

ADMINISTRATION AND FINANCE COMMITTEE MEETING

BUSINESS PAPER

TUESDAY 14 OCTOBER 2014

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ADMINISTRATION AND FINANCE COMMITTEE MEETING

Notice is hereby given that a Administration and Finance Committee Meeting of the Council of the City of Randwick will be held in the Council Chamber, First Floor, 90 Avoca Street, Randwick on Tuesday, 14 October 2014 at 6:00pm.

Committee Members: The Mayor (Seng), Andrews, Belleli, Bowen, D'Souza, Garcia (Deputy Chairperson), Matson, Moore, Nash, Neilson, Roberts, Shurey, Smith, Stavrinis (Chairperson) and Stevenson

Quorum: Eight (8) members

NOTE: At the Extraordinary Meeting held on 28 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.

Apologies/Granting of Leave of Absences

Confirmation of the Minutes

Administration and Finance Committee Meeting - 9 September 2014

Declarations of Pecuniary and Non-Pecuniary Interests

Address of Committee by Members of the Public

Privacy warning:

In respect to Privacy & Personal Information Protection Act, members of the public are advised that the proceedings of this meeting will be recorded for the purposes of clause 66 of Council's Code of Meeting Practice.

Urgent Business

Administration Report

A15/14 Contingency Fund - status as at 30 September 2014 1

Finance Report

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Notice of Rescission Motions

Nil

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Sima Truvert
ACTING GENERAL MANAGER

Administration Report No. A15/14



Subject: Contingency Fund - status as at 30 September 2014

Folder No: F2004/07396

Author: Julie Hartshorn, Senior Administrative Coordinator

Introduction

The purpose of this report is to detail the progressive amount of donations, allocations, waiving of fees and other similar contributions for the 2014-15 financial year.

Issues

In the 2014-15 financial year there have been 26 allocations totalling \$130,835.88 as listed in the table below.

Meeting	Details	Approved allocation
Annual contributions (ongoing)		
Ord Council – 24 Nov 2009	<u>Annual contribution</u> (5 years from 2010-2014) Waiving of fees – Rainbow Club Australia – Ocean Swim (Maroubra to Little Bay)	\$10,820.00
Ord Council – 27 July 2010 & Ord Council 23 September 2014	<u>Annual contribution</u> (5 years from 2010-11) - Randwick Boys High School - 'Mayor's Award' Annual contribution for a further 5 years – 2015-2020	\$1,000.00
Ord Council – 22 Feb 2011	<u>Annual contribution</u> (5 years from 2011-15) - Randwick Girls High School - 'Mayor's Award'	\$1,000.00
Planning Comm – 13 Mar 2012	<u>Annual contribution</u> – Australia Day Botany Bay Regatta	\$750.00
Ord Council – 25 June 2013	<u>Annual contribution</u> Sponsorship of the Westpac Rescue Helicopter Lifesaver Service – 3 year agreement commencing 2013-14	\$15,000.00
Ord Council 17 Sept 2013	<u>Annual Contribution</u> (5 years from 2016-2020) Waiving of Fees – Rainbow Club Australia Inc – Murray Rose's Malabar Magic Ocean Swim (\$14,500 per annum from 2016)	-
2014-15 Contingency Fund allocations		
Ord Council – 29 Apr 2014	2014 NSW Police Force International Student Beach Soccer and Volleyball Day at Coogee Beach	\$4,176.34
Ord Council – 29 Apr 2014	Waiving of Fees - Open High School banners	\$2,006.00
Ord Council – 27 May 2014	Financial assistance - Randwick Girls and Boys High Schools combined production	\$4,000.00
Ord Council – 27 May 2014	Waiving of fees - fitness festival in Goldstein Reserve, Coogee to raise funds for Suicide Prevention Australia	\$1,225.00
Ord Council – 24 June 2014	Waiving of fees – Bendigo Bank	\$158.18

