

Meeting Date: Tuesday 21 February 2017
Location: Council Chambers, Level 1A, 1 Pope Street, Ryde
Time: 6.00pm

NOTICE OF BUSINESS

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1 CONFIRMATION OF MINUTES - Finance and Governance Committee Meeting held on 13 December 2016

Report prepared by: Senior Coordinator - Governance
File No.: CLM/16/1/5/2 - BP16/1573

REPORT SUMMARY

In accordance with Council's Code of Meeting Practice, a motion or discussion with respect to such minutes shall not be in order except with regard to their accuracy as a true record of the proceedings.

RECOMMENDATION:

That the Minutes of the Finance and Governance Committee 10/16, held on 13 December 2016, be confirmed.

ATTACHMENTS

- 1 MINUTES - Finance and Governance Committee Meeting - 13 December 2016

ITEM 1 (continued)

ATTACHMENT 1

**Finance and Governance Committee
MINUTES OF MEETING NO. 10/16**

Meeting Date: Tuesday 13 December 2016
Location: Council Chambers, Level 1A, 1 Pope Street, Ryde
Time: 6.40pm

Councillors Present: Councillors Maggio (Chairperson), Laxale, Perram, Stott and Yedelian OAM.

Apologies: Councillors Etmekdjian and Pendleton .

Absent: Councillor Simon.

Note: In the absence of Councillor Etmekdjian, the Deputy Chairperson – Councillor Maggio chaired the meeting.

Staff Present: Acting General Manager, Director – Corporate and Community Services, Acting Director – City Strategy and Planning, Director – City Works and Infrastructure, General Counsel, Acting Chief Financial Officer, Manager – Project Development, Manager – Environment, Health and Building, Acting Manager – Communications, Customer Service and Events, Acting Manager – Strategic City, Senior Coordinator – Property and Development, Senior Coordinator – Community Engagement, Governance, Risk and Audit Coordinator and Administration Officer – Councillor Support.

DISCLOSURES OF INTEREST

There were no disclosures of interest.

**1 CONFIRMATION OF MINUTES - Finance and Governance Committee
Meeting held on 15 November 2016**

RECOMMENDATION: (Moved by Councillors Laxale and Stott)

That the Minutes of the Finance and Governance Committee 9/16, held on 15 November 2016, be confirmed.

Record of the Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **13 DECEMBER 2016** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

ITEM 1 (continued)

ATTACHMENT 1

2 INVESTMENT REPORT - November 2016

Note: Andrew Vallner from CPG addressed the meeting in relation to this Item.

RECOMMENDATION: (Moved by Councillors Stott and Laxale)

That Council endorse the report of the Acting Chief Financial Officer dated 1 December 2016 on Investment Report – November 2016.

Record of the Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **13 DECEMBER 2016** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

3 REPORTS DUE TO COUNCIL

RECOMMENDATION: (Moved by Councillors Laxale and Stott)

That the report on Outstanding Council Reports be endorsed.

Record of the Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **13 DECEMBER 2016** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

CLOSED SESSION

ITEM 4 - EXPRESSION OF INTEREST - AFFORDABLE HOUSING SERVICES

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

ITEM 1 (continued)

ATTACHMENT 1

**ITEM 5 - REQUEST FOR TENDER - PROVISION OF PLANT HIRE 2017 AND 2018
- COR-RFT-09/16**

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND (d) (i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

**ITEM 6 - STRENGTHENING RYDE PROGRAM - LANEWAYS DIVESTMENT
OPPORTUNITIES**

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

ITEM 7 - ADVICE ON COURT ACTIONS

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (g) advice concerning litigation, or advice as comprises a discussion of this matter, that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

**ITEM 8 – REQUEST FOR TENDER – COR-RFT-19/16 – DESIGN SUPPLY AND
INSTALL SPORTSFIELD LIGHTING AT FIELD NOS. 2, 3, 7 AND 8
MEADOWBANK PARK, MEADOWBANK**

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND (d) (i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it; AND (d) (ii) information that would, if disclosed, confer a commercial advantage on a competitor of the council.

ITEM 1 (continued)

ATTACHMENT 1

RESOLUTION: (Moved by Councillors Laxale and Stott)

That the Committee resolve into Closed Session to consider the above matters.

Record of the Voting:

For the Motion: Unanimous

Note: The Committee closed the meeting at 6.54pm. The public and media left the chamber.

CONFIDENTIAL REPORTS

4 EXPRESSION OF INTEREST - AFFORDABLE HOUSING SERVICES

RECOMMENDATION: (Moved by Councillors Stott and Laxale)

- (a) That Council accept the EOI from Link Housing Ltd for the provision of affordable housing management services as recommended in the Evaluation Report, for a period of 5 years.
- (b) That Council delegate to the Acting General Manager the authority to enter into a contract with Link Housing Ltd on the terms contained within the EOI and for minor amendments to be made to the contract documents that are not of a material nature.
- (c) That Council advise all the respondents of Council's decision.

Record of the Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **13 DECEMBER 2016** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

5 REQUEST FOR TENDER - PROVISION OF PLANT HIRE 2017 AND 2018 - COR-RFT-09/16

RECOMMENDATION: (Moved by Councillors Stott and Maggio)

- (a) That the tenders for hiring of plant until 31 December 2018 from the following tenderers be accepted on an "as required" basis for the indicated category of plant:

ITEM 1 (continued)

ATTACHMENT 1

Tenderer	Category of Plant
Acclaimed Excavations Pty Ltd	1,2,3,4,5,6,7,8
Advance Sweepers Pty Ltd	5
Allards Plant Hire Pty Ltd	3,4,6,7,8
Asplundh Tree Expert	2,3,6,8,11
Brooks Hire Service Pty Ltd	10
Conplant Pty Ltd	10
Dinamo Pty Ltd	2,3,6,7,8
Fleck Earthmoving NSW Pty Ltd	2,6,8
Hickys Earthmoving Pty Ltd	2
Keegan Civil Pty Ltd	1,8,10
Kennards hire	10,12,13
Matthews Contracting Pty Ltd	2,8
Outgrind Pty Ltd (G & RD Chong P/L)	9
R J Siemsen	1
R K Johnson Excavations	2,3
Raygal Pty Ltd	1,2,4,5,6,7,8
Regal Excavations Pty Ltd	2,3,4,6,7,8,13
Roadworx (All Sweeper Hire)	5
Sharpe Bros (Aust) Pty Ltd	3,6,7,10
Sherrin Rentals Pty Ltd	10,12
Sitex Rentals & Sales Ryde	1,2,3,4,6
Universal Mobile Tower Hire	11,12

- (b) That the preferred contractors be advised that the work will be allocated on an “as required” basis, following consideration of the following factors at the time of hire: type of work, price, availability, previous workmanship, relevant expertise, previous service provided to the residents and previous compliance to safety requirements.
- (c) That the General Manager be delegated the authority to execute all contract documents for the Provision of Plant Hire for 2017 & 2018 to the City of Ryde.
- (d) That Council advise all the respondents of Council’s decision.

Record of the Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **13 DECEMBER 2016** in accordance with the Finance and Governance Committee Terms of Reference in Council’s Code of Meeting Practice.

ITEM 1 (continued)

ATTACHMENT 1

6 STRENGTHENING RYDE PROGRAM - LANEWAYS DIVESTMENT OPPORTUNITIES

RECOMMENDATION: (Moved by Councillors Stott and Maggio)

- (a) That Council notes the progress achieved in the divestment of the identified laneways detailed within this report.
- (b) That Council supports in-principle the sale of Forster Laneway to the adjoining property owner by private treaty on the basis outlined in the Discussion section of this report.
- (c) That upon the successful closure of part of Forster Lane Council delegates authority to the General Manager to negotiate the sale of Lot created within the value range as detailed in this report.

