categories as detailed in Table 4 below:

**TABLE 4: CAPITAL PROJECT CATEGORIES**

Capital Project category	2020-2021 Proposed Capital Projects \$
Whole-of-Life Capital Works Program	
* Road Resealing	3,855,000
* Footpath Reconstruction	875,000
* Kerb Reconstruction	899,000
* Stormwater Drainage Program	3,047,000
Other Asset Renewal and existing Asset Upgrades	1,651,000
New Asset Upgrades	2,230,000
Quadrennial Art Project *	87,000
Elected Member Proposals	120,000
Masterplan, Detailed Design and Review	550,000
Council Administration, Policy and Council Plans	400,000
<b>Total Capital Projects Expenditure</b>	<b>13,714,000</b>
<b>Capital Funding</b>	<b>882,000</b>
<b>Net Cost</b>	<b>12,832,000</b>

It should be noted, that while the Council's Public Art Policy states the Council will ensure the adequate and on-going funding of public art through the creation of a reserve fund where the equivalent of 1% of the Capital Works Budget (Civil Infrastructure Capital Works Program and Drainage Infrastructure Works Program) or \$50,000, whichever is the greater amount, is set aside annually for the purpose of funding a commissioned art work during the term of each Council, the Public Art Policy also states that the funding allocation is subject to annual budget deliberations, therefore should the Council wish, it can resolve to reduce the annual Quadrennial Art Project allocation.

In addition to the new Capital Projects, there are a number of Capital Projects that were adopted as part of the 2019-2020 Budget, that are not anticipated to be completed by 30 June 2020. Capital projects to be carried forward and completed during the 2020-2021 Financial year are valued at \$4.347 million with the major projects carried forward being:

- Payneham Memorial Main Pool refurbishment; and
- Buttery Reserve Tennis Court Reconstruction.

On a full accrual basis, the Capital Expenditure will not affect the Operating Result before Capital Revenues, except through future years' depreciation and financing costs with any associated loan borrowings. Grant income which is received relating to Capital Projects, however, is included as Capital Income within the Budgeted Statement of Comprehensive Income after the Operating Surplus/ (Deficit) as required by the Model Financial Statements prescribed by the *Local Government Act 1999*.

A summary of the 2020-2021 Proposed Capital Projects are contained in **Attachment A**.

**Attachment B** contains the detailed Funding Submissions for all Project Proposals, both the Operating and Capital Projects which have been included in the Draft Budget.

In developing the Draft 2020-2019 Projects Budget, consideration has been given to the appropriateness and merit of the each proposal, the operational need and the available resources to undertake or manage the projects. In undertaking the assessment, each project was scored against a Project Ranking Matrix which takes into account the serviceability of the existing assets, the risk associated with project, the relevance to the Council's Strategic outcomes and existing strategies and plans and whether the project proposal had been identified within the Council's Long Term Financial Plan.

It should be noted that three (3) Operating Project proposals and four (4) Capital Project proposals have not been recommended for inclusion in the 2020-2021 Annual Business Plan and associated projects budget. Where the proposals have not been recommended staff comments have been included within **Attachment A**.

### **Borrowings**

Proposed net capital expenditure, as detailed in **Attachment A**, is \$12.832 million (inclusive of Roads-to-Recovery project) is proposed to be funded as follows:

- |  |                 |
|--|-----------------|
| - Use of depreciation recovered through rate revenue | \$9.734 million |
| - Roads to Recovery Funding                          | \$0.362 million |
| - Long Term Borrowings                               | \$2.736 million |

In determining the timing and the level of borrowings required to fund the capital program, consideration has been given to the cash flow requirements and to intergenerational equity between current and future users (that is, an asset is funded from loan borrowings which is paid off over the life of the asset rather than raising rate revenue to pay for the asset). Whilst these considerations have formed part of the budget model they will be reviewed and reconsidered before the decision to commit to any borrowings.

In addition, given the anticipated impact of the COVID-19 Pandemic on the Councils cash reserves for the remainder of the 2019-2020 financial year and the first half of the 2020-2021 financial year, it is anticipated that the Council will be required to take out short term borrowings to cover periods of negative cash flow.

### **Overview of Budget Position**

Table 5 below sets out the Draft Operating Surplus, prior to the incorporation of Rate Revenue increases. The Council's Operating Surplus/Deficit position before Capital Income is determined by combining the Draft 2020-2021 Recurrent Budget and Operating Projects Budget. Capital Income is defined as grants and subsidies received to fund specified Capital Projects, gains and losses on disposal of assets or direct contributions of physical assets.

The Draft Operating Deficit of \$829,408 is based on a Recurrent Operating Surplus of \$693,198,, an Operating Deficit related to 2020-2021 Operating Projects of \$934,252 (inclusive of Roads to Recovery Funding of \$362,298) and an Operating Deficit of \$588,354 from interest costs on new borrowings, and 2019-2020 Carried Forward Operating Projects. It should be noted that draft budgets from Joint Venture have yet to be received and have been excluded from the Draft 2020-2021 Budget.