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Meeting	Details	Approved allocation
Ord Council – 24 June 2014	Sponsorship - UNSW joint Alzheimer's and Parkinson's Disease Symposium/Cell Architecture in Development and Disease Symposium	\$1,000.00
Ord Council – 24 June 2014	Waiving of Fees - St George Coptic Church Fete	\$885.00
Ord Council – 24 June 2014	Financial assistance – Walking Volunteers walk	\$800.00
Ord Council – 24 June 2014	Waiving of fees – Salvation Army Community Lunch	\$1,862.50
Ord Council – 24 June 2014	Sponsorship and waiving of fees – Surfing NSW Junior Surfing Competition	\$8,500.00
Ord Council – 22 July 2014	Waiving of fees – Rainbow Club Australia – use of Town Hall	\$1,500.00
Ord Council - 22 July 2014	Clovelly Better Block Project 2014	\$34,800.00
Ord Council – 26 Aug 2014	Financial assistance - Randwick Petersham Cricket Club - Hosting of Cricket Ireland	\$8,691.86
Ord Council – 23 Sept 2014	Financial assistance Maroubra Village Art Show	\$9,000.00
Ord Council – 23 Sept 2014	324 (City of Randwick) Squadron Australian Airforce Cadets - celebrating 60 years - purchase of a ceremonial sword and the Sword of Excellence Trophies for the next five years	\$11,100.00
Ord Council – 23 Sept 2014	Waiving of fees - Maroubra Diggers Swimming Club	\$1,020.00
Ord Council – 23 Sept 2014	Waiving of fees - St Marks Anglican Church – Malabar Carols by Candlelight	\$2,172.00
Ord Council – 23 Sept 2014	Waiving of fees - St Pauls Anglican Church – Grant Reserve Carols by Candlelight	\$1,169.00
Ord Council – 23 Sept 2014	POW Hospital's request for financial support to use Prince Henry Centre – to celebrate 50 th year since the first kidney transplant in NSW	\$3,600.00
Ord Council – 23 Sept 2014	Financial assistance - Prince of Wales Hospital Foundation	\$2,800.00
Ord Council – 23 Sept 2014	Financial assistance - 150th Anniversary of St Jude's Church, Randwick	\$1,800.00
Total - 2014-15 Contingency Fund allocations		\$130,835.88

Relationship to City Plan

The relationship with the City Plan is as follows:

- Outcome 2: A vibrant and diverse community.
Our community will be proud to be part of our City and celebrate its range of cultures and people.
- Direction 2b: Enrich our range of community services that meet our community's needs.
- Key Actions: Support the provision of services and facilities to meet the needs of our Target Groups and celebrate the range of cultures and people within Randwick City.

Financial impact statement

Council has allocated \$75,000.00 in the 2014-15 Budget for contingencies. Any expenditure that exceeds the budget allocation will be funded through savings at the September quarterly budget review.

Recommendation

That the status of the contingency fund allocations for 2014-15 be noted.

Attachment/s:

Nil

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Finance Report No. F9/14



Subject: Monthly Financial Report as at 31 August 2014

Folder No: F2014/00522

Author: Oliver Guo, Management Accountant

Introduction

Section 202 of *Local Government (General) Regulation 2005* requires that the responsible accounting officer of a council must:

- a) establish and maintain a system of budgetary control that will enable the council's actual income and expenditure to be monitored each month and to be compared with the estimate of the council's income and expenditure, and
- b) if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of the council.

Issues

This report provides the financial results of the Council as at 31 August 2014. Attachment 1 summarises the Council's financial performance and its source and application of funds. It also summarises the operating result for each of the Council's principal activities. Attachment 2 details the financial position of the Council as at 31 August 2014.

Relationship to City Plan

The relationship with the City Plan is as follows:

- Outcome 1: Leadership in Sustainability.
Direction 1b: Council is a leader in the delivery of social, financial and operational activities.

Financial impact statement

There is no direct financial impact for this matter.

Conclusion

The Council's Manager Corporate and Financial Planning, as the Responsible Accounting Officer, advises that the projected financial position is satisfactory. The Current Ratio as at 31 August 2014 is 2.64 compared to 2.21 as at 30 June 2014. The Current Ratio is a financial indicator specific to local government and represents its ability to meet its debts and obligations as the fall due.

Recommendation

That the Administration and Finance Committee acknowledges that the Responsible Accounting Officer has advised that the projected financial position of Council is satisfactory.

