

ORDINARY MEETING AGENDA

23 November 2016

Held in the Hilltops Council, Young Chamber, 189 Boorowa Street, Young

GENERAL MANAGER'S LATE REPORT

16/190 – QUARTERLY BUDGET REVIEW STATEMENT (QBR)

Reference: 1.4.3
Responsible Officer: Chief Financial Officer

PURPOSE

To present a summary of Council's financial position at the end of each quarter, and to report on progress made against the original budget adopted by Council which can be found in the Operational Plan.

REPORT

Staff have conducted a review of the budget and have identified several items that should be adjusted to reflect current expectations. Several budget variations have been recommended, as detailed in the reports. Included

The revised estimated net operating result for the year to 30 June 2017 is 2,357K surplus (original \$2,674 surplus) and the revised estimated result before capital grants and contributions is \$2,164K deficit (original \$1,421 deficit.)

Council had several budgeted works not completed in 2015/2016 budget totalling \$700k in operational works and \$9,240K in capital works, these have been carried forward in the September QBR figures. Council will be further investigating the priorities around both the carry forwards and the planned works for this year with the potential that some works are deferred to future years, this will be included in the December quarterly budget reviews.

Additional material variations to the estimated result have been included in the attachments.

The revised estimated cash and investments at the 30 June 2017 is estimated at \$42,754K (original \$20,512K). Council's original budget did not include the Stronger Councils funding of \$20 Million in the cash and investment sheet.

STATUTORY PROVISIONS

Clause 203(1) of the Local Government (General) Regulation requires that, not later than 2 months after the end of each quarter, excluding the June quarter, the responsible accounting officer must submit a budget review statement to Council.

The format of the review must be consistent with the minimum requirements contained in the *Quarterly Budget Review Statement Guidelines* provided by the Division of Local Government.

ORDINARY MEETING AGENDA

23 November 2016

Held in the Hilltops Council, Young Chamber, 189 Boorowa Street, Young

RELATIONSHIP TO INTEGRATED PLANS

The quarterly budget review statement is a tool to monitor Council's progress against the operational plan and the ongoing management of Council's budget.

ATTACHMENTS

- Attachment 1: Carryovers from 2015/2016 budget
Attachment 2: September quarterly budget review statement.

RECOMMENDATION

1. That Council approve the carryover of \$700K net operational expenditure and \$9,240 Capital budget.
2. That the September quarterly budget review be received and noted.
3. That the budget recommendations detailed within the September quarterly budget review be adopted.

Revotes 15-16
as at 30 September 2016

OPERATIONAL

	EXPENSE	SAVING
Administration		
Decommission tanks depot	133,000.00	
	<u>133,000.00</u>	
Public Order & Safety		
Animal Control	12,657.00	
Animal Control	5,000.00	
Emergency Services	10,000.00	
	<u>27,657.00</u>	-
Other Health Services		
Health Services	4,646.21	
	<u>4,646.21</u>	
Housing & Community Amenities		
Town Planning	36,200.00	
Town Planning	28,995.00	
Town Planning	87,070.00	87,070.00
Environmental Protection	23,120.00	
Environmental Protection	2,525.00	
Waste Management Other	3,554.76	
	<u>181,464.76</u>	<u>87,070.00</u>
Recreation & Culture		
Other Cultural Services	9,456.72	
Other Cultural Services	8,537.00	
Other Cultural Services	6,261.33	
Public Halls	42,489.00	
Parks, Gardens & Reserves	28,323.00	
	<u>95,067.05</u>	-

Water Supplies

Water			
Water Supplies	309,473.00	194,370.00	Boorowa Water Security Works
Water Supplies	12,000.00		Mains Cleaning
Water Supplies	3,000.00		Alum Sludge Disposal
Water Supplies	10,000.00		Water loss Audit
	<u>334,473.00</u>	<u>194,370.00</u>	