Record of the Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **13 DECEMBER 2016** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

7 ADVICE ON COURT ACTIONS

RECOMMENDATION: (Moved by Councillors Stott and Maggio)

That the report of the General Counsel be received.

Record of the Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **13 DECEMBER 2016** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

ITEM 1 (continued)

ATTACHMENT 1

LATE CONFIDENTIAL REPORT

8 REQUEST FOR TENDER – COR-RFT-19/16 – DESIGN SUPPLY AND INSTALL SPORTSFIELD LIGHTING AT FIELD NOS. 2, 3, 7 AND 8 MEADOWBANK PARK, MEADOWBANK

RECOMMENDATION: (Moved by Councillors Laxale and Maggio)

- (a) That Council accepts the Tender from Smada Electrical Services Pty. Ltd. for the Design, Supply and Installation of Sportsfield Lighting at Field Nos. 2, 3, 7 and 8 Meadowbank Park, Meadowbank for the lump sum amount of \$275,275 (excluding GST).
- (b) That Council delegate to the Acting General Manager the authority to enter into a contract with Smada Electrical Services on the terms contained within the tender and for minor amendments to be made to the contract documents that are not of a material nature.
- (c) That Council advises all the respondents of Council's decision.

Record of the Voting:

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **13 DECEMBER 2016** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

OPEN SESSION

RESOLUTION: (Moved by Councillors Stott and Maggio)

That the Committee resolve itself into open Council.

Record of the Voting:

For the Motion: Unanimous

Note: Open Council resumed at 7.07pm.

The meeting closed at 7.07pm.

CONFIRMED THIS 21ST DAY OF FEBRUARY 2017.

Chairperson

2 INVESTMENT REPORT - December 2016

Report prepared by: Acting Chief Financial Officer**File No.:** FIM/07/6/4 - BP17/3

REPORT SUMMARY

This report details Council's performance of its investment portfolio for December 2016 and compares it against key benchmarks. The report includes the estimated market valuation of Council's investment portfolio, loan liabilities, and an update on Council's legal action against various parties.

Council's financial year to date return is 2.98%, which is 1.14% above benchmark. Income from interest on investments and proceeds from sale of investments totals \$2.68M, \$681K above original budget projections.

RECOMMENDATION:

That Council endorse the Investment Report – December 2016.

ATTACHMENTS

1 P06 Investment Report December 2016 Attachment

Report Prepared By:

Jifeng Huang
Acting Chief Financial Officer

Report Approved By:

Steven Kludass
Director - Corporate and Organisational Support Services

ITEM 2 (continued)

Discussion

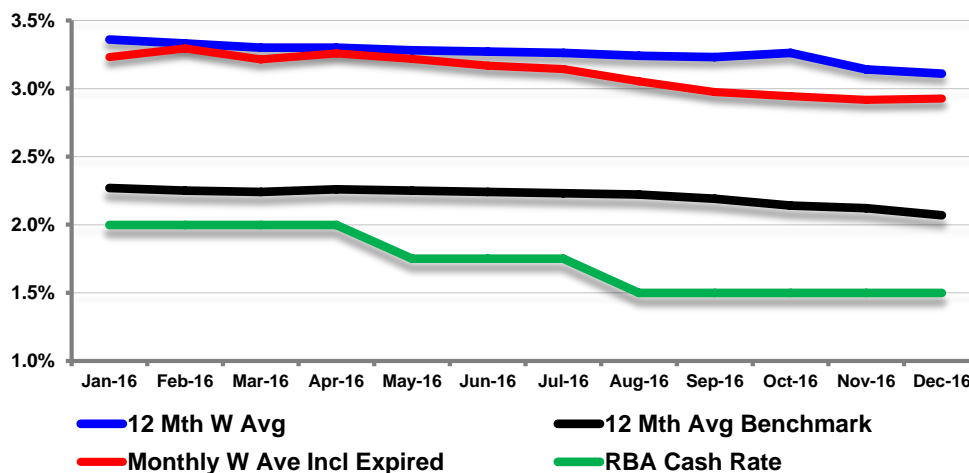
Council's Responsible Accounting Officer, is required to report monthly on Council's Investment Portfolio and certify that the Investments are held in accordance with Council's Investment Policy and Section 625 of the Local Government Act.

Investment Performance Commentary

Council's performance against the benchmark for returns of its investment portfolio for December 2016 and the past 12 months are as follows:

	Dec	12 Mth	FYTD
Council Return	2.93	3.11	2.98
Benchmark	1.72	2.07	1.84
Variance	1.21	1.04	1.14

Performance - All Investments



Council's investment portfolio as at 31 December 2016 was as follows:

Cash/Term Deposits	\$118.1M	63.8%
Floating Rate Notes	\$54.1M	29.2%
Fixed Bonds	\$13.0M	7.0%
Total Cash Investments	\$185.2M	
Investment Properties	\$141.4M	
Total Investments	\$326.6M	

Council's investment properties, updated as at 30 June 2016, are shown in **ATTACHMENT 1**.

ITEM 2 (continued)

The valuations listed have been undertaken in accordance with the revaluation process to 'best use' by an independent valuer, in compliance with the Australian Accounting Standards. It should be noted that the Operations Centre in Constitution Road, Ryde, has been included as an Investment Property, however these values have not been incorporated into the value of the Investment Properties in the Financial Statements, as they do not fit the Accounting Standard criteria.

Council continues to utilise the Federal Government's current guarantee (\$250K) investing in Term Deposits with a range of Authorised Deposit Taking Institutions (ADI's) on short to medium term investments (generally 30 days to 180 days maturity) where more competitive rates are available.

Whilst Council has moved some of its investment portfolio out to longer terms, to lock in future returns, it should be noted that there is approximately \$83 million of Council's funds held in Internal Reserves. Should Council consider utilising its Internal Reserves, this will have a direct impact on the amount of investment income that will be realised and will require a reduction in the future projected investment income and will place pressure on Council to be able to maintain its current level of expenditure on capital projects or maintenance.

Council's income from investments is above the revised projections, due mainly to Council receiving more funds from Section 94 Contributions, with investment income for General Revenue remaining steady.

Legal Issues

There are no current legal issues to comment on for this month. Please refer to **ATTACHMENT 1** for a summary of historical litigation and outcomes to date.

Loan Liability

Council's loan liability as at 31 December was \$3.995 million which represents the balance of:

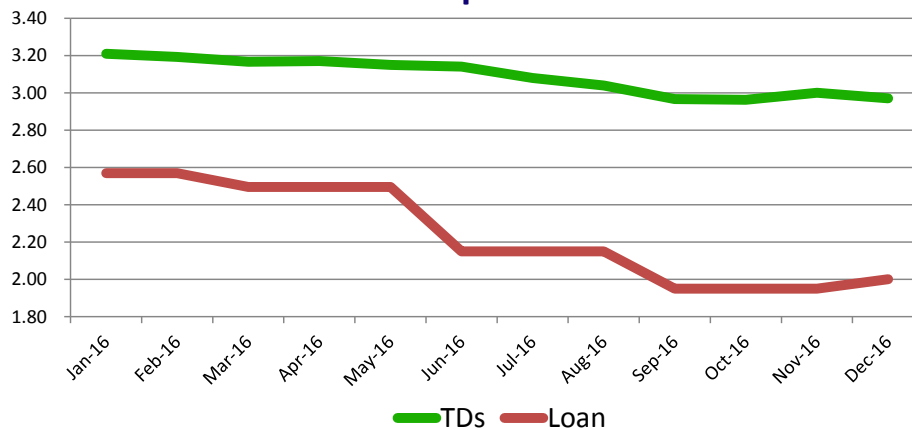
1. \$6.8M 15 year loan drawn down in 2004 at 90 Day BBSW + 20 basis points for the Civic Centre Redevelopment and refinancing the West Ryde Tunnel. The interest rate for this loan is reset every quarter;
2. \$1.5M 10 year loan drawn down 31 January 2014 at 180 day BBSW +175 basis points for the Children's Play Implementation Plan, which was approved for an LIRS subsidy in Round 2. The interest rate for this loan is reset every six months;

ITEM 2 (continued)

3. \$1.5M 10 year loan drawn down 1 September 2014 at 4.95% for Phase 2 of the Children’s Play Implementation Plan, which was approved for an LIRS subsidy in Round 3.

