



5<sup>th</sup> April, 2005

## ADMINISTRATION AND FINANCE COMMITTEE MEETING

NOTICE IS HEREBY GIVEN THAT AN ADMINISTRATION AND FINANCE COMMITTEE MEETING OF THE COUNCIL OF THE CITY OF RANDWICK WILL BE HELD IN THE COUNCIL CHAMBER, TOWN HALL, 90 AVOCA STREET, RANDWICK, ON TUESDAY, 12<sup>TH</sup> APRIL, 2005 AT 6:00 P.M.

Committee Members: His Worship the Mayor, Cr M. Matson, Crs Andrews, Daley, Hughes (Deputy Chairperson), Kenny, Nash, Procopiadis & Seng (Chairperson.)

Quorum: Five (5) members.

**NOTE:** AT THE EXTRAORDINARY MEETING HELD ON 28<sup>TH</sup> SEPTEMBER, 2004, THE COUNCIL RESOLVED THAT THE ADMINISTRATION AND FINANCE COMMITTEE BE CONSTITUTED AS A COMMITTEE WITH FULL DELEGATION TO DETERMINE MATTERS ON THE AGENDA.

**1 Apologies**

**2 Minutes**

CONFIRMATION OF THE MINUTES OF THE ADMINISTRATION & FINANCE COMMITTEE MEETING HELD ON TUESDAY, 8<sup>TH</sup> MARCH, 2005.

**3 Declaration of Pecuniary & Non-Pecuniary Interests**

**4 Addresses to Committee by the Public**

**5 Mayoral Minutes**

**6 Finance**

6.1 DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 17/2005 - COUNCILLORS' DONATIONS FOR THE 2004/2005 FINANCIAL YEAR. 2

6.2 DIRECTOR, GOVERNANCE & FINANCIAL SERVICES' REPORT 18/2005 - INVESTMENT OF COUNCIL FUNDS AS AT 28 FEBRUARY 2005. 6

**7 General Business**

**8 Notice of Rescission Motions**

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GENERAL MANAGER



## ***Director, Governance & Financial Services' Report 17/2005***

<b>SUBJECT:</b>	COUNCILLORS' DONATIONS FOR THE 2004/2005 FINANCIAL YEAR
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<b>DATE:</b>	24 March, 2005	<b>FILE NO:</b>	F2004/07396 xr F2005/00182
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**REPORT BY:** DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

### **INTRODUCTION:**

To keep Councillors aware of the progressive amount of Councillors' donations, allocations, waiving of fees and other similar issues for the current financial year.

### **ISSUES:**

Since 1<sup>st</sup> July, 2004 there have been forty eight (48) Councillors' donations totalling \$116,635.26 as listed in the table below as at the date of this report.

<b>MEETING</b>	<b>DETAILS</b>	<b>AMOUNT</b>
Works Committee – 13 <sup>th</sup> July 2004	Greek Glendi	(\$7,695.00) Cancelled
Community Services Committee – 10 <sup>th</sup> August 2004	National Association for Prevention of Child Abuse & Neglect	\$540.00
Ordinary Council – 27 <sup>th</sup> July 2004	Barry Watterson – Shakespearean Theatre	\$3,114.30
Ordinary Council – 27 <sup>th</sup> July 2004	POW Hospital	\$1,085.00
Ordinary Council – 27 <sup>th</sup> July 2004	Randwick Girls & Boys High Schools (Rock Eisteddfod)	\$3,114.30
Ordinary Council – 27 <sup>th</sup> July 2004	Dolphin Street Playgroup (Temporary Fencing)	\$1,000.00
Ordinary Council – 24 <sup>th</sup> August 2004	Maroubra Fun Run & Oktoberfest	\$3,734.00
Ordinary Council – 21 <sup>st</sup> September 2004	Regional Study of Changing Tourism Dynamics in Sydney (Backpackers)	\$2,500.00
Ordinary Council – 21 <sup>st</sup> September 2004	Bali Tragedy 2 <sup>nd</sup> Anniversary Commemorations	\$8,678.00
Ordinary Council – 19 <sup>th</sup> October 2004	Des Renford Aquatic Centre Charity Day	\$5,320.40

