

Finance Committee Meeting

Date: 23.4.2024 2:30pm

Chairperson: Peter O'Hara

Minute taker: Wayne Skinner

Attendance:

Denise Cobourn, Wayne Skinner, Peter O'Hara, Julica Jungehuelsing

Apologies: Jac Larsen, John Tennock

Agenda

- Impacts of Work Levy increases on the budget
- Complete the Budget process
- Other business

The previous minutes of 11/4/24 were approved previously via email prior to posting to the Web.

Discussion

- Format of items in the Admin and Infrastructure budget. It was agreed that the format should be changed to make the report more readable but no alteration to the Budget detail. **Action:** Denise will provide a report from Wayne's spreadsheet.
- Addition of \$5,000 for Last Resort Project.
- Relationship of Expenses to Income. Levies are the income for the budget and are determined by the yearly expenses. Variable income such as new Membership Joining Fees and Interest are added to the Surplus and not included in the Annual budgets. These income items are included in the Finance system and reported via the Annual Financial Statement and Treasurer's Report.
- Projects, once approved by the community are funded either out of Budget at a GM or in Budget when the Annual Budgets (Admin and Infrastructure) are approved at the June GM. Project funds are rolled over each financial year until the project is completed and closed.
- Should the Work Levy (WL) increase be approved at the June GM, it will increase Total Income in the budget-and therefore overall levies would need to be balanced to match expenses should this occur. However, as **Work Levy claims** can be made against both Admin and Project items, and therefore could be split across the Admin and Infrastructure Budgets. Two suggestions were forwarded:
 - that a new item for future capital works could be created in the Infrastructure Budget under Sinking Fund Items (CAPITAL WORKS). This will be suggested at the June GM.
 - That the Membership Levy be decreased in line with a Work Levy increase. This would ensure that the total levies out of the Administration Budget would remain the same.
- Insurance for both Management (Directors), Property and Public Liability were due on 20 April but Goolawah was still within the Grace period. As discussed with the board we were waiting for our Insurance Brokers to find the best price and all Insurance companies contacted by the brokers had rejected Goolawah. As insurance is mandated by Goolawah Rule 63, it was recommended that Goolawah pay the renewals on the current policies and cancel should a less expensive policy be found. The issues with the current insurer are:
 - i. They are unable to provide public liability insurance, and
 - ii. The cost to insure buildings and contents increased significantly with the addition of the Last Resort and general insurance increases.

- **Budget 2024 – 2025**

Total Administration Budget increased from \$76,500 to \$78,500.

This calculates to a possible increase in the Membership Levy of \$26.00, based on \$78,500 divided by 78 shares = \$1006.

LEVY	INCOME 24-25	LEVY 24-25 p/s	LEVY 23-24 p/s
Membership Levy	\$64,460.00	\$826.00	\$800.00
Work Levy	\$14,040.00	\$180	\$180.00
TOTAL INCOME	\$78,500.00	\$1,006	\$980.00

Total Infrastructure Budget increased from \$7,800 to \$12,800, because of adding \$5000 to the Last Project (approved GM 13.4.24).

This calculates to a possible increase in the Sinking Fund Levy of \$64.10, based on \$12,800 divided by 78 shares = \$164.10.

LEVY/SUBSCRIPTION	INCOME	LEVY24-25 p/s	Levy 23-24 p/s
Sinking Fund Levy	\$12,800.00	\$164.10	\$100.00
Infrastructure Levy or Share Subscription (NRS2 funds)	\$117,000.00	\$1,500	\$1,500.00
TOTAL INCOME	\$129,800.00	\$1,664	\$1,600.00

- **Work Claim Form & Approved Job List**

There was a suggestion to update the approved Jobs list and put into draft reviewed. Ties in with Budget Job IDs and includes exceptions to general hourly rate.

Actions

- **Denise** to format the Administration and Infrastructure Budgets to make them easier to follow and understand.
- **Wayne** to send the Final budgets to the board for review and approval.
- **Wayne** to post the motion and the final 24-25 Budgets to the WEB before COB 17 May, after review and approval.
- **Wayne** to request payment of the Insurances and continue to follow up on better pricing and Liability insurance.

Meeting finished 4:30pm

Next meeting TBA