Sewerage Services

Sewer	22,500.00		CCTV Sewerage Mains inspection
	<u>22,500.00</u>		

Transport

Roads to Recovery		(91,267.00)	Roads to recovery
		<u>(91,267.00)</u>	

Economic Affairs

Tourism & Area Promotion	783.00		Promotion - Getitaldoneinyoung
Tourism & Area Promotion	37,885.00		Promotion - Feel Young Visit Young
Tourism & Area Promotion	14,000.00		Promotion - Tourism Brochures Boorowa
Tourism & Area Promotion	31,570.24		Investigation - Tourist Attraction
Economic Development	8,000.00		Sponsorship - Chamber of Commerce
	<u>92,238.24</u>		

Total operational Revotes

891,046.26 190,173.00

Revotes 15/16
as at 30 September 2016

CAPITAL

Administration

	EXPENSE	SAVING
Corporate Services	1,454.41	
Corporate Services	4,100.00	
Corporate Services	20,000.00	
Works Depot & Store	7,500.00	
Works Depot & Store	112,454.00	
Works Depot & Store	50,000.00	
Other Support Services	398,500.00	
Other Support Services	465,706.00	
Other Support Services	25,000.00	
	1,084,714.41	-

Computer Equipment
Office Equipment
Upgrade Computer Servers & Desktop Computers
IPADS- Works staff Team leaders
Works Depot Improvements
Pit Hoist heavy vehicle service bay OHS
Plant & Equipment
Plant & Equipment
Plant & Equipment

Public, Order & Safety

Animal Control	96,625.00	
Animal Control	10,000.00	
Fire Safety	10,000.00	
Fire Safety	8,727.27	
	125,352.27	

New Pound
Pound cattery construction- deferral)
Trinity centre - Paint RFS Exterior stage 1
Trinity Upgrade Electrical Power Board

Community Services

Child Care	20,000.00	
Pre-schools	5,000.00	
	25,000.00	

Upgrade - Child Care Centres
Upgrade - Preschools

Housing

Waste Management Domestic	44,309.36	Green Waste & Food Organics
Waste Management Domestic	50,700.00	Boorowa Waste transfer Station
Waste Management Domestic	5,000.00	Organic Waste Capital Improvement. pa
Waste Management Domestic	8,580.00	Recycling Bins Replacement
Waste Management Domestic	5,000.00	Galong Tip landfill site rehab.
Waste Management Domestic	20,000.00	Old Murrumburrah land fill rehab
Waste Management Domestic	5,000.00	Fencing old landfill area Murrumburrah WTS
Waste Management Domestic	15,000.00	Equip bore Murrumburrah WTS
Urban Stormwater Drainage	595,905.00	Storm Water - Lovell St Etc
Urban Stormwater Drainage	23,346.21	61 Swift Street to Bunyip revised
Urban Stormwater Drainage	8,158.45	Bathurst Street (Albury St) upgrade works staged
Public Toilets	12,119.19	Murrumburrah CBD toilet block (new)
Cemeteries	40,000.00	Jugiong Cemetery - Protestant portion revised estimate
Cemeteries	6,000.00	Cemetery Plinths
Cemeteries	20,982.00	Cemetery Improvements
	<u>860,100.21</u>	

Recreation & Culture

Public Libraries	15,165.56	Plant & Equipment - Local Priorities - Grant
Public Libraries	50,000.00	New Library Investigation
Public Libraries	4,008.95	Revitalising Regional Libraries - Grant
Public Libraries	8,152.00	Damp Proofing & Front Desk
Public Libraries	16,299.00	Library grant funded Works
Public Halls	80,750.18	Southern Cross Hall
Swimming Pools	10,000.00	Fencing - Swimming Pool
Swimming Pools	566,000.00	Pool Amenities Completion
Swimming Pools	26,000.00	Pool Driveway and Tank
Parks, Gardens & Reserves	25,000.00	Rotaract Park
Parks, Gardens & Reserves	4,413.00	Skate Park Seating
Parks, Gardens & Reserves	25,000.00	Off Lesh Dog Enclosure
Parks, Gardens & Reserves	13,395.00	Adventure Playground
Parks, Gardens & Reserves	30,000.00	Playground Soffall
Sporting Grounds	175,000.00	Skate park Construction
Sporting Grounds	3,708.88	Iris Street Park Landscaping
Sporting Grounds	16,000.00	Light Horse Memorial Water feature repairs
Sporting Grounds	5,000.00	Roberts Park - Repaint Toilet Blocks
Sporting Grounds	14,500.00	Mclean Oval Floodlights Upgrade
Sporting Grounds	33,430.00	Wombat Rec ground disabled toilet/shower