Attachment/s:

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1. Monthly Financial Statements - Income Statements August 2014
2. Monthly Financial Statements - Balance Sheet August 2014

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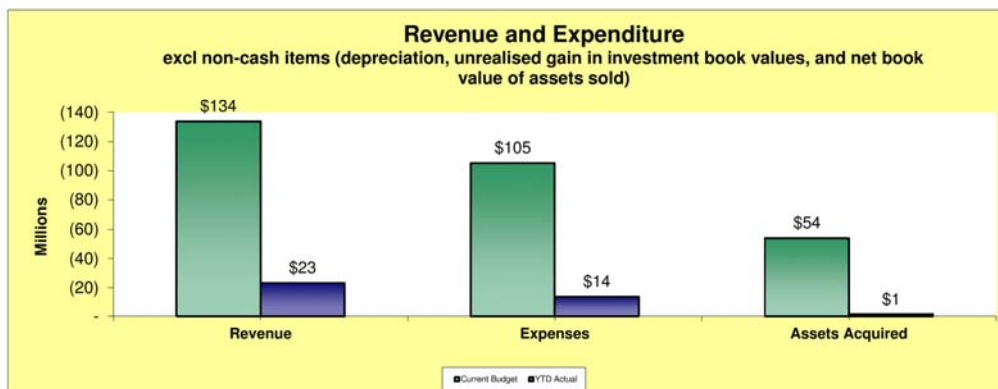


INCOME STATEMENT

for the financial year as at 31 August 2014

% OF YEAR EXPIRED AT 31 Aug 2014	17%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	55,787	55,787	9,667	17.3%
Materials & Contracts	32,860	35,506	1,909	5.4%
Depreciation & Amortisation	22,624	22,624	3,771	16.7%
Other Operating Expenses	13,888	13,936	2,219	15.9%
Total Expenses from Continuing Operations	125,160	127,853	17,566	13.7%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	98,063	98,063	16,506	16.8%
User Charges And Fees	15,292	15,292	2,672	17.5%
Interest	2,583	2,583	530	20.5%
Other Revenues	8,033	8,033	1,295	16.1%
Operating Grants and Contributions	6,600	6,600	1,667	25.3%
Capital Grants and Contributions	3,322	3,322	779	23.4%
Gain/(Loss) on Disposal of Assets	1,199	1,199	8	0.6%
Total Revenue from Continuing Operations	135,091	135,091	23,457	17.4%
Net Operating Result - Surplus/(Deficit)	9,931	7,238	5,891	
FUNDING STATEMENT				
SOURCE OF FUNDS				
Surplus/(Deficit) from Operations - Accrual	9,931	7,238	5,891	81.4%
Add Back Non-Funded Transactions included in Operations above				
- Depreciation	22,624	22,624	3,771	16.7%
- Sales of Assets (Book Value)	-	-	72	0.0%
- Transfer from Internal Reserves	8,007	18,624	274	1.5%
- Transfer from External Reserves	10,313	23,612	1,650	7.0%
- Unrealised Gain/(Loss) on Market Value of Investments	-	-	156	0.0%
Net Funds Available	50,875	72,098	11,814	16.4%
APPLICATION OF FUNDS				
Assets Acquired	32,884	54,106	1,486	2.7%
Transfer to Internal Reserves	8,065	8,065	1,302	16.2%
Transfer to External Reserves	9,908	9,908	4,951	50.0%
Total Funds Applied	50,856	72,078	7,740	10.7%
Total Funds Surplus/(Deficit)	19	19	4,075	



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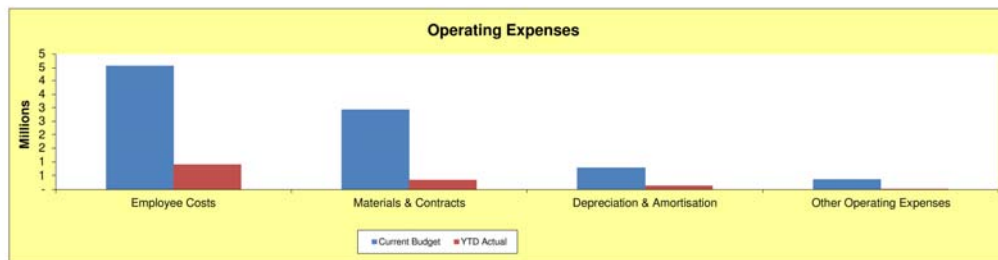


