



**MARRICKVILLE  
COUNCIL**

**SUPPLEMENTARY  
BUSINESS PAPER 1**

for

**COUNCIL  
MEETING  
08/05**

**6.30 PM, TUESDAY,  
20 SEPTEMBER, 2005**

*Distributed 14 September, 2005*

## ***SUPPLEMENTARY PRECIS***

**The following report is distributed separately as information required for the preparation of the report was not available at the time of printing of the Business Paper.**

### **GENERAL MANAGER'S REPORTS**

#### **GM 74      AUGUST 2005 BUDGET REVIEW**

**1**

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A review of Council's 2005/06 Budget for the period to the end of August 2005 revealed a number of variances. The net effect of these variances will result in an increase in the call on Council funds. This results in Council having a deficit for the 2005/06 Budget of \$168,356. The anticipated working funds position as at 30 June 2006 will therefore be \$6,971,068. It is recommended that the report be received and noted and that the variations to the Budget be approved.

**GM 74 - AUGUST 2005 BUDGET REVIEW**  
*For Decision*

File Ref: 328

**General Manager reports:**

**Synopsis**

A review of Council's 2005/06 Budget for the period to the end of August 2005 revealed a number of variances. The net effect of these variances will result in an increase in the call on Council funds. This results in Council having a deficit for the 2005/06 Budget of \$168,356. The anticipated working funds position as at 30 June 2006 will therefore be \$6,971,068. It is recommended that the report be received and noted and that the variations to the Budget be approved.

**Discussion**

In accordance with Clause 203 of the Local Government (General) Regulation 2005, the following Budget Review Statement is provided of revised estimates of income and expenditure for the year ending 30 June 2006.

**ATTACHED** to this report is the August 2005 Financial Report comprised of the Operating Budget at Division Level and the Operating Budget and Resources Plan summarised at Program Level.

Details of the budget variances requested in August 2005 are provided below. The variances outlined below will result in an anticipated deficit for 2005/06 of \$168,356.

<b><u>PROGRAM</u></b>	<b><u>AMOUNT</u></b> \$	<b><u>ITEM</u></b>
Corporate Services Finance	No net effect	The depreciation expense for 2005/06 has been revised following assessment of the 2004/2005 actual expense. It is proposed to change expenditure by \$164,587. This has no net effect as the increase in expenditure is offset by an equivalent Depreciation Credit. This amount excludes Business Units Depreciation which is proposed to be adjusted later in this report.
	\$85,725(D)	The Federal Minister for Local Government, Territories and Roads has advised of the distribution of the Financial Assistance Grants for 2005/06. The level of grant is a reduction of \$85,725 from \$2.81m provided within the budget to \$2.724m. It is proposed to adjust the budget to reflect this reduction.
Information Systems	\$13,545(S)	Operating Lease IS OL-IS08 – Lease 24 has ceased and been replaced with Operating Lease 40 within the resources plan. It is proposed to

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		transfer the expenditure budget from Lease 24 to Lease 40 accordingly
<b>Development &amp; Environmental Services</b>		
Planning	\$6,231(D)	Marrickville Council is required to make an annual contribution to the Department of Planning and Infrastructure. Recent advice indicates the amount required will be \$89,564 which is an increase of \$6,231 above the amount budgeted for the 2005/2006 financial year. It is proposed to adjust the budget to reflect this increase.
<b>Community Services</b>		
Community Halls and Facilities.	No net effect	Responsibility for maintenance of Council's Community Halls & Buildings has been transferred to the Property Services Section. It is proposed to transfer the income and expenditure budgets to Property Services to reflect this transfer. The transfer has no net effect on the budget.
<b>Technical Services</b>		
Engineering	No net effect	Dissection of the Road Safety Officer's Operating Budget into specific projects has been allocated with notification that there are some extra RTA funded Grants and other Council Contributions expected throughout this financial year. No net effect.
Engineering	\$93,000 (D)	Ongoing maintenance of Street Gardens and Floral Displays program as a part of the 2005/2006 Operating Budget (2004/2005 Resources Plan Item) – see August 2005 Engineering Performance Review (Item ES 28). It is proposed to increase the expenditure budget accordingly.
Property Services	No net effect	Responsibility for maintenance of Council's Community Halls & Buildings has been transferred to the Property Services Section. It is proposed to transfer the income and expenditure budgets to Property Services to reflect this transfer. The transfer has not net effect on the budget.

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Business Units	No net effect	A revised depreciation expense has been calculated for council (Business Units Only) based on the 2004/2005 actuals, with an increase of expenditure to the amount of \$194,051. This has no net affect, as the increase in expenditure is offset by the Depreciation Credit.
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<b>OPERATING BUDGET TOTAL</b>	\$171,411(D)	
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**RESOURCES PLAN:**

**Corporate Services**

Information Systems	\$13,545(D)	Operating Lease IS OL-IS08 – Lease 24 has ceased and been replaced with Operating Lease 40 within the resources plan. It is proposed to transfer the expenditure budget from Lease 24 to Lease 40 and increase the budget accordingly .
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**Development &**

**Environmental Services**

Environmental Services	No net effect	Successful grant received for Urban Storm Water Integrated Management Stage 2 funded fully by DIPNR grant.
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An increase in funding received from Other Local Council contributions in relation to the Alexandra Canal Management Strategy which is matched by an equal amount of increased expenditure. It is proposed to increase the income and expenditure budgets accordingly.

