

**CITY OF PORT PHILLIP Consolidated Mid Year Budget Review 2008 / 09**

**SUMMARY OF OPERATING BUDGET FORECAST CHANGES**

<b>DIVISION - DEPT</b>	<b>ACCOUNT STRUCTURE</b>	<b>Unfavourable</b>	<b>Favourable</b>	<b>DESCRIPTION</b>
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**ORGANISATION SYSTEMS AND SUPPORT**

Information Management Group (IMG) -	Professional Services	(50,000)		Expenditure for development of business case - Records Knowledge Management
Information Management Group (IMG) -	Other Expenses	(28,737)		Additional TRIM licenses.
Corporate Planning and Performance -	Professional Services		50,000	Savings related to Consultants Fees set to be applied toward the Business Continuity expenditure listed under Governance
Customer Services -	Wages & Salaries		25,000	Underspent labour due to staff vacancies
Customer Services -	Capital Expenditure	(18,000)		St Kilda front counter modifications & fittings (integrated service)
Customer Services -	Materials	(10,000)		Front of house equipment e.g. barcode scanners (integrated service)
Customer Services -	Wages & Salaries		30,000	Underspent labour due to vacant position
Customer Services -	Contract Payments		30,000	Surplus Pathway development contract costs
Customer Services -	Contract Payments	(120,069)		Total internet/intranet development project budget 2008-09 = \$227,760. Total project spend 2008-09 = \$347,829. Shortfall = \$120,069.
People and Culture -	Professional Services	(57,000)		Training in Customer Care, Compliance, Coordinators and Coaching Program.
People and Culture -	Contract Payments	(50,000)		Increased recruitment advertising expenditure
Governance and Risk Management -	Insurance		220,000	Savings on insurance premiums.
Governance and Risk Management -	Professional Services	(70,000)		Additional staff and professional services for Contracts & Tendering.
Governance and Risk Management -	Professional Services	(100,000)		Legal Fees principally associated with FOI (\$50K) and business continuity costs (\$50K).
Governance and Risk Management -	Other Income		150,000	Higher than anticipated income from the sale of revaluation data.
<b>Total Organisation Systems &amp; Support</b>		<b>(503,806)</b>	<b>505,000</b>	

**FINANCE**

Finance and Investments -	Government Grants		220,000	Additional grants commission allocation.
Finance and Investments -	Other Expenses	(30,000)		Increased by credit card commissions.
Finance and Investments -	Lease Charges	(25,000)		Increased printer/photocopier costs
Finance and Investments -	Printing, Copying & Stationery		25,000	Reduced stationery costs.
Finance and Investments -	Rates		800,000	Supplementary Rates raised.
Finance and Investments -	Professional Services	(90,000)		Increased debt collection costs.
<b>Total Finance</b>		<b>(145,000)</b>	<b>1,045,000</b>	

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**CHIEF EXECUTIVE OFFICER**

Chief Executive Officer	Professional Services	(50,000)		Governance review.
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**Total Chief Executive Officer (50,000) 0**

**COMMUNITY ASSETS & SERVICES**

Community Services -	External Labour	(246,182)		Increased service levels and demand for Home Care services.
Community Services -	Wages & Salaries	(62,643)		Ongoing administrative requirements of Childcare Waiting List & related issues.
Community Services -	Other Income Total	(606,715)		West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Internal Income	(46,747)		West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Wages & Salaries		487,022	West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	External Labour		10,350	West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Contract Payments		93,660	West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Materials		6,528	West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Printing, Copying & Stationery		1,225	West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Telephone Charges			West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Telephone Charges			West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Telephone Charges			West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Training		1,000	West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Other Expenses		2,070	West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Other Income Total	(65,159)	19,976	West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Internal Income	(29,166)		West St Kilda Ccc not operating in 2008/09 as it is to be used for relocation
Community Services -	Wages & Salaries	(33,358)		Greater demand for service as demonstrated by increased birth notifications
Community Services -	Professional Services	(20,000)		Review of Clarendon St CCC in light of the collapse of ABC Child Care.