OFFICE OF THE GENERAL MANAGER INCOME STATEMENT

for the financial year as at 31 August 2014

% OF YEAR EXPIRED AT 31 Aug 2014	17%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	4,573	4,573	887	19.4%
Materials & Contracts	2,804	2,914	339	11.6%
Depreciation & Amortisation	777	777	130	16.7%
Other Operating Expenses	354	354	21	6.0%
Total Expenses from Continuing Operations	8,508	8,618	1,378	16.0%
Net Operating Result - Surplus/(Deficit)				
	(8,508)	(8,618)	(1,378)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
CAPITAL PURCHASES				
Total Purchases	2,287	3,114	186	6.0%
<i>Detail as following:</i>				
IT Equipment	2,287	3,114	186	6.0%



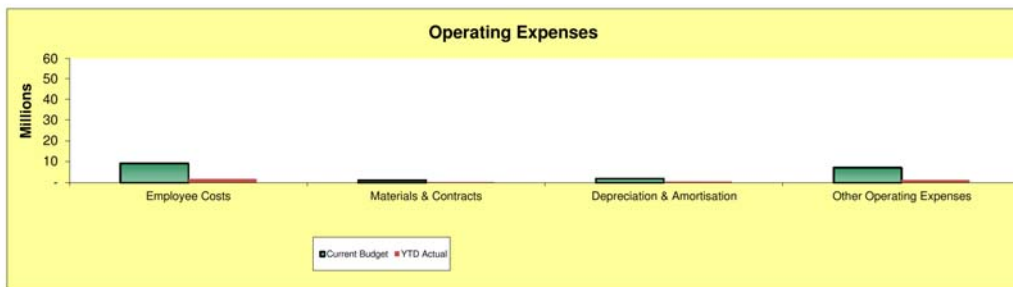


GOVERNANCE AND FINANCIAL SERVICES INCOME STATEMENT

for the financial year as at 31 August 2014

% OF YEAR EXPIRED AT 31 Aug 2014	17%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	9,094	9,094	1,696	18.7%
Materials & Contracts	1,194	1,194	138	11.6%
Depreciation & Amortisation	2,051	2,051	342	16.7%
Other Operating Expenses	6,963	6,963	1,282	18.4%
Total Expenses from Continuing Operations	19,301	19,301	3,458	17.9%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	68,093	68,093	11,461	16.8%
User Charges And Fees	955	955	187	19.6%
Interest	2,202	2,202	468	21.2%
Other Revenues	2,837	2,837	518	18.3%
Operating Grants and Contributions	3,573	3,573	844	23.6%
Total Revenue from Continuing Operations	77,660	77,660	13,477	17.4%
Net Operating Result - Surplus/(Deficit)	58,358	58,358	10,020	



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CITY SERVICES INCOME STATEMENT

for the financial year as at 31 August 2014

% OF YEAR EXPIRED AT 31 Aug 2014	17%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	30,953	30,953	5,175	16.7%
Materials & Contracts	26,329	28,436	1,248	4.4%
Depreciation & Amortisation	19,796	19,796	3,299	16.7%
Other Operating Expenses	5,286	5,286	707	13.4%
Total Expenses from Continuing Operations	82,364	84,471	10,430	12.3%
REVENUE FROM CONTINUING OPERATIONS				
Rates And Annual Charges	29,970	29,970	5,046	16.8%
User Charges And Fees	10,501	10,501	1,687	16.1%
Interest	211	211	34	16.0%
Other Revenues	840	840	120	14.3%
Operating Grants and Contributions	2,394	2,394	695	29.0%
Capital Grants and Contributions	1,222	1,222	240	19.7%
(Gain)/Loss on Disposal of Assets	1,199	1,199	8	0.6%
Total Revenue from Continuing Operations	46,336	46,336	7,830	16.9%
Net Operating Result - Surplus/(Deficit)	(36,028)	(38,135)	(2,601)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
CAPITAL PURCHASES				
Total Purchases	30,208	50,230	1,300	2.6%
<i>Detail as following:</i>				
Parks Construction	5,900	11,625	487	4.2%
Roads Construction	10,223	13,747	21	0.1%
Drainage Construction	1,194	2,458	12	0.5%
Building Construction	8,484	17,993	523	2.9%
Library Resources	395	395	5	1.3%
Vehicular Access	500	500	69	13.8%
Plant and Equipment	3,512	3,512	183	5.2%