As such, based on the Draft 2020-2021 Recurrent Budget, which has been adjusted for anticipated financial impacts of the COVID-19 Pandemic and the Operating Projects presented for consideration in this report, the underlying draft Operating Result on which the rate revenue increase will be based upon, is an Operating Deficit of \$829,408.

**TABLE 5: 2019-2020 DRAFT INCOME STATEMENT (BEFORE RATE REVENUE INCREASES)**

	Recurrent Operating	COVID-19 adjustment s	Operating Projects	Capital Projects	Carry Forwards	Proposed
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
	\$	\$	\$	\$	\$	\$
<b>INCOME</b>						
Rates	34,899,859	(215,000)	-	-	-	34,684,859
Statutory charges	1,809,000	(340,000)	-	-	-	1,469,000
User charges	3,940,667	(617,000)	-	-	-	3,323,667
Grants, subsidies and contributions	2,295,417	-	362,298	-	-	2,657,715
Investment income	174,500	(125,000)	-	-	-	49,500
Other income	607,453	-	-	-	-	607,453
<b>Total Income</b>	<b>43,726,896</b>	<b>(1,297,000)</b>	<b>362,298</b>	<b>-</b>	<b>-</b>	<b>42,792,194</b>
<b>EXPENSES</b>						
Employee costs	15,820,548	-	224,050	-	-	16,044,598
Materials, contracts & other expenses	16,365,812	(734,000)	1,072,500	-	338,354	17,042,666
Finance costs	500,000	50,000	-	250,000	-	800,000
Depreciation, amortisation & impairment	9,734,338	-	-	-	-	9,734,338
<b>Total Expenses</b>	<b>42,420,698</b>	<b>(684,000)</b>	<b>1,296,550</b>	<b>250,000</b>	<b>338,354</b>	<b>43,621,602</b>
<b>OPERATING SURPLUS / (DEFICIT) (prior to Rate Revenue Increase)</b>	<b>1,306,198</b>	<b>(613,000)</b>	<b>(934,252)</b>	<b>(250,000)</b>	<b>(338,354)</b>	<b>(829,408)</b>
Net gain (loss) on disposal or revaluation of assets	-	-	-	27,000	-	27,000
Amounts specifically for new or upgraded assets	-	-	-	905,360	-	905,360
<b>Net Surplus/(Deficit) (prior to Rate Revenue Increase)</b>	<b>1,306,198</b>	<b>(613,000)</b>	<b>(934,252)</b>	<b>682,360</b>	<b>(338,354)</b>	<b>102,952</b>

## OPTIONS

Elected Members can either endorse the Draft Budget as presented in this report or choose to vary the Draft Budget by either:

- reducing Operating Projects; and/or
- increasing or decreasing non-rate revenue; or
- revisiting recurrent operating expenditure.

## CONCLUSION

The Draft Budget, as presented within this report, will deliver an underlying Operating Deficit prior to Rate Revenue increase of \$829,408. The economic impacts of the COVID-19 Pandemic have been considered, with a number of adjustments being proposed to be made to the Draft Recurrent Budget, which was endorsed by the Council at its meeting held on 6 April 2020. The consequences of these impacts of COVID-19 still remain largely unknown and are constantly changing however the proposed amendments are considered to be an appropriate response for the Council to take into consideration given the information and understanding of the economic impacts at this point in time.

Irrespective of the impact of COVID-19, in determining the continuing services and new initiatives for the 2020-2021 Financial Year, the Council must ensure that the Draft Budget still delivers on its Long Term Strategic direction and financial objective as set out in the Long Term Financial Plan.

## COMMENTS

If Elected Members have any questions or require clarification in relation to specific budget items, and/or any issues discussed in this report, do not hesitate to contact the General Manager, Corporate Services, Sharon Perkins on 8366 4585 prior to the meeting.

## RECOMMENDATION

1. That the proposed adjustments to the 2020-2021 Recurrent Budget, which have resulted from the COVID-19 Pandemic, be endorsed "in principle" and incorporated into the Draft 2020-2021 Budget.
2. That the proposed Operating and Capital Projects as set out in **Attachment A** be endorsed "in principle" and incorporated into the Draft 2020-2021 Budget.
3. The Council notes that a report on the adoption of the Draft 2020-2021 Budget, which includes the 2020-2021 Rating Strategy, will be prepared for the Council's consideration.

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*Cr Stock moved:*

*That 'in principle', Project No. O-CV8 (South Australian Vocal Eisteddfod - \$20,000) not be funded, however the Council will support the South Australian Vocal Eisteddfod by providing the Norwood Concert Hall free of charge for the 2021 Eisteddfod.*

*Seconded by Cr Duke.*

At 7.28pm Cr Connie Granozio connected to the meeting via electronic communication.