**Total Community Assets & Services (1,109,971) 621,831**

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**COMMUNITY DEVELOPMENT & PLANNING**

Culture & Recreation -	Other Income Total	(30,000)		Due to the departure of a larger than expected number of Esplanade Market stallholders.
Culture & Recreation -	Professional Services	(98,000)		Drought Mitigation - South Beach Reserve (\$20K) and Skate Park Review (\$78K).
City Development -	Professional Services		118,000	Projected Legal Fee Savings and Projects not expected to be conducted in 08/09.
City Development -	Professional Services	(28,000)		Consultancy fees.
City Development -	Other Income Total		50,000	Increased enforcement fines for Building Solutions.
City Development -	Other Income Total	(40,000)		Reduced fines for Development Compliance.
Economic Development & Tourism -	Other Income Total		50,000	Increased kerbside permit income.
Parking Health & Enforcement -	Wages & Salaries		90,000	Savings due to unfilled budgeted positions.
Parking Health & Enforcement -	Parking Revenue	(900,000)		Reduced parking income due to reduced patronage in short term parking areas (South Melbourne Central and the Tourist Precinct) and the part closure of Elwood car park.

**Total Community Development & Planning (1,096,000) 308,000**

**City of Port Phillip Consolidated Operating Budget Changes (2,904,777) 2,479,831**

**NET (424,946)**

## CITY OF PORT PHILLIP

## 2008 / 09 Proposed Revised Rate Determination Statement

	Annual Budget 2008 / 09	Mid Year Budget Adjustments Fav/(Unfav)	Proposed Revised 2008 / 09 Annual Budget
<b>CITY OF PORT PHILLIP</b>	(\$'000)	(\$'000)	(\$'000)
Rates	73,680	800	74,480
Government Grants	8,010	220	8,230
Capital Revenue	1,665		1,665
Parking Revenue	21,927	(900)	21,027
Capital Grants	630		630
Fees & Charges	14,756		14,756
Interest Received	1,650		1,650
Other Income	8,157	(568)	7,589
Profit / (Loss) on sale of Assets	0		0
<b>TOTAL REVENUE</b>	<b>130,476</b>	<b>(448)</b>	<b>130,028</b>
<b>EXPENDITURE</b>			
Employee Costs	46,126	300	45,826
Contract Services	35,252	(46)	35,298
Materials & Other Costs	24,025	(213)	24,238
Depreciation	13,200		13,200
Interest Paid	191		191
<b>TOTAL EXPENDITURE</b>	<b>118,794</b>	<b>41</b>	<b>118,753</b>
Add Back Depreciation	13,200		13,200
Plus Other Non Cash Items	0		0
<b>NET OPERATING SURPLUS / (EXPENDITURE)</b>	<b>24,882</b>	<b>(407)</b>	<b>24,475</b>
Operating - Ex Capital Works	0		0
Capital Works Expenditure	23,209	55	23,154
Remediation Expenditure	2,500		2,500
Capital Carry Over 2007/2008	7,149		7,149
Capital Proceeds	0		0
Capital Expenditure	3,068	(18)	3,086
Transfers (to) Statutory Reserves	1,415		1,415
<b>TOTAL CAPITAL</b>	<b>37,341</b>	<b>37</b>	<b>37,304</b>
<b>NET OPERATING SURPLUS / (EXPENDITURE) AFTER CAPITAL WORKS</b>	<b>(12,459)</b>	<b>(370)</b>	<b>(12,829)</b>
Loan Repayments	(466)		(466)
Transfers from Statutory Reserves	1,723		1,723
Net Transfers (To) / From General Reserves	3,212	359	3,571
<b>SURPLUS / (DEFICIT)</b>	<b>(7,989)</b>	<b>(12)</b>	<b>(8,001)</b>
2007/08 Carry Over Surplus/(Deficit)	1,223		1,223
B/Fwd Surplus to Fund Capital Carry Over	7,149		7,149
<b>NET SURPLUS / (DEFICIT)</b>	<b>383</b>	<b>(12)</b>	<b>371</b>