Ordinary Council – 19 <sup>th</sup> October 2004	St George Coptic Church Fete	\$796.00
Ordinary Council – 19 <sup>th</sup> October 2004	South Maroubra Village Green Art Show	\$85.00
Ordinary Council – 19 <sup>th</sup> October 2004	South Maroubra Carols by Candlelight	\$1,906.00
Ordinary Council – 19 <sup>th</sup> October 2004	St Paul's Anglican Church – Carols by the Sea	\$1,871.80
Works Committee – 9 <sup>th</sup> November, 2004	Salvation Army – BBQ	\$210.00
Works Committee – 9 <sup>th</sup> November, 2004	Salvation Army – Carols By Candlelight in Kokoda Park	\$2,301.80
Works Committee – 9 <sup>th</sup> November, 2004	Coogee & South Maroubra Surf Life Saving Clubs – Use of Beaches (Surf Carnivals)	\$1,742.00
Works Committee – 9 <sup>th</sup> November, 2004	Coogee Bowling Club – Use of Goldstein Reserve (Bowls Mobile)	\$1,330.00
Health, Building & Planning Committee – 9 <sup>th</sup> November, 2004	UNSW Sustainable Living Centre – Sponsorship of Sustainable Schools Awards	\$2,200.00
Health, Building & Planning Committee – 9 <sup>th</sup> November, 2004	Association of International Students of Science, Economics & Commerce – Sponsorship of Sustainability Seminars Program	\$2,500.00
Ordinary Council – 23 <sup>rd</sup> November, 2004	Randwick City Tourism – Filming of Tourism Video	\$1,625.00
Ordinary Council – 23 <sup>rd</sup> November, 2004	Coogee Surf Life Saving Club – Use of Coogee Beach (ocean swim event)	\$640.00
Ordinary Council – 23 <sup>rd</sup> November, 2004	Coogee Chamber of Commerce – Use of Goldstein Reserve (Coogee Family Fun Day)	\$5,305.50
Ordinary Council – 23 <sup>rd</sup> November, 2004	Barry Watterson – Musical Events in Grant Reserve	\$798.80
Ordinary Council – 23 <sup>rd</sup> November, 2004	United Nations Development Fund for Women – Purchase of Ribbons for White Ribbon Day	\$150.00
Ordinary Council – 14 <sup>th</sup> December, 2004	Indonesian Welfare Association – Street Fair	\$3,365.00
Ordinary Council – 14 <sup>th</sup> December, 2004	Castellorizian Ladies Auxiliary – Carol Singing	\$302.20
Ordinary Council – 14 <sup>th</sup> December, 2004	Matrville Families First – Matrville Family Fun Day	\$408.00
Ordinary Council – 14 <sup>th</sup> December, 2004	Greek Orthodox Church of Australia – Greek Epiphany Celebration	\$1,173.50

Ordinary Council – 14 <sup>th</sup> December, 2004	Randwick Information & Community Centre- Removal Expenses	\$4,000.00
Ordinary Council – 14 <sup>th</sup> December, 2004	La Perouse Local Aboriginal Community – Christian Convention in Aid of Suicide Prevention	\$1,987.50
Ordinary Council – 14 <sup>th</sup> December, 2004	New Year’s Eve Fireworks – Coogee Beach	\$5,000.00
Ordinary Council – 14 <sup>th</sup> December, 2004	Welcome Overseas Students’ – Pilot Program	\$3,500.00
Extraordinary Council – 27 <sup>th</sup> January, 2005	Donation Tsunami Relief Appeal	\$10,000.00
Extraordinary Council – 27 <sup>th</sup> January, 2005	Sri Lankan Fundraiser Walk Centennial Park – Hire & Erection of Stage	\$1,561.96
Works Committee – 8 <sup>th</sup> February, 2005	Eastern Beaches Local Area Command – Community v Police Cricket Day	\$1,542.00
Works Committee – 8 <sup>th</sup> February, 2005	Surf Life Saving Sydney Inc. – Use of Maroubra Beach	\$855.00
Works Committee – 8 <sup>th</sup> February, 2005	Trees for Mum Program – Use of Central Park	\$1,200.00
Works Committee – 8 <sup>th</sup> February, 2005	Grace Point Christian Church – Clean Up Australia Day	\$3,480.00
Works Committee – 8 <sup>th</sup> February, 2005	Malabar RSL Swimming Club – Malabar Clear Water Classic Swim	\$1,079.10
Administration & Finance Committee – 8 <sup>th</sup> February, 2005	Indonesian Consul General – Tsunami Appeal Luncheon	\$500.00
Administration & Finance Committee – 8 <sup>th</sup> February, 2005	Friends of La Perouse Museum – La Perouse Commemoration Day	\$3,700.00
Ordinary Council – 22 <sup>nd</sup> February, 2005	Surfing NSW – South side Eliminations – Use of Maroubra Beach	\$855.00
Ordinary Council – 22 <sup>nd</sup> February, 2005	Living In Harmony Festival – Use of Goldstein Reserve	\$8,338.00
Ordinary Council – 22 <sup>nd</sup> March, 2005	Maroubra Surfers Organisation & Southend Boardriders	\$4,025.00
Ordinary Council – 22 <sup>nd</sup> March, 2005	Randwick Girls’ & Boys’ High School Rock Eisteddfod Team	\$5,000.00
Ordinary Council – 22 <sup>nd</sup> March, 2005	Wild Street, Church Festival	\$1,534.80
Ordinary Council – 22 <sup>nd</sup> March, 2005	Maroubra Swimming Club – Hire of DRAC	\$680.00
<b>TOTAL</b>		<b>\$116,635.26</b>

**FINANCIAL IMPACT STATEMENT:**

Council has allocated \$140,000.00 in the 2004/2005 Budget, for contingencies.

**RECOMMENDATION:**

That the Director, Governance & Financial Services Report No. 17/2005 dated 24<sup>th</sup> March, 2005 in relation to the progressive amount of Councillors' donations, allocations, waiving of fees and other similar issues for the current financial year be noted.