Sporting Grounds	4,285.41	Wombat park improvements 1 retaining wall, 2. seat/shelter path Stac
Sporting Grounds	5,513.00	Sporting Grounds Upgrades
Sporting Grounds	557,297.00	Sporting Grounds Upgrades - LIRS
Sporting Grounds	679,058.00	Showground Upgrades
	<u>2,367,975.98</u>	

Transport & Communication

Urban Roads	320,332.00	Urban Road Upgrades - LIRS
Urban Roads	43,483.00	Village Improvement Program
Urban Roads	85,000.00	Urban Road Reseal Program
Bridges	804,000.00	Bennett Springs Bridge
Bridges	25,000.00	Cocomingla Bridge Resurface
Rural Roads - Sealed	66,000.00	Bitumen Reseal Program -
Rural Roads - Sealed	275,000.00	Wickham Lane Upgrade
Regional Roads	56,817.14	MR381 Seg 720-725 Albany St to East St
Roads to Recovery	(91,267.00)	Roads to recovery
Local Blackspot/Unsealed shoulder	7,500.00	Queen Street kerb repairs staged (deferred in 14/15)
Gravel roads	25,000.00	Bonnington Road
Street Lighting	3,780.00	New Street Lights and Poles
Other Transport	27,231.63	Country Passenger Shelter (Lynch Street) - Grant
	<u>1,647,876.77</u>	
	400,000.00	

Economic Development

Tourism and area Promotion	20,000.00	Town Entry Signs
Other Business Undertakings	300,000.00	Cherry Capital Centre - Roof Renewal
Other Business Undertakings	24,300.00	Courthouse repairs and Painting
Other Business Undertakings	10,000.00	Caravan park Capital works
Other Business Undertakings	9,300.00	Old Council Chambers Capital Works
Other Business Undertakings	27,000.00	Completion market Street Subdivision
Other Business Undertakings	10,000.00	Truckwash Fencing
Industrial & Commercial Developm€	30,615.00	Approach Beautification/Tourism Signage
	<u>431,215.00</u>	

Water Supplies

Water Supplies	115,387.00	Program - Water Mains Renewal
Water Supplies	33,000.00	Water PLC Upgrade
Water Supplies	40,000.00	Mains replacement Albany Street intersection Station
Water Supplies	120,000.00	Mains Upgrade Harden
Water Supplies	25,000.00	Telemetry Upgrade
Water Supplies	8,000.00	Asset Register GIS capture
Water Supplies	10,000.00	Meter Replacement- Minor Consumers per annum
Water Supplies	45,000.00	Galong Main Replacement mains work
Water Supplies	180,000.00	Jugiong Reservoir duplication
	<u>576,387.00</u>	

Sewerage Services

Sewerage Services	681,900.00	Sewer Pump Stations Upgrades
Sewerage Services	70,000.00	Sewer Step Screen
Sewerage Services	1,729,061.00	Program - Sewer Reticulation
Sewerage Services	40,000.00	Sewer CCTV pa
	<u>2,520,961.00</u>	

Total Capital Revotes 9,639,582.64 400,000.00

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Hilltops Council

Quarterly Budget Review Statement
for the period 01/07/16 to 30/09/16

Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

It is my opinion that the Quarterly Budget Review Statement for Hilltops Council for the quarter ended 30/09/16 indicates that Council's projected financial position at 30/6/17 will be Satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



Signed:

Judy Jordan
Responsible Accounting Officer

date: 23-Nov-16

Hilltops Council

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2016

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2016/17	Approved Changes		Revised Budget 2016/17	Variations for this Sep Qtr	Notes	Projected Year End Result
		Other than by a QBRS	Sep QBRS				
Income							
Rates and Annual Charges	20,629	-	-	20,629	(1)	1	20,628
User Charges and Fees	10,726	-	-	10,726	19	2	10,745
Interest and Investment Revenues	1,032	-	-	1,032	-		1,032
Other Revenues	2,453	-	-	2,453	5	3	2,458
Grants & Contributions - Operating	20,785	-	-	20,785	70	4	20,855
Grants & Contributions - Capital	4,096	-	-	4,096	426	5	4,522
Net gain from disposal of assets	-	-	-	-	-		-
Share of Interests in Joint Ventures	-	-	-	-	-		-
Total Income from Continuing Operations	59,720	-	-	59,720	519		60,239
Expenses							
Employee Costs	17,623	-	-	17,623	(58)	6	17,565
Borrowing Costs	1,115	-	-	1,115	-	7	1,115
Materials & Contracts	17,984	-	-	17,984	705	8	18,689
Depreciation	13,519	-	-	13,519	-	9	13,519
Other Expenses	6,804	-	-	6,804	189	10	6,993
Interest & Investment Losses	-	-	-	-	-		-
Net Loss from disposal of assets	-	-	-	-	-		-
Share of interests in Joint Ventures	-	-	-	-	-		-
Total Expenses from Continuing Operations	57,046	-	-	57,046	836		57,882
Net Operating Result from Continuing Operations	2,674	-	-	2,674	(317)		2,357
Discontinued Operations	-	-	-	-	-		-
Net Operating Result from All Operations	2,674	-	-	2,674	(317)		2,357
Net Operating Result before Capital Items	(1,421)	-	-	(1,421)	(743)		(2,164)

The Total Income from Continuing Operations has been reduced by the internal rates and is not included as Expenses as per the NSW Local Government Code of Accounting Practice and Financial reporting

Hilltops Council

Quarterly Budget Review Statement
for the period 01/07/16 to 30/09/16

Income & Expenses Budget Review Statement
Major Variation Details (Above \$1,000)

OPERATIONAL

	EXPENSE	SAVING
Administration		
Revenue		
Other Support Services		2,500.00
Administration		16,000.00
		<u>2,500.00</u>
Additional Income - Grant Staff Training		
Additional income - Fags Grant		
Expenses		
Other Support Services	9,345.00	
Engineering Services	14,980.00	
Other Support Services	1,000.00	
Other Support Services	15,980.00	
		<u>34,345.00</u>
Reduction Expenses - Refund Branch Railway Study		
Additional Expenses - Software Maint & Hosting Fee Plan E Reflect		
Additional Expenses - Insurance Claims Excess Fee		
Reduction in anticipated Plant Deprecation		
25,000.00		
Health Services		
Expenses		
Food Control	2,012.00	
		<u>2,012.00</u>
Additional Income - Food Shop Inspection Fees		
Community Services & Education		
Expenses		
Youth Services	1,310.00	
	<u>1,310.00</u>	
Additional Expenses - Cherry Chase		
Housing & Community Amenities		
revenue		
Town planning	33,000.00	
Sec 94 Contributions	200,000.00	
		<u>233,000.00</u>
Grants for Residential Land Study deferred in 2015/16.		
additional income from large developments		
Expenses		
Environmental Protection	2,036.00	
Waste Management	60,000.00	
		<u>62,036.00</u>
Reduction Expenses - State of the Environment Report		
Reduction due to long term vacancy Waste officer		
Water supply		
Expenditure		
Water Supply	30,000.00	
	<u>30,000.00</u>	
Additional Expenditure Dam Safety Emergency plan and works		
Sewerage Services		
Revenue		
Sewerage Services	21,336.00	
		<u>21,336.00</u>
Additional Income - Grant Conveyance Sewer Main		

Hilltops Council

Quarterly Budget Review Statement
for the period 01/07/16 to 30/09/16

Income & Expenses Budget Review Statement
Major Variation Details (Above \$1,000)