Job Number	Project Title	Original Budget	Comments	Hand funding back	Additional funding required
90402	Fitzroy St Toilet	\$ 330,000.00	Project Sponsor and relevant CoPP departments advise that it would be better to re-consult the community on the location of the toilet due to the level of local opposition and suggestions of improved locations. We will not be going ahead with the proposed location at Park Street (probable VCAT appeal) but will instead investigate different location options as part of the Fitzroy St Masterplan	\$ 330,000.00	
90437	Local Area Traffic Improvements - Munro and Johnson Streets	\$ 75,000.00	The design of this project has indicated that it will require an additional \$50,000 to complete		\$ 50,000.00
09752	West Beach Pavilion Landscape Works (Carryover project)	\$ 300,000.00	Work has commenced on the construction of the pavilion but the current timelines suggest that it will not be possible to design and deliver the landscaping component of this project in 2008/2009 resulting in the project being carried over again this year. Design stage of this project only in 08/09	\$ 250,000.00	
90400	Elwood Park Sports Pavilion Redevelopment	\$ 1,000,000.00	As per the Council report of September 22, 2008 there is a \$368,648 shortfall in funding for this project.		\$ 368,648.00
90175	51 Broadway Elwood - Community Centre Refurbishment (Carryover project)	\$ 294,200.00	The project is complete and there are identified savings of \$100,000.	\$ 100,000.00	
New project	Liardet St Family and Children's Centre	\$ -	This is a new project which has previously been considered by Council and is being added to the 08/09 Capital Works Program. This project is being designed in 08/09 using the Future Capital Works Pre Planning funding (already approved by Council) for consideration for the 2009/2010 Capital Works Program		\$ 160,000.00
90436	Luna Park Interchange	\$ -	New Project being designed using Future Capital Works Pre Planning budget		\$ 50,000.00
90436	Future Capital Works - Pre Planning	\$ 239,000.00	This budget has been allocated to design 2 projects listed above - Liardet St Family and Children's Centre and the Luna Park Interchange project.	\$ 210,000.00	
90206	Clarendon St Pedestrian Safety (Carryover project)	\$ 200,000.00	Additional \$12,000 needed to under ground the powerlines		\$ 12,000.00
90424	Coventry St Streetscape Upgrade	\$ 50,000.00	An additional \$1500 is required to engage a quantity surveyor		\$ 1,500.00
90188	Alma Park Senior Playground (Carryover project)	\$ 184,300.00	An additional \$24,000 is required to complete the installation of a slug mound		\$ 24,000.00
90411	Elwood Foreshore Management Plan	\$ 1,000,000.00	Additional \$80,000 is required for urgent timber works along the foreshore.		\$ 80,000.00
90205	Byron St Tennyson St - Pedestrian Safety (Carryover project)	\$ 100,000.00	Works have been completed over budget		\$ 20,000.00
90041	Point Ormond Hill Paths and Landscape (Carryover project)	\$ 28,000.00	Works have been completed over budget		\$ 2,600.00

Job Number	Project Title	Original Budget	Comments	Hand funding back	Additional funding required
90411	Sport and Recreation Minor Improvements	\$ 11,000.00	Disability compliance for Port Melbourne tennis courts		\$ 4,500.00
90403	Middle Park Beach Toilets	\$ 50,000.00	Additional funding required to complete the design stage of this project.		\$ 44,000.00
90411	Elwood Foreshore Management Plan	\$ 1,000,000.00	Additional Funding required to complete work in relation to the Telstra works and for the purchase of litter bins and bin surrounds.		\$ 32,000.00
90339	Betty Day Centre Redevelopment	\$ 1,600,000.00	An additional amount of 4250k is needed to complete the job which includes \$190k which was identified when the contract was awarded by Council. A further \$66k is required to remediate the soil.		\$ 250,000.00
90443	Fitzroy St Masterplan Implementation (stage 1 Lighting Upgrade)	\$ 130,000.00	This project is changing scope to design only in 2008/2009. The delivery will occur as part of the 2009/2010 capital works program	Change in scope only	
90447	Pedestrian Improvements Inkerman/Pakington Lane	\$ 70,000.00	Additional funding is required to complete these works		\$ 36,000.00
90447	Pedestrian Improvements Inkerman/Pakington Lane	\$ 70,000.00	The bluestone component of this project will be delivered by the Infrastructure Services Department using existing budgets	Change in project management only	
90417	St Kilda Foreshore Promenade & Pier 08/09	\$ 1,473,000.00	Savings Identified	\$ 300,000.00	
<b>TOTAL</b>		<b>\$ 8,204,500.00</b>		<b>\$ 1,190,000.00</b>	<b>\$ 1,135,248.00</b>

**NET FUNDING HANDED BACK**

**\$ 54,752.00**