**ATTACHMENT/S:**

Nil

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MARK HUMMERSTON  
DIRECTOR, GOVERNANCE &  
FINANCIAL SERVICES



## ***Director, Governance & Financial Services' Report 18/2005***

<b>SUBJECT:</b>	INVESTMENT OF COUNCIL FUNDS AS AT 28 FEBRUARY 2005
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<b>DATE:</b>	15 March, 2005	<b>FILE NO:</b>	98/S/0745
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**REPORT BY:** DIRECTOR, GOVERNANCE & FINANCIAL SERVICES

### **INTRODUCTION:**

To report on Council's current investments.

### **ISSUES:**

Council is authorised by s625 of the Local Government Act to invest its surplus funds. Funds may only be invested in the form of investment notified by Order of the Minister dated 29 November 2000.

The Local Government Financial Management Regulations prescribe the records that must be maintained in relation to Council's investments. The regulations also require that the responsible accounting officer provide a written report to each ordinary meeting of the Council giving details of all monies invested and a certificate as to whether or not the investments have been made in accordance with the Act, the regulations and Council's Investment Policy No: 3.02.07.

Details of all investments are shown on the attachment sheet titled "Details of cash investments and analysis of investment performance as at 28 February 2005" and in the attached graphs.

### **FINANCIAL IMPACT STATEMENT:**

The budget provision for income from this source is \$2.825M. Income to 28 February, 2005 is \$1,924,924. On present trends our budget provisions should be met.

Council relies on a mixture of managed funds and some direct longer term deposits with Banks for its investments. Councillors will note that we upgraded our expectations in the December Quarterly report, anticipating an income of \$2.825M - an increase over the budget projection of \$2.4M. This increase has been achieved by two means. First, in

relation to managed funds, Council retains professional advisors to provide independent and objective advice on our investment portfolio, to ensure prudent investment of our funds. Currently our objective is to invest seeking 50+ basis points above index with a high tolerance to monthly volatility, using a diversified selection of credit rated funds. Recently Council closed out of the Deutsche Cash Plus Fund, the Macquarie Diversified Treasury Fund and the UBS Credit Enhanced Cash Fund, and switched into the Deutsche Income Fund, the ING Enhanced Cash Trust and the Merrill Lynch Diversified Credit Fund following advice from our advisors.

These adjustments to the portfolio were made during the current month and are expected to yield a higher result but there may be more volatility. The increased yield overall from investments is the result of better returns together with additional funds being available over longer periods than was originally anticipated. However, it is not expected that Council will be able to maintain this level of investment cash in the next budget, due to the capital works program which has been planned and which will require access to funds. This may be offset to some extent as the result of higher interest rates that will flow from recent adjustments to interest rates made by the Reserve Bank of Australia.

**CONCLUSION:**

All surplus cash has been invested as at 28 February 2005 in accordance with Policy No: 3.02.07 and the provisions of s625 of the Local Government Act have been complied with.

**RECOMMENDATION:**

That the "Director, Governance & Financial Services' Report No. 12/2005 dated 15 March 2005 in relation to the investment of Council funds be noted.

**ATTACHMENT/S:**

1. Details of investments and analysis of investment performance as at 28 February 2005.
2. Graphs (7).

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MARK HUMMERSTON  
DIRECTOR, GOVERNANCE &  
FINANCIAL SERVICES

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BRIAN GREGAN  
MANAGER, FINANCIAL  
SERVICES

**DETAILS OF CASH INVESTMENTS AND ANALYSIS OF INVESTMENT PERFORMANCE  
AS AT 28 FEBRUARY 2005**

Investment Manager	Credit Ratings	Amount Invested	Interest Earned February			UBSWA Bank Bill Index %	Interest Earned Financial Year to Date		UBSWA Bank Bill Index %	Interest Earned Last 12 Months		UBSWA Bank Bill Index %
			Amount	% Return			Amount	% Return		Amount	% Return	
		\$	\$	Month	Annualised For Period	#	\$			\$		#
***												
LG Financial Services 11am Call	AA	2,979,678	5,928	0.42	5.15	0.40	132,224	N/A	5.52	196,469	N/A	5.57
LGFS Expanded Credit Facility	Af	10,053,370	52,200	0.52	7.02	0.40	371,467	6.29	5.52	523,560	N/A	5.57
Commonwealth Shield Series 12	AA	4,000,000	19,638	0.53	6.40	0.40	170,661	N/A	5.52	258,107	N/A	5.57
Commonwealth Shield Series 21	AA	1,000,000	12,145	1.11	14.17	0.40	57,972	N/A	5.52	57,972	N/A	5.57
Commonwealth Shield Series 24	AA	2,500,000	13,121	0.57	6.89	0.40	115,397	N/A	5.52	128,296	N/A	5.57
Merrill Lynch Enhanced Credit	Af	6,524,033	28,259	0.54	6.47 +	0.40	234,705	6.15	5.52	381,785	6.16	5.57
Deutsche Income	Af	9,638,146	41,310	0.60	7.22 +	0.40	359,341	6.52	5.52	519,094	6.48	5.57
ING Enhanced Cash	Af	5,255,750	23,810	0.56	6.79 +	0.40	201,343	6.19	5.52	336,908	6.23	5.57
Macquarie Income Plus	Af	7,489,539	40,982	0.55	7.41	0.40	274,854	6.51	5.52	377,096	6.50	5.57
					Index %							
		<b>49,440,516</b>	<b>237,393</b>		5.32		<b>1,917,964</b>			<b>2,779,287</b>		



Credit Ratings	Standard & Poors
Extremely strong capacity to pay	AAA
Very strong capacity to pay	AA
Funds exhibit strong protection against credit default	Af

#UBSWA Bank Bill Index
-Is a performance benchmark published in the Australian Financial Review.
-The index rate can be compared to the interest rate earned by Council on its investments.