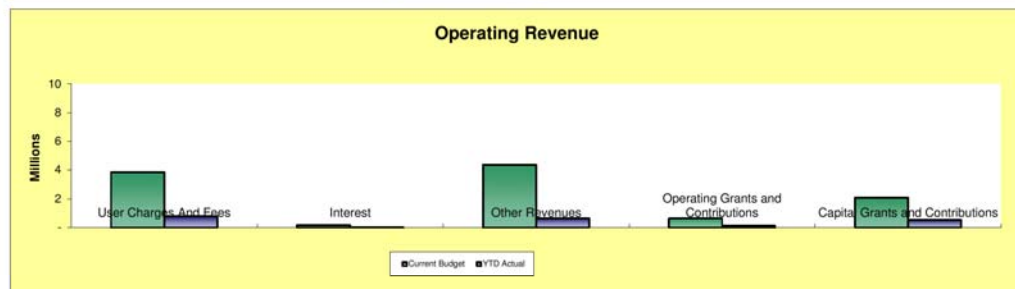


CITY PLANNING INCOME STATEMENT

for the financial year as at 31 August 2014

% OF YEAR EXPIRED AT 31 Aug 2014	17%
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	Original Budget (\$'000s)	Current Budget (\$'000s)	YTD Actuals (\$'000s)	% of Budget Spent/Earned
EXPENSES FROM CONTINUING OPERATIONS				
Employee Costs	11,168	11,168	1,909	17.09%
Materials & Contracts	2,533	2,962	183	6.18%
Other Operating Expenses	1,286	1,333	209	15.67%
Total Expenses from Continuing Operations	14,987	15,463	2,301	14.88%
REVENUE FROM CONTINUING OPERATIONS				
User Charges And Fees	3,836	3,836	798	20.80%
Interest	170	170	28	16.67%
Other Revenues	4,356	4,356	657	15.09%
Operating Grants and Contributions	633	633	128	20.24%
Capital Grants and Contributions	2,100	2,100	539	25.65%
Total Revenue from Continuing Operations	11,096	11,096	2,150	19.38%
Net Operating Result - Surplus/(Deficit)	(3,891)	(4,367)	(150)	
CAPITAL PURCHASES (NOT INCLUDED ABOVE)				
CAPITAL PURCHASES				
Total Purchases	389	762	1	0.09%
<i>Detail as following:</i>				
Sustaining Our City Capital Projects	389	762	1	0.09%



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BALANCE SHEET

at 31 August 2014

	Actual as at 31 August 2014 (\$'000s)	Actual as at 30 June 2014 (\$'000s)
CURRENT ASSETS		
Cash, Cash Equivalents & Investments	68,205	57,874
Receivables	2,194	6,391
Inventories	522	573
Other	235	901
TOTAL CURRENT ASSETS	71,156	65,738
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	1,390,849	1,393,205
TOTAL NON-CURRENT ASSETS	1,390,849	1,393,205
TOTAL ASSETS	1,462,004	1,458,943
CURRENT LIABILITIES		
Payables	5,964	14,477
Provisions & Prepayments	20,946	15,262
TOTAL CURRENT LIABILITIES	26,910	29,739
NON-CURRENT LIABILITIES		
Payables	260	260
Provisions & Prepayments	209	209
TOTAL NON-CURRENT LIABILITIES	469	469
TOTAL LIABILITIES	27,379	30,208
NET ASSETS	1,434,626	1,428,735
EQUITY		
Retained Earnings	770,621	764,730
Revaluation Reserves	664,005	664,005
TOTAL EQUITY	1,434,626	1,428,735