

MID YEAR BUDGET REVIEW 2007/08

SUMMARY OF OPERATING BUDGET FORECAST CHANGES

Item	Unfavourable 000's	Favourable 000's
ORGANISATION SYSTEMS & SUPPORT		
Director OSS - Professional Services	120	
Corporate Planning & Performance - Salaries & Wages	230	
Corporate Planning & Performance - Materials & Other Costs	12	
Corporate Planning & Performance - Catering Costs	13	
Finance & Investments - Financial Mangt (Agency Staff)	100	
Finance & Investments - Financial Services & Systems Devp (Contract Services)		10
Finance & Investments - Financial Services & Systems Devp (Printing & Photocopying)		15
Finance & Investments - Financial Services & Systems Devp (Staff Training)	15	
Finance & Investments - Manager - Finance & Investments (Interest Income)		250
Finance & Investments - Manager - Finance & Investments (Grants Commission)		100
Finance & Investments - Rates, Revenue & Records (Rates)		500
Finance & Investments - Rates, Revenue & Records (Other Income)		20
Finance & Investments - Rates, Revenue & Records (Agency Staff)	40	
Finance & Investments - Rates, Revenue & Records (Other Expenses)		20
Organisation Development - Advertising	40	
Governance & Community Relations - Comm & Stakeholder Rltns (Prof Services)	100	
Governance & Community Relations - Compliance Risk (Insurance)		500
Total Organisation Systems & Support	670	1,415
COMMUNITY DEVELOPMENT & PLANNING		
Culture & Recreation - Arts & Festivals (Contract Services)	115	
Culture & Recreation - Arts & Festivals (Contribution & Donations)		60
Culture & Recreation - Culture & Rec Mangt (IT Costs)	20	
Culture & Recreation - Library (Minor Assets)	16	
Culture & Recreation - Youth & Recreation (Materials)	7	
Culture & Recreation - Youth & Recreation (Salaries & Wages)	11	
Culture & Recreation - Youth & Recreation (Minor Asset Purchases)	7	
Health & Amenity - Development Permits (Professional Services)	40	
Health & Amenity - Development Permits (Permits)		120
Health & Amenity - Planning Compliance (Other Income)	15	
Health & Amenity - Planning Compliance (Salaries & Wages)	35	
Health & Amenity - Health Services (Govt Grant)		23
Health & Amenity - Parking Enforcement (PIN Income)	230	
Health & Amenity - Parking Enforcement (Materials & Other Costs)	270	
Health & Amenity - Parking Enforcement (Other Income)		150
Health & Amenity - Parking Enforcement (Contract payments)	30	
Economic Development - Economic Development (Salaries & Wages)	33	
City Development - Statutory Planning (Salaries & Wages)		70
City Development - Strategic Planning (Salaries & Wages)		30
Environment & Renewal - Renewal (Contract Payments)	250	
Environment & Renewal - Renewal (Professional Services)	100	
Total Community Development & Planning	1,179	453
COMMUNITY ASSETS & SERVICES		
Infrastructure Services - Contract Services (Rubbish)	185	
Infrastructure Services - Contract Services (Roads)	15	
Buildings & Green Services - Salaries & wages	64	
Buildings & Green Services - Professional Services	20	
Buildings & Green Services - Contract Services		84
Asset Services - Salaries & Wages	58	
Asset Services - Fees & Charges Income		35
Asset Services - Other Income	58	
Asset Services - Contract Services		10
Asset Services - Professional Services		30
Asset Services - Materials & Other Costs		41
Community Services - Salaries & Wages		356
Community Services - Fees & Charges Income	514	
Community Services - Materials & Other Costs		106
Community Services - Government Grants		52
Total Community Assets & Services	914	714
Total All City of Port Phillip	2,763	2,582