Interest Earned	
	\$
In February 2005	237,790 *
For 2004/2005 to 28 February –	1,924,924 **
Original estimate budget for interest earned – 2004/2005	2,825,000

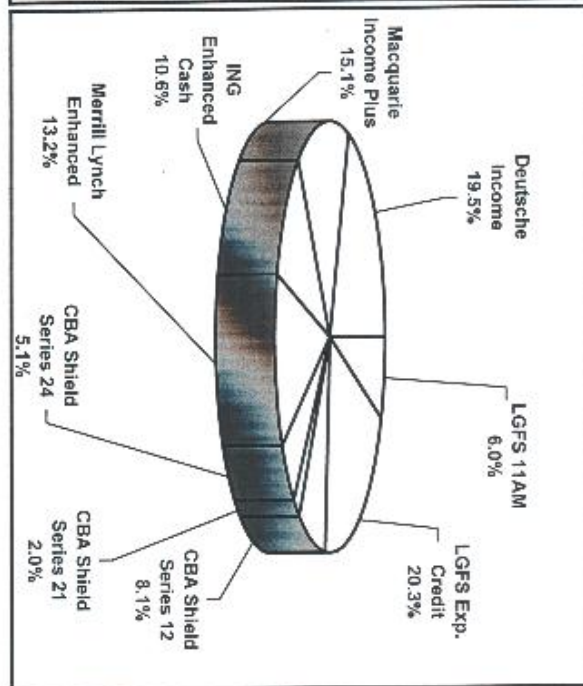
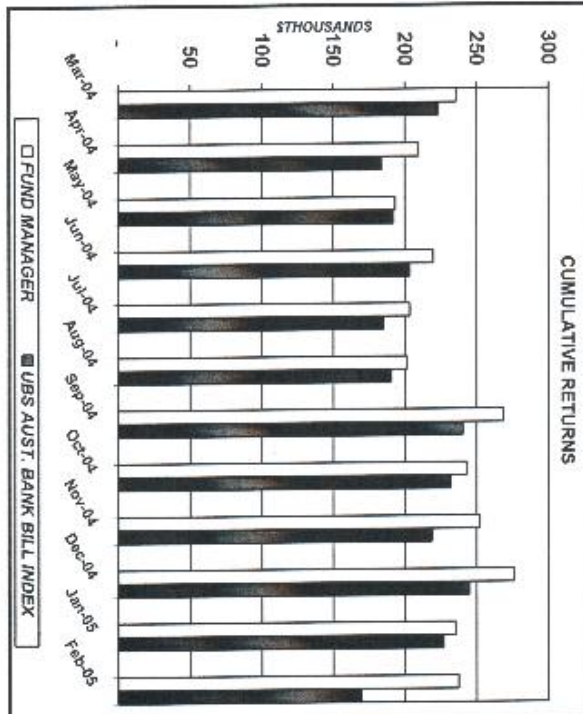
Monthly earning rates for the last three months	Dec %	Jan %	Feb %
LG Financial Services 11am Call	0.42	0.42	0.42
LGFS Expanded Credit Facility	0.53	0.43	0.52
Commonwealth Shield Series 12	0.53	0.53	0.53
Commonwealth Shield Series 21	0.87	0.31	1.11
Commonwealth Shield Series 24	0.57	0.57	0.57
UBS Credit Cash Enhanced	0.51	0.43	0.54
Deutsche Cash Plus	0.51	0.55	0.60
Macquarie Diversified Treasury	0.51	0.47	0.56
Macquarie Income Plus	0.51	0.49	0.55
<b>UBSWA Bank Bill Index</b>	<b>0.46</b>	<b>0.46</b>	<b>0.40</b>

- \* Includes bank account interest as well as interest on investments with Managed Funds.
- \*\* Includes bank account interest and those Managed Funds no longer used.
- \*\*\* The interest return on this investment has been estimated. Interest rates and amounts invested vary on a daily basis.
- + Interest return on investment are rates on investment switched at the end of the period.

*I certify that the above investments have made in accordance with the Local Government Act, the regulations and Council's investment policy No. 3.02.07.*