There is no advantage to Council in changing the arrangements or repaying the loan, as detailed in point 1 above, earlier than planned. Council is receiving a better rate of return on its investments than it is paying in interest on this loan. The following graph shows the gap between the average interest rate earned on Council’s term deposits (top line) compared to the interest rate applying to loan 1 above (bottom line).

Term Deposits/Loan Interest Rate Comparison



ITEM 2 (continued)

INVESTMENT SUMMARY AS AT 31 DECEMBER 2016

Issuer	Investment Name	Investment Rating	Invested at 31-Dec-16 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2016	% of Total Invested	Indicative Market Value ** \$000's	% Market Value
Westpac	1. Westpac At Call	AA-	706	0.74	0.96	0.75	0.38	706	100.00%
Westpac	2. Westpac Term Deposit	AA-	4,000	2.65	2.65	2.65	2.16	4,000	100.00%
Bank of Queensland	3. Bank of Queensland TD	A-	2,000	2.88	3.01	2.88	1.08	2,000	100.00%
CBA	4. Bankwest Term Deposit	AA-	1,000	2.58	2.81	2.69	0.54	1,000	100.00%
NAB	5. NAB Term Deposit	AA-	4,000	2.67	2.90	2.88	2.16	4,000	100.00%
NAB	6. NAB Term Deposit	AA-	2,000	2.85	3.09	2.85	1.08	2,000	100.00%
AMP	7. AMP TD	A	1,000	3.00	2.95	3.00	0.54	1,000	100.00%
MyState Bank	8. MyState Bank TD	BBB+	1,000	2.96	2.98	2.96	0.54	1,000	100.00%
NAB	9. NAB Term Deposit	AA-	2,000	2.70	3.14	2.84	1.08	2,000	100.00%
CBA	10. Bankwest Term Deposit	AA-	2,000	2.58	2.79	2.67	1.08	2,000	100.00%
CBA	11. Bankwest Term Deposit	AA-	2,000	2.52	2.81	2.65	1.08	2,000	100.00%
NAB	12. NAB Term Deposit	AA-	2,000	2.65	2.99	2.65	1.08	2,000	100.00%
Defence Bank	13. Defence Bank TD	BBB+	1,000	3.10	3.07	3.10	0.54	1,000	100.00%
QPCU Limited	14. QPCU Limited	Unrated	1,000	3.00	3.00	3.00	0.54	1,000	100.00%
Bendigo and Adelaide Bank	15. Bendigo Bank TD	A-	1,000	2.80	2.73	2.77	0.54	1,000	100.00%
CUA	16. Credit Union Australia TD	BBB+	1,000	3.10	3.10	3.10	0.54	1,000	100.00%
Peoples Choice CU	17. Peoples Choice CU	BBB+	1,000	2.80	3.00	2.98	0.54	1,000	100.00%
Bendigo and Adelaide Bank	18. Rural Bank	A-	1,000	6.48	6.48	6.48	0.54	1,000	100.00%
Banana Coast CU	19. Bananacoast CU TD	Unrated	500	3.10	3.10	3.10	0.27	500	100.00%
CBA	20. Bankwest Term Deposit	AA-	2,000	2.58	2.82	2.66	1.08	2,000	100.00%
Auswide Bank	21. Auswide Bank TD	BBB	1,000	2.82	2.97	2.95	0.54	1,000	100.00%
Maitland Mutual	22. Maitland Mutual Bldg Soc TD	Unrated	1,000	2.95	3.02	3.00	0.54	1,000	100.00%
AMP	23. AMP Business Saver	A	1,015	2.07	2.31	2.12	0.55	1,015	100.00%
Newcastle Perm Bldg Soc	24. Newcastle Perm Bldg Soc	BBB+	1,000	3.10	3.00	3.10	0.54	1,000	100.00%
Greater Bldg Soc	25. Greater Bldg Soc TD	BBB	1,000	3.00	2.94	3.00	0.54	1,000	100.00%
Police CU (SA)	26. Police CU - SA	Unrated	1,000	3.11	3.11	3.11	0.54	1,000	100.00%
AMP	27. AMP TD	A	1,000	2.85	2.87	2.85	0.54	1,000	100.00%
CBA	28. CBA TD	AA-	1,000	4.15	4.15	4.15	0.54	1,000	100.00%
Heritage Bank	29. Heritage Bank	A-	2,000	3.25	3.25	3.25	1.08	2,000	100.00%
CBA	30. CBA TD	AA-	2,000	2.56	2.72	2.61	1.08	2,000	100.00%
Rabobank	31. Rabodirect At-call	AA	5	1.82	2.07	1.87	0.00	5	100.00%
Me Bank	32. ME Bank At Call Account	BBB	822	1.82	2.31	2.07	0.44	822	100.00%
ING	33. ING TD	A-	2,000	3.10	3.10	3.10	1.08	2,000	100.00%
NAB	34. NAB Fixed MTN	AA-	1,000	6.30	6.32	6.32	0.54	1,005	100.50%
Westpac	35. Westpac Fixed MTN	AA-	1,000	6.20	6.15	6.22	0.54	1,006	100.57%
Macquarie Bank	36. Macquarie Bank TD	A	500	6.50	6.50	6.50	0.27	500	100.00%
Bendigo and Adelaide Bank	37. Delphi Bank TD	Unrated	250	6.05	6.05	6.05	0.13	250	100.00%
Bendigo and Adelaide Bank	38. Rural Bank TD	A-	1,000	2.90	2.90	2.90	0.54	1,000	100.00%
Me Bank	39. ME Bank TD	BBB+	1,000	3.07	3.04	3.07	0.54	1,000	100.00%
Bank of Queensland	40. Bank of Queensland TD	A-	1,000	5.15	5.15	5.15	0.54	1,000	100.00%
Bank of Queensland	41. Bank of Queensland TD	A-	2,000	2.72	3.15	2.85	1.08	2,000	100.00%
BoQ Specialist	42. BoQ Specialist	BBB+	250	6.15	6.15	6.15	0.13	250	100.00%
ING	43. ING Floating Rate TD	A-	1,000	4.12	4.41	4.19	0.54	1,000	100.00%
Bank of Queensland	44. Bank of Queensland TD	A-	2,000	3.55	3.55	3.55	1.08	2,000	100.00%
NAB	45. NAB TD	AA-	4,000	2.80	2.93	2.80	2.16	4,000	100.00%
Me Bank	46. ME Bank TD	BBB+	1,000	3.07	3.04	3.07	0.54	1,000	100.00%
Bendigo and Adelaide Bank	47. Bendigo Bank TD	A-	1,000	2.80	2.83	2.81	0.54	1,000	100.00%
Bendigo and Adelaide Bank	48. Bendigo & Adelaide Bank FRN	A-	1,000	2.99	3.24	3.05	0.54	1,002	100.24%
CBA	49. CBA TD	AA-	1,000	3.75	3.75	3.75	0.54	1,000	100.00%
NAB	50. NAB TD	AA-	1,000	2.72	2.75	2.74	0.54	1,000	100.00%
NAB	51. NAB Term Deposit	AA-	2,000	2.80	2.87	2.80	1.08	2,000	100.00%
NAB	52. NAB Term Deposit	AA-	2,000	2.74	2.92	2.74	1.08	2,000	100.00%
AMP	53. AMP Term Deposit	A+	2,000	3.30	3.30	3.30	1.08	2,000	100.00%
Bank of Queensland	54. Bank of Queensland TD	A-	2,000	3.75	3.34	3.75	1.08	2,000	100.00%
Bendigo and Adelaide Bank	55. Bendigo and Adelaide Bank FRN	A-	2,000	3.06	3.31	3.12	1.08	2,013	100.67%