ATTACHMENT 2

CITY OF PORT PHILLIP

2007/08 Revised Rate Determination Statement

CITY OF PORT PHILLIP	Budget BID 2007/08 \$000's	Mid Year Budget Adjustments 2007/08 \$000's	Revised Budget 2007/08 \$000's
Revenue			
Rates	70,847	500	71,347
Government Grants	7,647	123	7,770
Capital Revenue	1,645		1,645
Capital Grants	805	52	857
Fees & Charges	13,624	(359)	13,265
Parking Revenue	22,429	(230)	22,199
Interest Received	1,650	250	1,900
Other Income	7,952	597	8,549
Total Revenue	126,598	933	127,531
Expenditure			
Employee Costs	41,412	115	41,527
Contract Services	33,474	491	33,965
Materials & Other Costs	20,332	158	20,490
Professional Services	3,463	350	3,813
Interest Paid	218		218
Depreciation	13,000		13,000
Total Expenditure	111,899	1,114	113,013
Net Operating	14,699	(181)	14,518
Add Back Depreciation & Other Non Cash Items	13,000		13,000
	-		-
Funds Available	27,699	(181)	27,518
Works Program	19,200	(2,962)	16,238
Capital Carry Over (2006/07)	19,157		19,157
Remediation expenditure	300		300
Capital Expenditure - IT	1,853		1,853
Capital Expenditure - Other	1,486		1,486
Transfers to Statutory Reserves	1,645		1,645
Total Capital	43,641	(2,962)	40,679
Operating Result	(15,941)	2,781	(13,160)
Principal Debt Repayments	(4,497)		(4,497)
Transfers from Statutory Reserves	2,300		2,300
Transfers from Remediation General Reserve	300		300
Transfers (to) Remediation General Reserve	(2,000)		(2,000)
Transfer (to) General Reserve - Council Initiative	(1,000)		(1,000)
Transfers from General Reserve - Accom Strategy	500		500
Transfers from Sustainable Transport General Reserve	525		525
Transfers (to) Sustainable Transport General Reserve	(537)		(537)
Transfer (to) General Reserve - Reduct in 07/08 Cap Wks Budget	(2,950)		(2,950)
Transfers from General Reserve - Retirement of Debt	4,058		4,058
Transfers to General Reserve - 07/08 Cap Works Projects	-	(1,212)	(1,212)
Budget Surplus/ (Deficit)	(19,241)	1,569	(17,672)
Carry Over Surplus/(Deficit)	353		353
B/Fwd Surplus to fund Capital Carry Over	19,157		19,157
Capital Works Carried Over to 2008/09	-	(1,800)	(1,800)
Accumulated Budget Surplus/(Deficit)	268	(231)	37

Capital Works Program - Mid Year Review 2007/2008

Job Number	Project Title	Original Budget	Comments	Hand funding back	Transfer to reserves	Roll Over project and funding to 2008/09	Additional funding required
90175	51 Broadway Elwood Community Centre Refurbishment	\$ 250,000.00	Additional \$50k required to complete the works				\$ 50,000.00
90176	St Kilda Children's Centre Renovations	\$ 800,000.00	Refer explanation per Footnote 1.		\$ 700,000.00		
9881	Town Hall Strategy - South Melb Town Hall - Carryover	\$ 2,050,000.00	Roll over the funding into 2008/2009. \$250K will be spent this year.			\$ 1,800,000.00	
90183	Local Flooding Mitigation Program.	\$ 250,000.00	Transfer \$50K to project below (9521 - VSAP 2003/2004) to complete works. Return \$150K as part of the mid year review as works have not been identified that would warrant further works at this time, due to the drought. The remaining \$50K will be spent on flood mitigation works underway	\$ 150,000.00			
9521	VSAP 2003/04 GPT Chapel St - Carryover	\$ 100,000.00	Require an additional \$50K to complete works. The additional funding to be transferred from project above (90183 - Local Flood Mitigation Program)				\$ 50,000.00
90196	Murphy Reserve Landscape Plan Implementation Stage 1	\$ 350,000.00	Retain \$100K for works in progress and return \$250K. This would allow a new capital works business case in 2008/2009 to scope the works more accurately	\$ 250,000.00			
90184	Unallocated Drainage Renewal Works	\$ 590,000.00	Due to the amount of work that has been completed on the drainage network in the past 6-7 years, there is a need to review the amount of "unallocated drainage renewal works" that are planned each year as part of the capital works program. Proposal is to return \$500K and potentially reallocate funds to climate change mitigation and adaptation works this year and next	\$ 500,000.00			
90028	Sandridge Beach Masterplan - Implementation - Carryover	\$ 115,000.00	Change the scope of this capital works project from a tree and vegetation planting project (due to drought) to one that includes parks furniture and parks lighting design. This will require an additional allocation of \$100K				\$ 100,000.00
90027	St Kilda Foreshore Promenade and Pier Entry - Carryover	\$ 2,605,000.00	An additional amount of \$300K is required to complete this project, as decisions were made to fast-track part of the construction works and also works regarding the movement of an electrical substation, required by CityPower.				\$ 300,000.00
90188	Alma Park Senior Playground - St Kilda	\$ 160,000.00	The project was under costed when the business case was completed last year. New estimates of the works require an additional investment of \$100K				\$ 100,000.00
90189	St Kilda/Brighton Rd Streetscape Plan - St Kilda Junction to Glenhuntly Rd	\$ 100,000.00	Due to the drought it is proposed to change the scope of these works to a sub surface irrigation project to maintain the health of street trees.				
9383	St Kilda Skate Park - Carryover	\$ 280,000.00	Due to delays with the consultation and permit stages, the cost to build the skate park have grown. An estimated \$200K in additional funding is required to complete the works				\$ 200,000.00
90193	Greening Port Phillip - Tree Planting	\$ 300,000.00	It is proposed to change the scope of this project due to the drought. The new scope will be built around drought mitigation and keeping Council's trees and gardens alive				
90054	Cleve Plaza Signage - Carryover	\$ 100,000.00	It is proposed to return the three Cleve Plaza projects, totaling \$512K, to reserves and review the business case for 2008/2009, in order that a clear and achievable project is planned and delivered.		\$ 100,000.00		
9765	Cleve Plaza Fitzroy St - Carryover	\$ 62,000.00	Included in the above explanation		\$ 62,000.00		
90050	Cleve Plaza Fitzroy St - Carryover	\$ 350,000.00	Included in the above explanation		\$ 350,000.00		