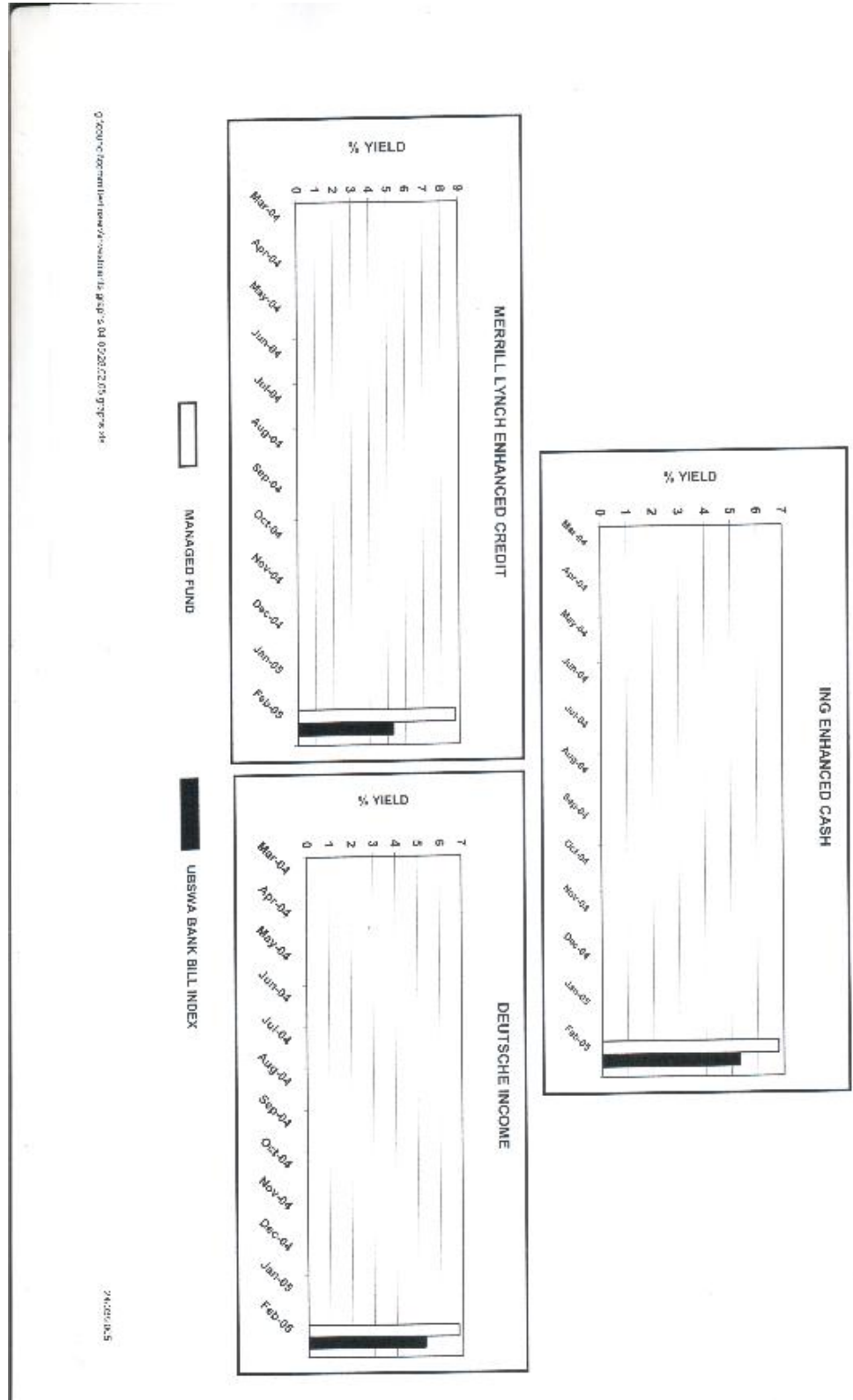
**BRIAN GREGAN**  
**MANAGER, FINANCIAL SERVICES DIVISION**

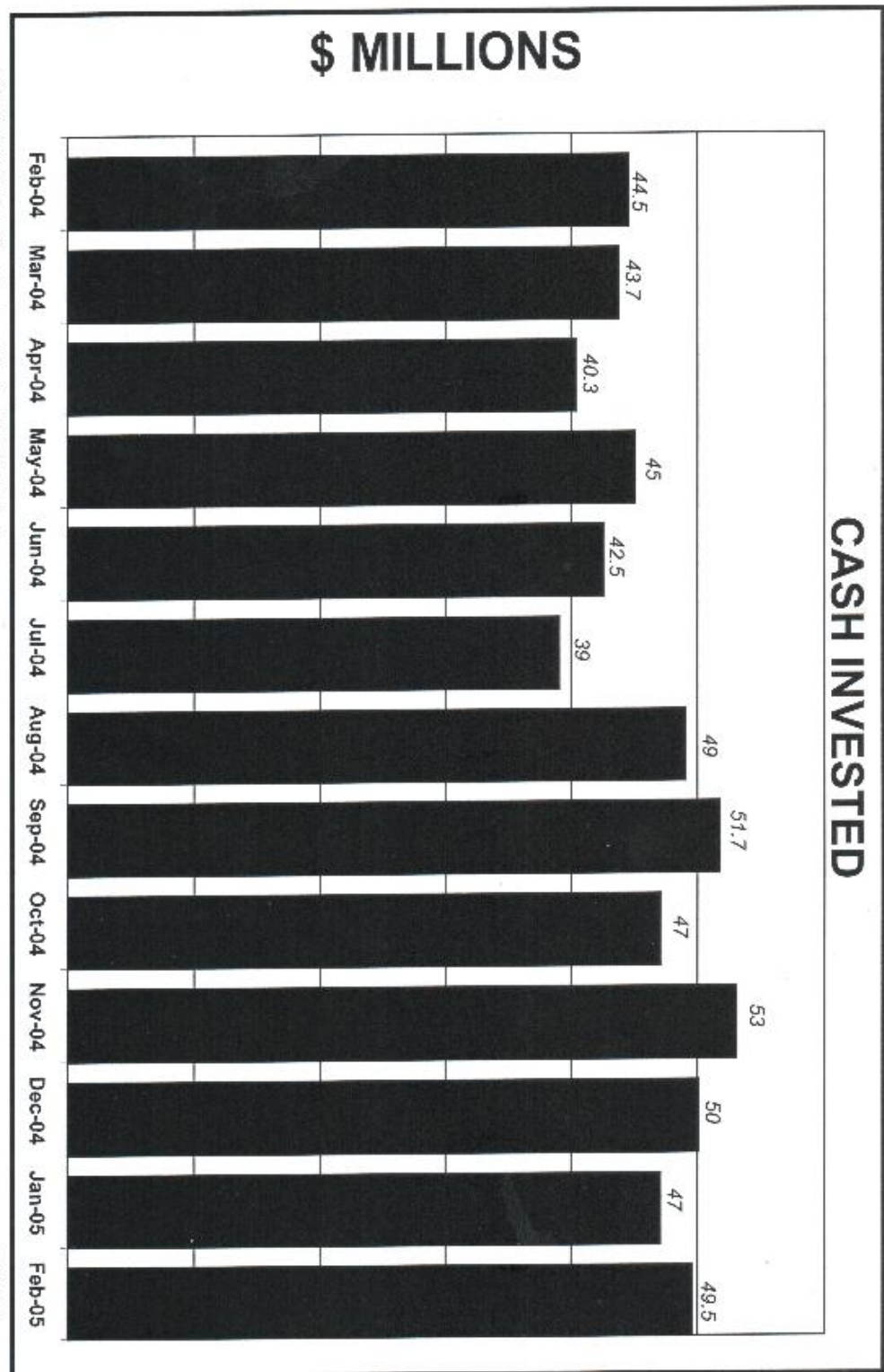
PERCENTAGE ALLOCATION BY FUND MANAGER  
 ALL FUND MANAGER PERFORMANCE VS. UBS AUST. BANK BILL INDEX  
 AS AT 28 FEBRUARY 2005