**Community Services**

Community and Cultural Services	No net effect
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An Increased allocation of Section 94 – Open Space Pre Plan funding toward the Tempe Mural project as agreed, but not provided for in the re-vote process (Project completed in August 2005).

With the completion of the PWC audit on the Annual Financial Statements, the release of the unexpended Main Street funds into the 2005/2006 financial year can now proceed. This funding is matched by expenditure. It is proposed to increase the income and expenditure budgets accordingly

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Children and Family Services	No net effect	As reported to Community Services Committee, approval of Federal Minor Capital Upgrade grants for Addison Road CCC, Cavendish CCC, Enmore CCC and Tillman Park CCC within Children Services. Income budgets will match expenditure budgets It is proposed to increase the income and expenditure budgets accordingly.
Council Halls and Facilities	No net effect	Responsibility for maintenance of Council's Community Halls & Buildings has been transferred to the Property Services Section. It is proposed to transfer the income and expenditure budgets to Property Services to reflect this transfer. The transfer has no net effect on the budget.
<b>Technical Services</b>		
Engineering	No net effect	<p>As reported to the Tech Services Committee in July 2005 (ES 20), Regional Road Construction grant funded with Roads Reserve for works on Trafalgar St, Petersham. 50/50 Split. It is proposed to increase the income and expenditure budgets accordingly.</p> <p>As reported to Tech Services Committee in July 2005 (ES 20), White way Lighting along the Princes Highway at Tempe part funded by Infrastructure Reserve and Loan funds. It is proposed to increase the income and expenditure budgets accordingly.</p> <p>Successful tender for 40kph Initiative Project funded fully funded by RTA grant. Request equal income and expenditure for project. It is proposed to increase the income and expenditure budgets accordingly.</p> <p>Successful tender of for RTA 3x3 Block Grant for project on Llewellyn St, between Edgeware Road and Enmore Road Marrickville It is proposed to increase the income and expenditure budgets accordingly.</p>
Parks and Reserves	No net effect	Completion of Jack Shanahan Park projects under budget, with s94 funds returned back to reserves. It is proposed to increase the income and

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expenditure budgets accordingly.

Reduction in budget for 6 Banner Poles project to zero due to viability of the project. Net Budget adjustments requested. It is proposed to increase the income and expenditure budgets accordingly.

Reduction in budget for St Peters Plaza Upgrade project to zero due to viability of the project. It is proposed to increase the income and expenditure budgets accordingly.

Property Services	No net effect	Responsibility for maintenance of Council's Community Halls & Buildings has been transferred to the Property Services Section. It is proposed to transfer the income and expenditure budgets to Property Services to reflect this transfer. The transfer has no net effect on the budget.
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<b>RESOURCES PLAN</b>	<b>\$15,545(D)</b>
<b>TOTAL</b>	

<b>TOTAL BUDGET</b>	<b>\$184,956 (D)</b>
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**S=Saving, an improvement in Council's position.**

**D=Deficit, a reduction of Council's position.**

**Conclusion**

Council's anticipated result for the 2004/2005 Budget will be a deficit as shown in the Budget Summary below:

<b>Adopted Budget</b>		<b>\$0</b>
	\$	\$
July Review	(17,600)	
August Review	185,956	168,356
		<hr/>
<b>Anticipated Deficit 2005/06</b>		<b>168,356</b>

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**SUMMARY OF 2005/06 APPROVED BUDGET**

<b>1. 2005/06 Budget Position</b>	<b>\$</b>
Operating Budget Surplus	(2,492,797)
Resources Plan Revenue Funding	2,492,797
<b>OVERALL BUDGET</b>	<b>0</b>
<b>2. Projected Working Funds Position based on 2005/06 Budget</b>	
Council's Projected Working Funds Position as at 30 June 2005	(6,959,424)
Plus: Anticipated deficit for 2005/2006	168,356
<b>Projected Working Funds Position at 30 June 2006</b>	<b>(6,791,068)</b>
<b>Benchmark Figure as at 30 June 2005</b>	<b>1,296,000</b>

Note: When the 2004/05 Financial Reports are presented to Council, the Projected Working Funds position will be adjusted.

**RECOMMENDATION:**

**THAT** Council:

1. receive and note the report; and
2. approve the variations to the budget.

**ATTACHMENT: Total 17 pages**

Operating Budget at Division Level, 5 Pages

Operating Budget at Program level, 6 pages

Resources Plan at Program level, 6 pages



*Council Meeting - 08/05 - 20 September, 2005*

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For Decision***