Recreation & Culture				
Revenue	Parks, Gardens & Reserves	4,545.00	Additional Income - Grant Rotaract Park Upgrade	4,545.00
Expenses	Swimming Pool	5,264.00	Additional Expenditure - Rates	
		9,850.00	Additional Expenditure - Leasee Payments	
		<u>15,114.00</u>		<u>-</u>
Transport and Communication				
Revenue	Roads to Recovery	350,000.00	Grant Funding deferred until end of funding program.	
Expense	Footpaths depreciation	<u>30,000.00</u>		<u>30,000.00</u>
		30,000.00		
Economic Development				
Revenue	Caravan park - Harden	7,000.00	Additional income - addition -new 2 Bedroom Cabin from 1 Jul 2016.	
	Tourism Brochure Boorowa	8,813.00	Additional Income - contribution to advertising	
		<u>15,813.00</u>		<u>15,813.00</u>
Total operational Changes		442,404.00		375,587.00
Revotes		891,046.26		190,173.00
			Separate Table attachment 1	

Hilltops Council

Quarterly Budget Review Statement
for the period 01/07/16 to 30/09/16

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2016
Capital Budget - Council Consolidated

	Delivery Plan				Approved Changes			Revised Budget 2017	Recommended changes for Council resolution	Notes	Projected year end result
	2017	Sept QBR	Dec QBR	Mar QBR	Other	2017					
Capital expenditure - by class											
Plant and equipment	3,534	-	-	-	-	3,534	1,089	1	4,623		
Office equipment	32	-	-	-	-	32	37		69		
Buildings	559	-	-	-	-	559	2,789	2	3,348		
Other structures	1,287	-	-	-	-	1,287	519	3	1,806		
Roads, bridges and footpath	11,090	-	-	-	-	11,090	2,275	4	13,365		
Water supply network	2,063	-	-	-	-	2,063	594	5	2,657		
Sewerage network	731	-	-	-	-	731	2,521	6	3,252		
Other assets	-	-	-	-	-	-	27		27		
Loan Repayments	1,785	-	-	-	-	1,785	-		1,785		
Total	21,081	-	-	-	-	21,081	9,851		30,932		
Capital funding											
Rates and other untied fund	6,919	-	-	-	-	6,919	586		7,505		
Capital grants and contribut	5,639	-	-	-	-	5,639	733		6,372		
Externally restricted reserve	3,774	-	-	-	-	3,774	3,979		7,753		
Internally restricted reserve:	3,345	-	-	-	-	3,345	4,401		7,746		
Income from sale of plant at	1,404	-	-	-	-	1,404	152		1,556		
Total	21,081	-	-	-	-	21,081	9,851		30,932		

Hilltops Council

Quarterly Budget Review Statement
for the period 01/07/16 to 30/09/16

Capital Budget Review Statement

Major Variation Details (Above \$1,000)

CAPITAL

	EXPENSE	SAVING
Administration		
Other Support Services	47,000.00	
	<u>47,000.00</u>	
		Additional costs for pit hoist at Southern Works Depot
Housing & Community Amenities Expenses		
Environmental Protection	13,649.00	
	<u>13,649.00</u>	
		Additional Expenses - Noise Meter + Calibrator
Water Supply Network		
Water Supply	48,000.00	
	<u>48,000.00</u>	
		Additional Costs PLC Upgrade
		Pumps station works deferred to enable dam safety plan works
		<u>30,000.00</u>
		<u>30,000.00</u>
Capital Variations	108,649.00	30,000.00
Revotes	9,639,582.64	400,000.00

Hilltops Council

Quarterly Budget Review Statement
for the period 01/07/16 to 30/09/16

Cash & Investments Budget Review Statement

Budget review for the quarter ended 30 September 2016
Cash & Investments - Council Consolidated

(\$000's)	Original Budget 2016/17	Approved Changes		Revised Budget 2016/17	Variations for this Sep Qtr	Notes	Projected Year End Result
		Other than by a QBRS	Sep QBRS				
Externally Restricted ⁽¹⁾	26,492	-	-	26,492	(4,378)		0
Detailed Reserves Attached							22,114
Total Externally Restricted	26,492			26,492	(4,378)		22,114
(1) Funds that must be spent for a specific purpose							
Internally Restricted ⁽²⁾	14,645	-	-	14,645	(4,072)		0
Detailed Reserves Attached							10,573
Total Internally Restricted	14,645			14,645	(4,072)		10,573
(2) Funds that Council has earmarked for a specific purpose							
Unrestricted (ie. available after the above Restrictions)	10,928	-	-	-	-861		10,067
Total Cash & Investments	52,065			52,065	(9,311)		42,754