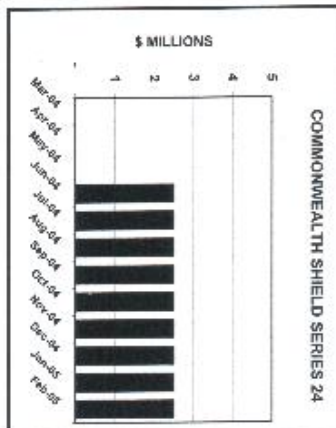
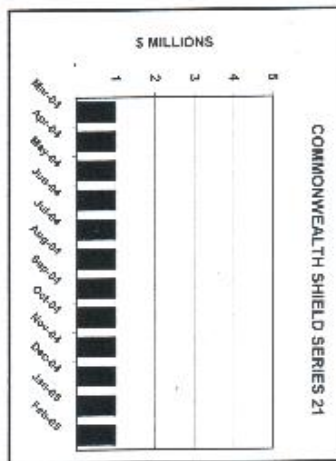
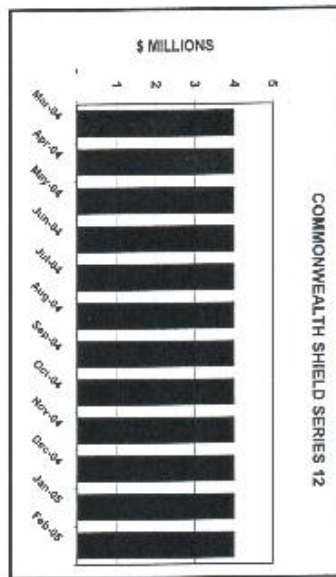
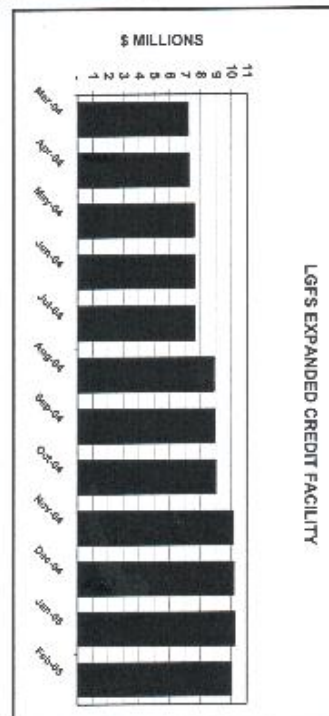
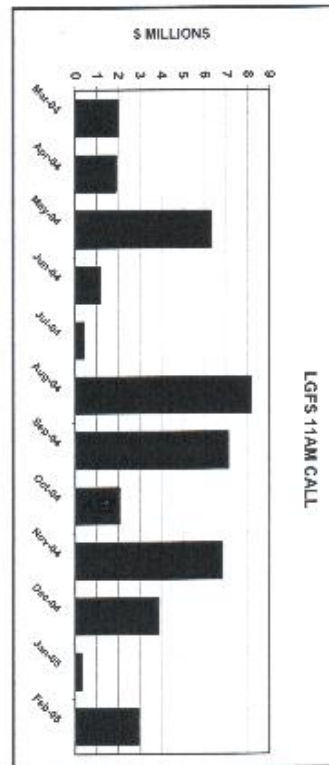
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CASH INVESTMENTS BY FUND MANAGER