ITEM 2 (continued)

INVESTMENT SUMMARY AS AT 31 DECEMBER 2016

Issuer	Investment Name	Investment Rating	Invested at 31-Dec-16 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2016	% of Total Invested	Indicative Market Value ** \$000's	% Market Value
Newcastle Perm Bldg Soc	56. Newcastle Perm Bldg Soc	BBB+	1,000	3.03	3.03	3.03	0.54	1,000	100.00%
CUA	57. CUA FRN	BBB+	1,000	3.10	3.43	3.19	0.54	1,001	100.05%
Banana Coast CU	58. Bananacoast CU TD	Unrated	1,000	2.80	2.87	2.80	0.54	1,000	100.00%
Bank of Queensland	59. Bankwest TD	AA-	1,000	2.58	2.58	2.58	0.54	1,000	100.00%
Bank of Queensland	60. Bank of Queensland FRN	A-	1,000	2.78	3.12	2.88	0.54	1,001	100.07%
AMP	61. AMP Notice Account	A+	1,073	2.22	2.47	2.28	0.58	1,073	100.00%
NAB	62. NAB TD	AA-	2,000	2.75	2.87	2.79	1.08	2,000	100.00%
Police Bank	63. Police Bank FRN	BBB+	1,000	2.88	3.15	2.94	0.54	1,000	100.03%
Newcastle Perm Bldg Soc	64. Newcastle Perm Bldg Soc TD	BBB+	1,000	3.50	3.39	3.50	0.54	1,000	100.00%
Bendigo and Adelaide Bank	65. Bendigo Bank TD	A-	2,000	2.70	2.77	2.73	1.08	2,000	100.00%
CUA	66. CUA TD	BBB+	1,000	3.05	3.05	3.05	0.54	1,000	100.00%
Newcastle Perm Bldg Soc	67. Newcastle Perm Bldg Soc	BBB+	1,000	2.77	2.77	2.81	0.54	1,000	100.00%
P&N Bank	68. P&N Bank	BBB	1,000	3.17	3.17	3.17	0.54	1,000	100.00%
ANZ	69. ANZ FRN	AA-	2,000	2.63	2.88	2.69	1.08	2,001	100.05%
Me Bank	70. ME Bank FRN	BBB+	2,000	2.78	3.04	2.84	1.08	2,002	100.09%
NAB	71. NAB TD	AA-	2,000	2.70	2.81	2.70	1.08	2,000	100.00%
Bendigo and Adelaide Bank	72. Rural Bank TD	A-	2,000	2.65	2.84	2.65	1.08	2,000	100.00%
QT Mutual Bank	73. Queensland Teachers Mutual Bank FRN	BBB+	1,000	2.83	3.16	2.93	0.54	1,000	100.05%
Teachers Mutual Bank	74. Teachers Mutual Bank	BBB+	1,000	2.84	3.13	2.90	0.54	1,000	100.05%
Auswide Bank	75. Auswide Bank TD	BBB	1,000	2.70	2.80	2.70	0.54	1,000	100.00%
MyState Bank	76. MyState Bank TD	BBB+	1,000	2.87	3.01	2.93	0.54	1,000	100.00%
CBA	77. Bankwest TD	AA-	2,000	2.52	2.96	2.92	1.08	2,000	100.00%
CBA	78. Bankwest TD	AA-	4,000	2.58	2.58	2.58	2.16	4,000	100.00%
NAB	79. NAB Flexi TD	AA-	1,000	2.80	3.15	2.90	0.54	1,000	100.00%
Westpac	80. Westpac FRN	AA-	2,000	2.68	3.00	2.81	1.08	2,001	100.03%
Bendigo and Adelaide Bank	81. Rural Bank Ltd	A-	1,000	3.05	3.02	3.05	0.54	1,000	100.00%
Macquarie Bank	82. Macquarie Bank FRN	A	750	2.89	3.18	2.96	0.40	752	100.21%
Newcastle Perm Bldg Soc	83. Newcastle Perm Bldg Soc FRN	BBB+	1,000	3.36	3.53	3.37	0.54	993	99.26%
Heritage Bank	84. Heritage Bank FRN	BBB+	1,000	2.96	3.19	3.01	0.54	997	99.67%
Bendigo and Adelaide Bank	85. Bendigo Bank TD	A-	2,000	3.05	3.05	3.05	1.08	2,000	100.00%
CBA	86. CBA FRN	AA-	2,000	2.68	3.02	2.83	1.08	1,998	99.90%
Westpac	87. Westpac FRN	AA-	1,000	2.68	2.97	2.80	0.54	999	99.90%
CBA	88. CBA TD	AA-	2,000	2.52	2.72	2.61	1.08	2,000	100.00%
Bendigo and Adelaide Bank	89. Bendigo Bank FRN	A-	1,000	2.88	3.14	2.94	0.54	999	99.93%
NAB	90. NAB TD	AA-	2,000	2.75	2.98	2.87	1.08	2,000	100.00%
NAB	91. NAB Snr FRN	AA-	3,980	2.76	3.04	2.82	2.15	3,984	99.61%
CBA	92. CBA FRN	CBA	2,000	2.56	2.89	2.70	1.08	2,006	100.30%
Suncorp-Metway	93. Suncorp FRN	A+	800	3.04	3.37	3.18	0.43	807	100.83%
NAB	94. NAB FRN	AA+	2,000	2.87	3.12	2.94	1.08	2,007	100.36%
ANZ	95. ANZ Floating TD	AA-	4,000	3.30	3.55	3.36	2.16	4,000	100.00%
AMP	96. AMP FRN	A+	1,600	2.89	3.22	2.98	0.86	1,608	100.47%
CBA	97. CBA TD	AA-	2,000	2.63	2.86	2.74	1.08	2,000	100.00%
ANZ	98. ANZ Flexi TD	AA-	4,000	3.25	3.59	3.35	2.16	4,000	100.00%
CBA	99. CBA FRN	AA-	4,000	2.93	3.27	3.09	2.16	4,021	100.53%
CBA	100. CBA FRN	AA-	1,984	2.94	3.26	3.09	1.07	1,998	99.90%
Westpac	101. Westpac FRN	AA-	4,000	2.78	2.96	2.84	2.16	4,023	100.57%
CUA	102. CUA FRN	BBB+	2,000	3.37	3.64	3.49	1.08	2,002	100.11%
Newcastle Perm Bldg Soc	103. NPBS FRN	BBB+	1,000	3.40	3.66	3.50	0.54	1,004	100.43%
ANZ	104. ANZ FRN	AA-	4,000	2.94	3.21	3.08	2.16	4,026	100.64%
NAB	105. NAB Fixed Bond	AA-	2,986	3.16	3.11	3.10	1.61	2,956	98.54%
CBA	106. Bankwest 11am Account	AA-	1,002	2.02	2.10	2.06	0.54	1,002	100.00%
Westpac	107. Westpac MTN	AA-	3,990	3.13	3.18	3.18	2.15	3,954	98.85%
Suncorp-Metway	108. Suncorp FRN (Covered)	AAA	4,000	2.88	3.00	2.99	2.16	3,995	99.87%
Newcastle Perm Bldg Soc	109. Newcastle Perm Bldg Soc FRN	BBB+	993	3.62	3.61	3.61	0.54	993	99.26%
ANZ	110. ANZ Fixed Bond	AA-	3,985	2.92	2.92	2.92	2.15	3,894	97.36%
Defence Bank	111. Defence Bank TD	BBB+	1,000	2.85	2.85	2.85	0.54	1,000	100.00%
Bendigo and Adelaide Bank	112. Bendigo and Adelaide Bank TD	A-	2,000	2.70	2.70	2.70	1.08	2,000	100.00%
Me Bank	113. ME Bank FRN	BBB+	1,001	3.13	3.13	3.13	0.54	1,001	100.07%
			185,192	2.93	3.10	2.99	100	185,172	