*The motion was put and was carried.*

*Cr Sims moved:*

*That 'in principle', Project No. O-CV2 (Christmas Movie on the Oval - \$25,000) for 2020 not be funded.*

*Seconded by Cr Duke and carried.*

*Cr Duke moved:*

*That 'in principle', Project No. C-ES3 (St Peters Street Upgrade - \$100,000) not be funded in the 2020-2021 Budget.*

*Seconded by Cr Minney and lost.*

Division

*Cr Whittington called for a division and the decision was set aside.*

*Those in favour:*

*Cr Minney, Cr Duke and Cr Stock.*

*Those against:*

*Cr Mex, Cr Granozio, Cr Dottore, Cr Moore, Cr Patterson, Cr Knoblauch, Cr Moorhouse, Cr Sims, Cr Whittington and Cr Callisto.*

*The Mayor declared the motion lost.*

*Cr Mex moved:*

- 1. That 'in principle', the design cost of \$20,000 for the Borthwick Park Creek Improvement Detail Design and Construction (Project No. C-ES2 - Attachment B165), be included in the 2020-2021 Operating and Capital Projects Budget.*
- 2. That the construction costs, currently budgeted at \$80,000 plus \$5,000 delivery costs, be considered as part of the 2021-2022 Budget, or as part of a Budget review during the 2020-2021 financial year.*

*Seconded by Cr Minney and carried unanimously.*

*Cr Minney moved:*

- 1. That the proposed adjustments to the 2020-2021 Recurrent Budget, which have resulted from the COVID-19 Pandemic, be endorsed 'in principle' and incorporated into the Draft 2020-2021 Budget.*
- 2. That the proposed Operating and Capital Projects as set out in Attachment A and as amended as set out below:*
  - \$20,000 for Project No. O-CV8 (South Australian Vocal Eisteddfod) not be funded, however the Council will support the South Australian Vocal Eisteddfod by providing the Norwood Concert Hall free of charge for the 2021 Eisteddfod;*
  - \$25,000 for Project No. O-CV2 (Christmas Movie on the Oval) for 2020 not be funded; and*
  - the design cost of \$20,000 for the Borthwick Park Creek Improvement Detail Design and Construction (Project No. C-ES2 - Attachment B165), be included in the 2020-2021 Operating and Capital Projects Budget and that the construction costs, currently budgeted at \$80,000 plus \$5,000 delivery costs, be considered as part of the 2021-2022 Budget, or as part of a Budget review during the 2020-2021 financial year.*

*be endorsed 'in principle' and incorporated into the Draft 2020-2021 Budget.*

- 3. The Council notes that a report on the adoption of the Draft 2020-2021 Budget, which includes the 2020-2021 Rating Strategy, will be prepared for the Council's consideration.*

*Seconded by Cr Sims and carried unanimously.*

**3. CONFIDENTIAL REPORTS**

### 3.1 TENDER SELECTION REPORT – PAYNEHAM OVAL UNISEX CHANGEROOMS

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**REPORT AUTHOR:** Manager, Economic Development & Strategic Projects and  
Project Manager  
**GENERAL MANAGER:** Chief Executive Officer  
**CONTACT NUMBER:** 83664509  
**FILE REFERENCE:** qA59249  
**ATTACHMENTS:** A - C

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#### RECOMMENDATION 1

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Council orders that the public, with the exception of the Council staff present, be excluded from the meeting on the basis that the Council will receive, discuss and consider:

(k) tenders for the supply of goods, the provision of services or the carrying out of works;

and that the Council is satisfied that, in principal, that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

#### RECOMMENDATION 2

Under Section 91(7) and (9) of the *Local Government Act 1999*, the Council orders that the report and discussion be kept confidential for a period not exceeding five (5) years and that this order be reviewed every twelve (12 months).

Under Section 91(7) and (9) of the *Local Government Act 1999* the Council orders that the minutes be kept confidential until the contract has been entered into by all parties to the contract.

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*Cr Stock moved:*

*That pursuant to Section 90(2) and (3) of the Local Government Act 1999 the Council orders that the public, with the exception of the Council staff present [Chief Executive Officer, General Manager, Governance & Community Affairs, General Manager, Urban Planning & Environment, General Manager, Urban Services, General Manager, Corporate Services, Financial Services Manager (via electronic communication), Project Manager, ICT Solutions, Manager, Economic Development & Strategic Projects (via electronic communication), Projects Manager (via electronic communication), Executive Assistant, Urban Services and Administration Officer, Governance & Community Affairs], be excluded from the meeting on the basis that the Council will receive, discuss and consider:*

*(k) tenders for the supply of goods, the provision of services or the carrying out of works;*

*and that the Council is satisfied that, in principal, that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.*

*Seconded by Cr Duke and carried unanimously.*

*Cr Minney moved:*

*Under Section 91(7) and (9) of the Local Government Act 1999, the Council orders that the report and discussion be kept confidential for a period not exceeding five (5) years and that this order be reviewed every twelve (12 months).*

*Under Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the minutes be kept confidential until the contract has been entered into by all parties to the contract.*

*Seconded by Cr Stock and carried unanimously.*

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**4. CLOSURE**

There being no further business, the Mayor declared the meeting closed at 8.58pm.

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**Mayor Robert Bria**

**Minutes Confirmed on** \_\_\_\_\_  
(date)