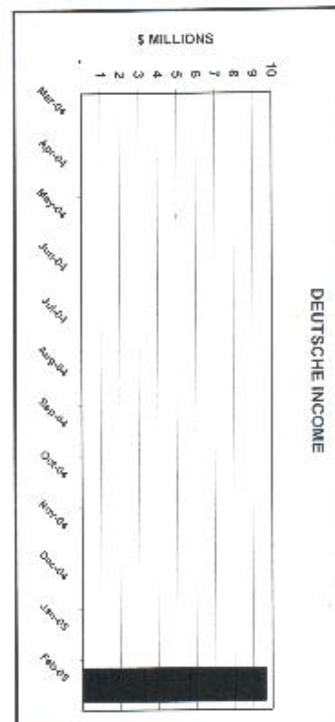
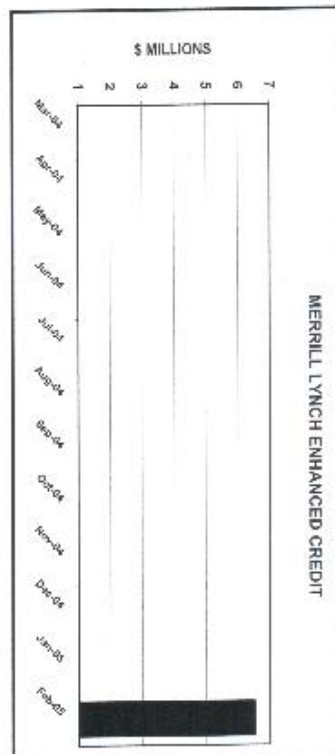
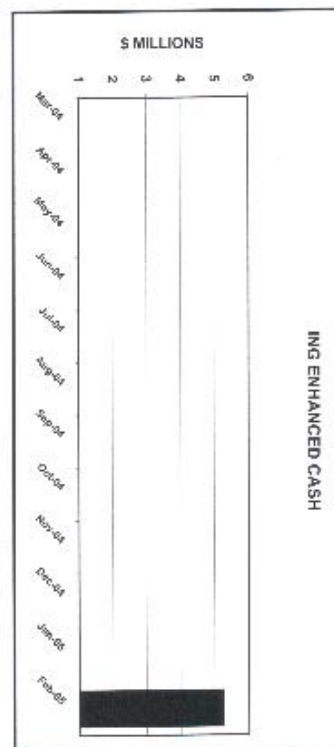


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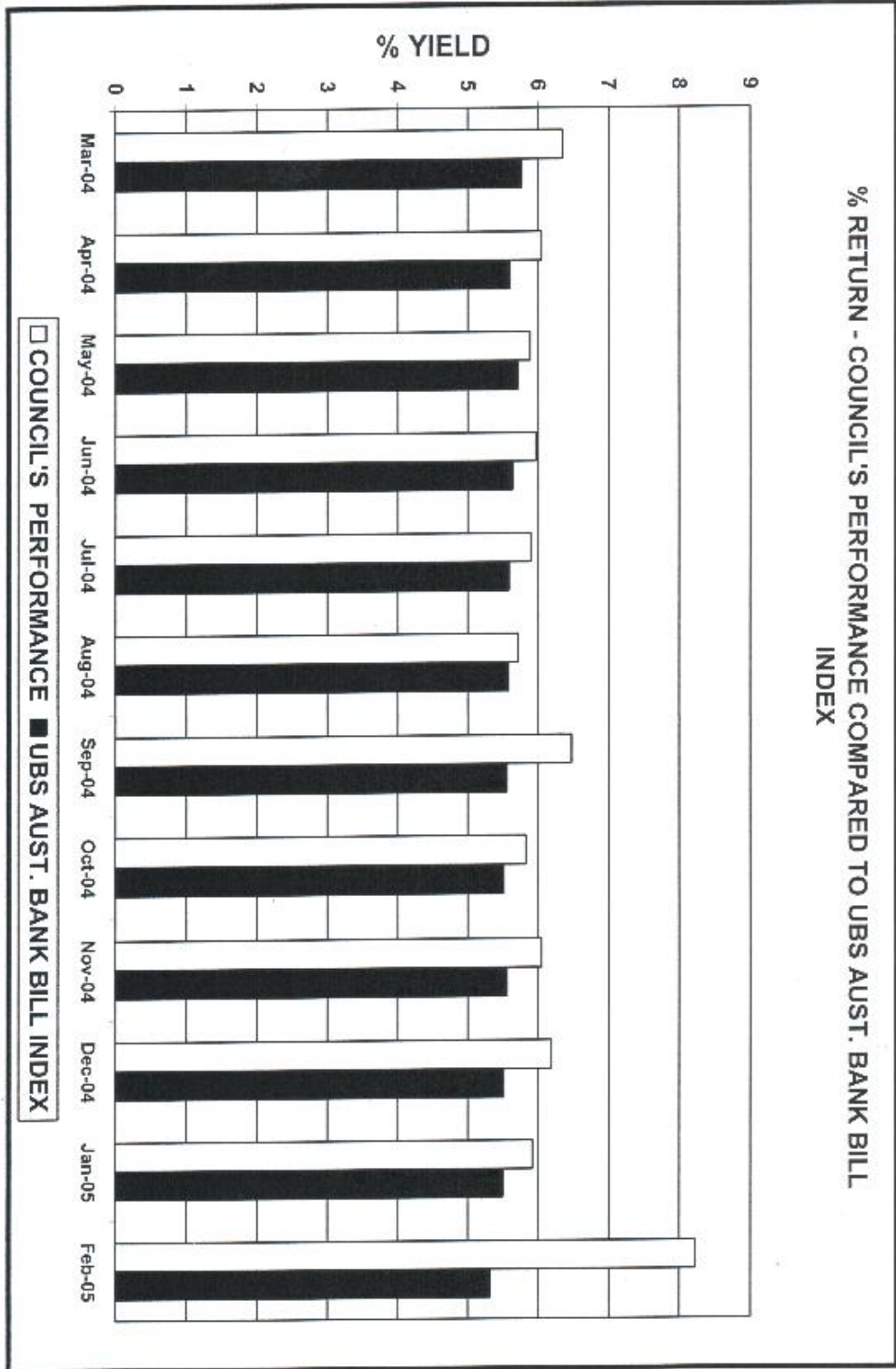