ITEM 2 (continued)

*Monthly returns when annualised can appear to exaggerate performance

**Market valuations are indicative prices only, and do not necessarily reflect the price at which a transaction could be entered into.

Return including Matured/Traded Investments	<u>Dec</u>	<u>12 Mth</u>	<u>FYTD</u>
Weighted Average Return	2.93	3.11	2.98
Benchmark Return: AusBond Bank Bill Index (%)	1.72	2.07	1.84
Variance From Benchmark (%)	<u>1.21</u>	<u>1.04</u>	<u>1.14</u>

Investment Income

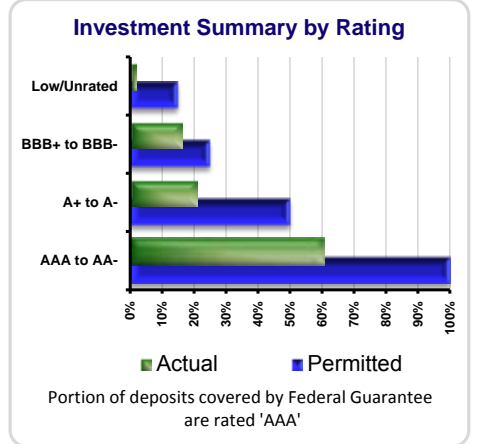
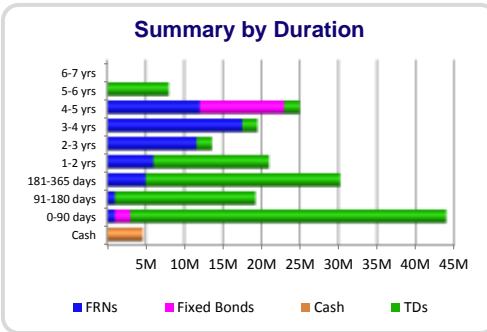
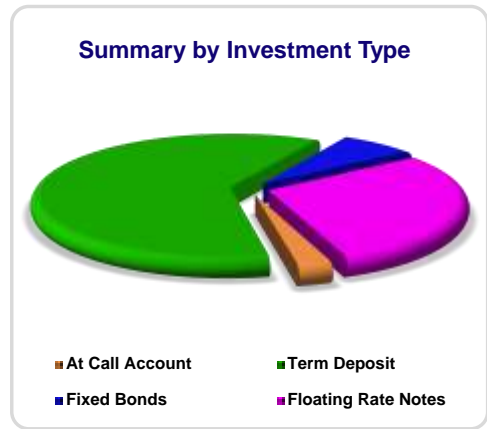
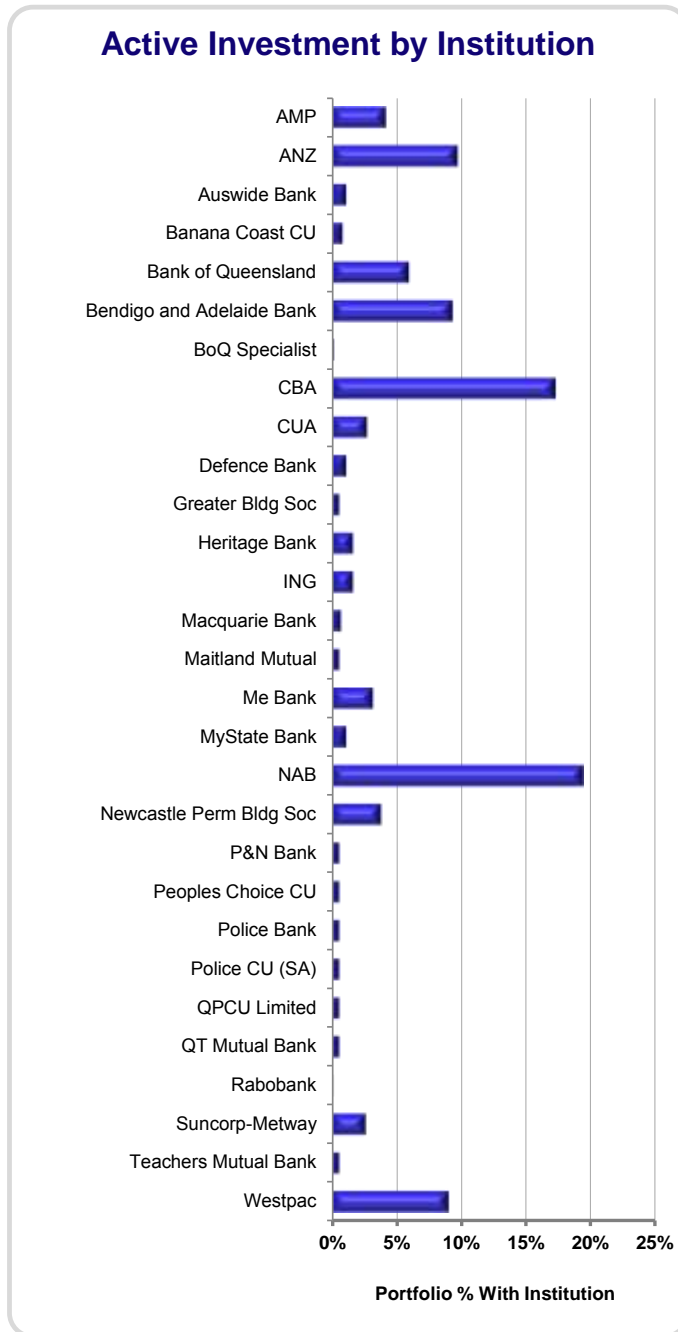
	<u>\$000's</u>
This Period	457
Financial Year To Date	2,681
Budget Profile	<u>2,000</u>
Variance from Budget - \$	<u>681</u>

Analysis of investments

The following graphs show analysis of the total cash investments by:

- Type of investment
- Institution
- Duration
- Rating

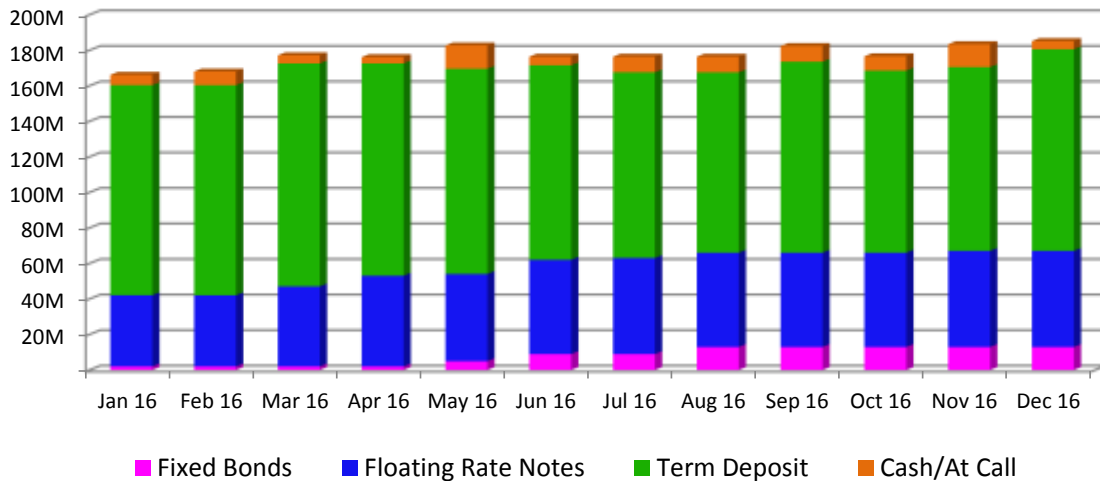
ITEM 2 (continued)



	<365 days	>365 days
Cash/TDs	\$89.1M	\$29.0M
FRNs	\$7.0M	\$47.1M
Fixed Bonds	\$2.0M	\$11.0M
	\$98.1M	\$87.1M

ITEM 2 (continued)

Total Funds Invested



Financial Implications

Income from interest on investments and proceeds from sales of investments totals \$2.68M, being \$681K above original budget projections. The increase in interest is due mainly to Council receiving more funds for Section 94 contributions.

Summary

Council’s financial year to date return is 2.98%, which is 1.14% above benchmark. Income from interest on investments and proceeds from sale of investments totals \$2.68M, \$681K above original budget projections. The recommendation is consistent with Section 625 of the Local Government Act, which deals with the investment of surplus funds by Councils.

Certificate of the Acting Chief Financial Officer (Responsible Accounting Officer)

I certify that as at the date of this report, the investments listed have been made and are held in compliance with Council’s Investment Policy and applicable legislation.

Jifeng Huang
Acting Chief Financial Officer

ITEM 2 (continued)

ATTACHMENT 1

Council's Property Investment Portfolio

The following properties were held as part of Council's Property Investment portfolio;

Property	\$' M
1A Station St, West Ryde	0.90
2 Dickson Ave, West Ryde	1.10
8 Chatham Rd, West Ryde	1.37
202 Rowe Street, Eastwood	3.09
226 Victoria Rd, Gladesville	0.35
7 Anthony Road, West Ryde	5.10
7 Coulter Street, Coulter St Car Park, Gladesville	21.88
6-12 Glen Street, Glen Street Car Park, Eastwood	35.52
2 Pittwater Road, John Wilson Car Park, Gladesville	8.30
150 Coxs Road, Cox Rd Car Park, North Ryde	1.45
33-35 Blaxland Road, Argyle Centre, Ryde	5.45
19-21 Church Street and 16 Devlin Street, Ryde	10.63
6 Reserve Street, West Ryde	3.55
Herring Road Air Space Rights	0.50
741-747 Victoria Road, Ryde (Battery World)	7.06
53-71 Rowe Street, Eastwood	6.90
Total Investment Properties as per the Financial Statements	113.16
1 Constitution Road, Operations Centre, Ryde ⁽¹⁾	28.25
PROPERTIES HELD FOR RE-SALE	141.41

(1) The value for this is currently held in Non-Current Assets in Note 9, and once vacated by Council; it will be transferred to Investment Properties within the Financial Statements.

(2) The above figures refer to the land only as valued at "best use", and do not include the value of any structures.

Benchmark

The Bloomberg Ausbond Bank Bill index is constructed as a benchmark to represent the performance of a passively managed short-term money market portfolio. It comprises thirteen Bank Bills of equal face value, each with a maturity seven days apart. The average term to maturity is approximately 45 days.

A Bank Bill is a non-interest bearing security issued by a bank whereby the bank takes on an obligation to pay an investor a fixed amount (face value) at a fixed future date. It is sold to an investor at a discount to the face value. Bank Bills are short-term money market investments with maturities usually between 30 days and 180 days.

ITEM 2 (continued)

ATTACHMENT 1

Types of Investments

The following are the types of investments held by Council:

At Call refers to funds held at a financial institution, and can be recalled by Council either same day or on an overnight basis.

A Floating Rate Note (FRN) is a debt security issued by a company with a variable interest rate. This can either be issued as Certificates of Deposit (CD) or as Medium Term Notes (MTN). The interest rate can be either fixed or floating, where the adjustments to the interest rate are usually made quarterly and are tied to a certain money market index such as the Bank Bill Swap Rate.

A Fixed Rate Bond is a debt security issued by a company with a fixed interest rate over the term of the bond.

Credit Rating Information

Credit ratings are generally a statement as to an institution's credit quality. Ratings ranging from AAA to BBB- (long term) are considered investment grade.

A general guide as to the meaning of each credit rating is as follows:

AAA: the best quality companies, reliable and stable

AA: quality companies, a bit higher risk than AAA

A: economic situation can affect finance

BBB: medium class companies, which are satisfactory at the moment

BB: more prone to changes in the economy

B: financial situation varies noticeably

CCC: currently vulnerable and dependent on favourable economic conditions to meet its commitments

CC: highly vulnerable, very speculative bonds

C: highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations

D: has defaulted on obligations and it is believed that it will generally default on most or all obligations

Note: Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

ITEM 2 (continued)

ATTACHMENT 1

Council's Investment Powers

Council's investment powers are regulated by Section 625 of the Local Government Act, which states:

- (1) A council may invest money that is not, for the time being, required by the council for any other purpose.
- (2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.
- (3) An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
- (4) The acquisition, in accordance with section 358, of a controlling interest in a corporation or an entity within the meaning of that section is not an investment for the purposes of this section.

Council's investment policy requires that all investments are to be made in accordance with;

- Local Government Act 1993 - Section 625
- Local Government Act 1993 - Order (of the Minister) dated 12 January 2011
- The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) & (2)
- Local Government (Financial Management) Regulation 1993
- Investment Guidelines issued by the Department of Local Government

Legal Issues

The following update is provided in respect of Council's legal action in these matters, which are still to be resolved.

The team from Piper Alderman, led by Amanda Banton, moved to Squire Patton and Boggs, another firm of solicitors. The funders of Council's legal action consented to their representation moving with Amanda Banton and her team, with Council supportive of this change as resolved at its meeting on 10 February 2015.

Over the last 12 months additional legal action was commenced against rating agencies, as part of the original class action against the issuing bodies. The rating agencies are:

- McGraw Hill Companies Inc.; and
- Standard & Poor's International, LLC.

ITEM 2 (continued)

ATTACHMENT 1

Lehman / Grange IMP

On Friday 21 September 2012, Justice Rares handed down the judgment in this matter, which was in favour of the Councils involved in this legal action.

On 25 September 2013 the Federal Court approved the calling of a meeting of Scheme Creditors of Lehman Australia to consider the proposed Insurance Only Scheme. The applicants and group members in the Lehman Australia class action are Scheme Creditors.