Change of Scope Only

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Job Number	Project Title	Original Budget	Comments	Hand funding back	Transfer to reserves	Roll Over project and funding to 2008/09	Additional funding required
9768	Rouse Street Median - Carryover	\$ 85,000.00	The total project was budgeted at \$185k (including 90052 - Rouse Street Median) but this project requires an additional \$100K to complete works				\$ 100,000.00
90052	Rouse Street Median - Carryover	\$ 100,000.00	Included in the above explanation				
90207	Fitzroy St Greenway Bike Path	\$ 600,000.00	This project was to receive an external grant of \$600K to complete the works. This external funding will not be received, hence, it is recommended that the project is cancelled				
New project proposed	South Beach dust mitigation	\$ -	Works are needed for South Beach prior to the St Kilda Festival to mitigate dust on the site.				\$ 50,000.00
TOTAL		\$ 9,247,000.00		\$ 900,000.00	\$ 1,212,000.00	\$ 1,800,000.00	\$ 950,000.00

Footnote 1 - Comments re: St Kilda Children's Centre Renovations

\$800K was approved in the 07/08 Capital Works Budget for the renovation and expansion of St Kilda Children's Centre (Chapel St) to increase the number of children's services places from 50 places to 75 places.

This project has progressed to the stage where it is ready to tender, but latest cost estimates indicate a new cost of approximately \$1.5 million for the children's centre, Hence the project needs to be re-scoped and/or have additional funding allocated.

Also, a business case has been prepared (for 08/09 capital works) to renovate the existing Maternal and Child Health centre, including a new integrated entry foyer. If these works were done concurrently the additional cost would be \$500K making a total project cost of \$2 million for a refurbished and integrated Family and Children's Centre.

During the recent federal election campaign the Labor Party promised funding for "new" childcare centres in St Kilda/East St Kilda and Port Melbourne.

The state government has also recently announced a number of grants for childcare capital and infrastructure renewal works. Applications for the state grants close in early April but a process for the federal grants is unknown, at this time.

Some preliminary work has been done in re-scoping the project, allowing for the potential of federal and state government grants. This would allow for a new flagship integrated Family and Children's Centre on the existing Chapel St site.

This centre would have approximately 120 places for long day care, an additional 15 places for play groups, and 15 places for occasional care as well as enhanced consulting rooms for MCH and visiting specialists and community meeting rooms.

The centre would be on two levels including outdoor space on the second level. Preliminary work also provides for the option of 50+ underground car park spaces and office accommodation on a third level and further opportunities exist for the precinct.

It is proposed to allocate \$100K from the 07/08 capital works (St Kilda Children's Centre) for detailed design work and transfer the remaining \$700K to Council reserves as the various options need to be considered, until such time as the external funding can be confirmed and the various options considered i.e. the project is not recommended for cancellation but deferral, pending recent re-scoping opportunities.