CASH INVESTMENTS BY FUND MANAGER



Source: Investment Research Corporation, 2005. All figures are in millions of dollars.

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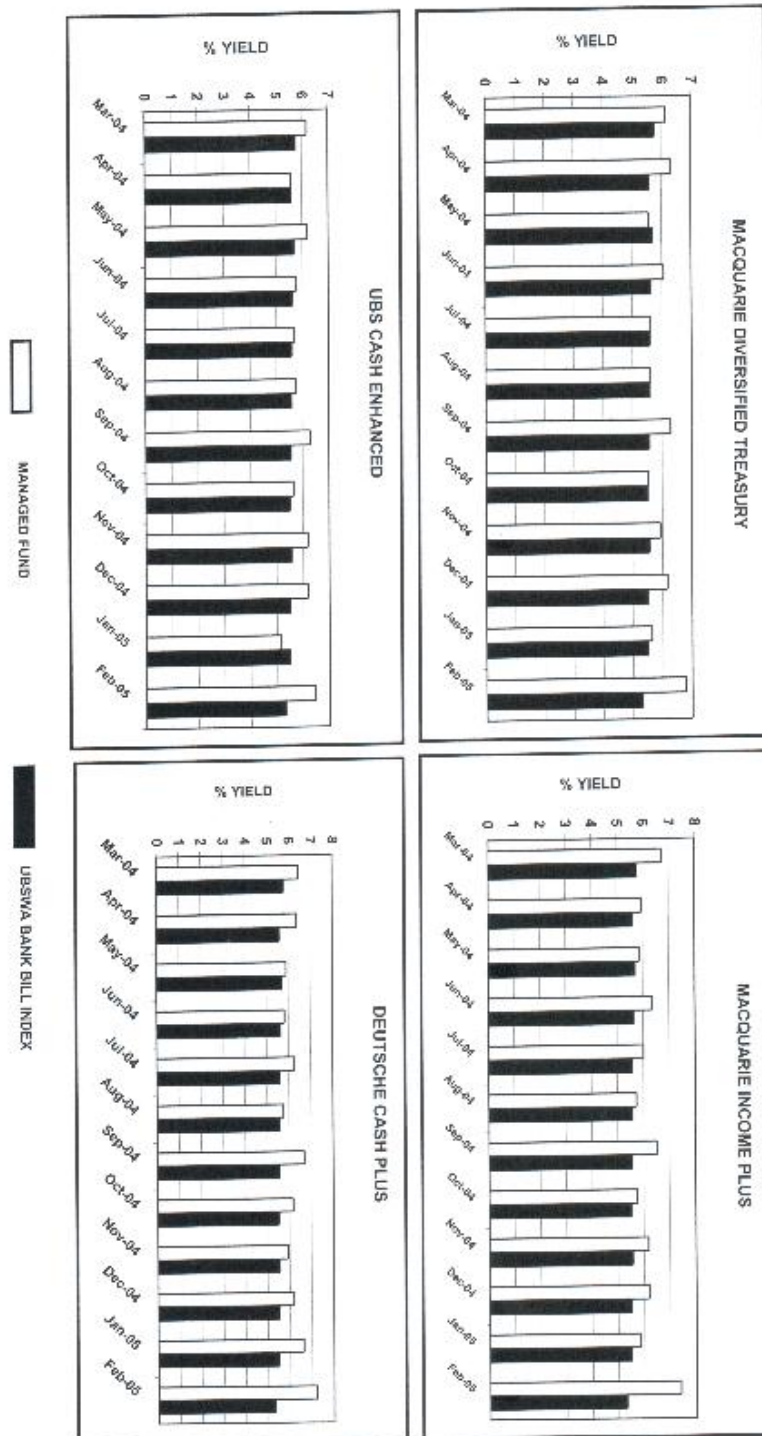
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15/03/2005





PERCENTAGE RETURN BY FUND MANAGER



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