The Scheme is subject to Court approval. The application was listed for hearing on 31 October 2013. The Scheme was approved by the Court on 9 December 2013; all Scheme Creditors are now bound by the Scheme irrespective of whether they have voted for it or even if they voted against it. Council has received a counter offer from Lehman Brothers Australia Limited (in Liquidation), which was \$27K less than the amount claimed. This offer has been accepted by the then Acting General Manager under delegated authority. The finalisation of the matter is pending, and the Supreme Court handed down its judgment with the most recent update being that the total dividend to be paid will be between 20 and 40c in the dollar.

The first dividend payment of 10.99c in the dollar was received on 30 September 2015.

While the above court action has been proceeding, the related investments of the Lehman / Grange IMP (Merimbula and Global Bank Note) have been finalised and paid to Council. As previously reported, Council has received \$752k for these investments representing full payment of the principal and interest. A dividend of \$409K was paid to Council 1 July 2016.

Lehman / Grange IMP (Standard and Poor's, and McGraw-Hill)

The funding body continued the class action, and is part of the original funding agreement, but required taking out a separate action against McGraw Hill Companies Inc. and Standard & Poor's International, LLC. These actions commenced in August 2014.

A recent update from Council's funding body, IMF advises Council that S&P have not complied with the Court's order to provide its evidence by 11 September 2015 and therefore this will see this matter further delayed. It was anticipated that this matter will be listed for a hearing date in August 2016. The Court ordered S&P to complete its further discovery by 30 October 2015 and to provide its expert evidence by 7 December 2015.

ITEM 2 (continued)

ATTACHMENT 1

It is advised that the action against the McGraw Hill Companies and Standard & Poor's culminated in the Federal Court of Australia approving the settlement of these proceedings on 24 March 2016. As a result, Council's General Manager executed the Deeds of Covenant in respect of this matter on 2 May 2016, and a dividend of \$414K was paid to Council in May 2016. A final distribution of \$46K was made to Council on 30 June 2016.

LGFS – Rembrandt

On 5 November 2012, Federal Court Justice Jayne Jagot ruled that Councils were entitled to succeed in their claim for damages against Local Government Financial Services (LGFS), ABN AMRO and Standard & Poor's (S&P). This result vindicates Council's Investment in this product with Justice Jayne Jagot finding that LGFS, ABN AMRO and S&P had collectively been responsible for misleading and deceptive conduct and negligent misrepresentation of this investment to Councils.

On 1 March 2013, the Federal Court of Australia awarded compensation and costs to Councils against S&P. Council was awarded \$933K principal (equivalent to the balance outstanding) and \$331K in interest. Of this, 70% is payable to IMF Bentham for their funding of the legal action (including legal costs), resulting in a net benefit to Council of approximately \$382K, which was paid to Council on 4 April 2013.

A teleconference was held on 4 November 2013 with the other Councils involved to discuss GST issues, should a settlement be reached.

The appeal has been heard in relation to this matter, and judgement handed down on Friday 6 June 2014, where the appeal was dismissed, and all the findings of the primary judge, Justice Jagot, were upheld.

Accordingly the Full Court held that each of LGFS, ABN Amro and S&P are individually liable for 100% of Council's losses. The primary orders held them liable for one third each. Council has already received payment from each of the respondents, as indicated above.

CBA – Oasis and Palladin

Council has endorsed City of Ryde being a third party to an action against CBA in relation to the Oasis CDO investments for \$1 million that Council has written down to zero. A mediation session occurred with CBA on 8 October 2013. The mediation was adjourned to allow certain steps to take place and the parties are continuing to engage in "without prejudice" discussions, and the outcome will not be known until mid-2015.

ITEM 2 (continued)

ATTACHMENT 1

As a result of these discussions, the matter has now progressed and Justice Foster has approved a proposed settlement with CBA, in relation to costs. Payment of the initial dividend of \$836K was received from Squire Patton Boggs on 18 December 2015.

Whilst Council had written off the Oasis investment, the investment had one further default until it completely defaulted. As previously reported, Council sold the Oasis investment at 35.7 cents in the dollar on the remaining principal of \$625K, being \$223,337. This will be taken into account as part of any settlement.

As part of this action, Council is also a party to action against CBA for its investment in the Palladin CDO, of which Council held \$2 million. This investment defaulted in October 2008, and was written down to zero.

CBA – Oasis and Palladin (Standard and Poors, and McGraw-Hill)

This is a continuation of the class action against CBA for the Oasis and Palladin products, and is part of the original funding agreement, but requires the taking out of a separate action against McGraw Hill Companies Inc.; and Standard & Poor's International, LLC.

Council endorsed in August 2015 to continue as a member of this further class action, under the original funding agreement. This is being filed to ensure that it is within the statute of limitations. This legal action is ongoing.

3 INVESTMENT REPORT - January 2017

Report prepared by: Acting Chief Financial Officer
File No.: FIM/07/6/4 - BP17/97

REPORT SUMMARY

This report details Council's performance of its investment portfolio for January 2017 and compares it against key benchmarks. The report includes the estimated market valuation of Council's investment portfolio, loan liabilities, and an update on Council's legal action against various parties.

Council's financial year to date return is 2.98%, which is 1.14% above benchmark. Income from interest on investments and proceeds from sale of investments totals \$3.14M, \$808K above original budget projections.

RECOMMENDATION:

That Council endorse the Investment Report – January 2017.

ATTACHMENTS

1 P07 Investment Report January 2017 Attachment

Report Prepared By:

Jifeng Huang
Acting Chief Financial Officer

Report Approved By:

Steven Kludass
Director - Corporate and Organisational Support Services

ITEM 3 (continued)

Discussion

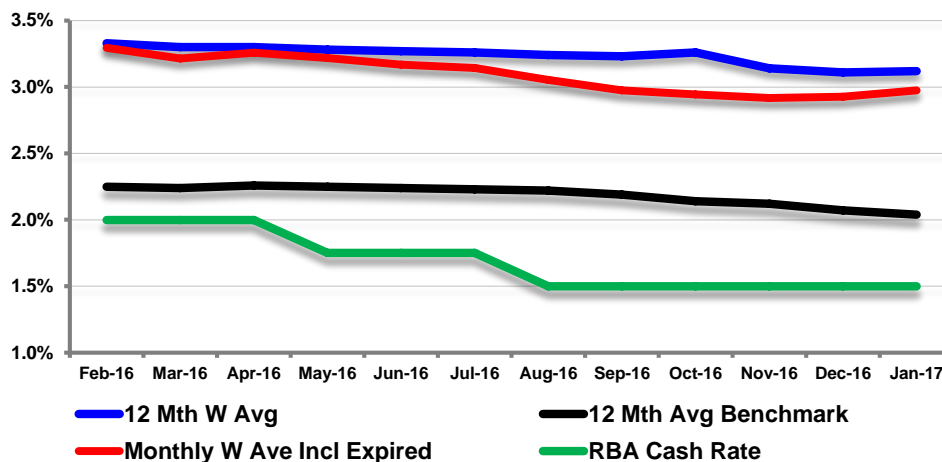
Council's Responsible Accounting Officer, is required to report monthly on Council's Investment Portfolio and certify that the Investments are held in accordance with Council's Investment Policy and Section 625 of the Local Government Act.

Investment Performance Commentary

Council's performance against the benchmark for returns of its investment portfolio for January 2017 and the past 12 months are as follows:

	Jan	12 Mth	FYTD
Council Return	2.97	3.12	2.98
Benchmark	1.86	2.04	1.84
Variance	1.11	1.08	1.14

Performance - All Investments



Council's investment portfolio as at 31 January 2017 was as follows:

Cash/Term Deposits	\$114.1M	63.0%
Floating Rate Notes	\$54.1M	29.9%
Fixed Bonds	\$13.0M	7.2%
Total Cash Investments	\$181.2M	
Investment Properties	\$141.4M	
Total Investments	\$322.6M	

Council's investment properties, updated as at 30 June 2016, are shown in **ATTACHMENT 1**.

ITEM 3 (continued)

The valuations listed have been undertaken in accordance with the revaluation process to 'best use' by an independent valuer, in compliance with the Australian Accounting Standards. It should be noted that the Operations Centre in Constitution Road, Ryde, has been included as an Investment Property, however these values have not been incorporated into the value of the Investment Properties in the Financial Statements, as they do not fit the Accounting Standard criteria.

Council continues to utilise the Federal Government's current guarantee (\$250K) investing in Term Deposits with a range of Authorised Deposit Taking Institutions (ADI's) on short to medium term investments (generally 30 days to 180 days maturity) where more competitive rates are available.

Whilst Council has moved some of its investment portfolio out to longer terms, to lock in future returns, it should be noted that there is approximately \$83 million of Council's funds held in Internal Reserves.

Should Council consider utilising its Internal Reserves, this will have a direct impact on the amount of investment income that will be realised and will require a reduction in the future projected investment income and will place pressure on Council to be able to maintain its current level of expenditure on capital projects or maintenance.

Council's income from investments is above the revised projections, due mainly to Council receiving more funds from Section 94 Contributions, with investment income for General Revenue remaining steady.

Legal Issues

There are no current legal issues to comment on for this month. Please refer to **ATTACHMENT 1** for a summary of historical litigation and outcomes to date.

Loan Liability

Council's loan liability as at 31 January was \$3.3 million which represents the balance of:

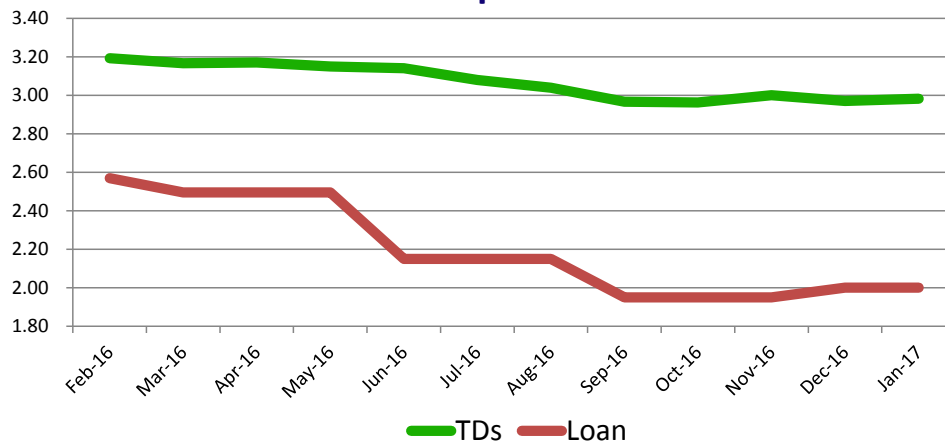
1. \$6.8M 15 year loan drawn down in 2004 at 90 Day BBSW + 20 basis points for the Civic Centre Redevelopment and refinancing the West Ryde Tunnel. The interest rate for this loan is reset every quarter;
2. \$1.5M 10 year loan drawn down 31 January 2014 at 180 day BBSW +175 basis points for the Children's Play Implementation Plan, which was approved for an LIRS subsidy in Round 2. The interest rate for this loan is reset every six months;

ITEM 3 (continued)

3. \$1.5M 10 year loan drawn down 1 September 2014 at 4.95% for Phase 2 of the Children’s Play Implementation Plan, which was approved for an LIRS subsidy in Round 3.

There is no advantage to Council in changing the arrangements or repaying the loan, as detailed in point 1 above, earlier than planned. Council is receiving a better rate of return on its investments than it is paying in interest on this loan. The following graph shows the gap between the average interest rate earned on Council’s term deposits (top line) compared to the interest rate applying to loan 1 above (bottom line).

Term Deposits/Loan Interest Rate Comparison



ITEM 3 (continued)

INVESTMENT SUMMARY AS AT 31 JANUARY 2017

Issuer	Investment Name	Investment Rating	Invested at 31-Jan-17 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2016	% of Total Invested	Indicative Market Value ** \$000's	% Market Value
Westpac	1. Westpac At Call	AA-	707	0.69	0.93	0.75	0.39	707	100.00%
Westpac	2. Westpac Term Deposit	AA-	4,000	2.65	2.65	2.65	2.21	4,000	100.00%
Bank of Queensland	3. Bank of Queensland TD	A-	2,000	2.88	2.99	2.88	1.10	2,000	100.00%
CBA	4. Bankwest Term Deposit	AA-	1,000	2.58	2.78	2.68	0.55	1,000	100.00%
NAB	5. NAB Term Deposit	AA-	4,000	2.67	2.83	2.81	2.21	4,000	100.00%
NAB	6. NAB Term Deposit	AA-	2,000	2.85	3.00	2.85	1.10	2,000	100.00%
AMP	7. AMP TD	A	1,000	3.00	2.96	3.00	0.55	1,000	100.00%
MyState Bank	8. MyState Bank TD	BBB+	1,000	2.96	2.98	2.96	0.55	1,000	100.00%
NAB	9. NAB Term Deposit	AA-	2,000	2.70	3.03	2.82	1.10	2,000	100.00%
CBA	10. Bankwest Term Deposit	AA-	2,000	2.58	2.77	2.64	1.10	2,000	100.00%
NAB	11. NAB Term Deposit	AA-	2,000	2.65	2.84	2.65	1.10	2,000	100.00%
Defence Bank	12. Defence Bank TD	BBB+	1,000	3.10	3.09	3.10	0.55	1,000	100.00%
QPCU Limited	13. QPCU Limited	Unrated	1,000	3.00	3.00	3.00	0.55	1,000	100.00%
Bendigo and Adelaide Bank	14. Bendigo Bank TD	A-	1,000	2.80	2.74	2.77	0.55	1,000	100.00%
CUA	15. Credit Union Australia TD	BBB+	1,000	3.10	3.10	3.10	0.55	1,000	100.00%
Peoples Choice CU	16. Peoples Choice CU	BBB+	1,000	2.80	2.98	2.96	0.55	1,000	100.00%
Bendigo and Adelaide Bank	17. Rural Bank	A-	1,000	6.48	6.48	6.48	0.55	1,000	100.00%
Banana Coast CU	18. Bananacoast CU TD	Unrated	500	2.70	3.07	3.05	0.28	500	100.00%
CBA	19. Bankwest Term Deposit	AA-	2,000	2.58	2.79	2.64	1.10	2,000	100.00%
Auswide Bank	20. Auswide Bank TD	BBB	1,000	2.82	2.95	2.93	0.55	1,000	100.00%
Maitland Mutual	21. Maitland Mutual Bldg Soc TD	Unrated	1,000	2.95	3.01	2.99	0.55	1,000	100.00%
AMP	22. AMP Business Saver	A	1,017	2.07	2.27	2.11	0.56	1,017	100.00%
Newcastle Perm Bldg Soc	23. Newcastle Perm Bldg Soc	BBB+	1,000	3.10	3.03	3.10	0.55	1,000	100.00%
Greater Bldg Soc	24. Greater Bldg Soc TD	BBB	1,000	3.00	2.96	3.00	0.55	1,000	100.00%
Police CU (SA)	25. Police CU - SA	Unrated	1,000	3.11	3.11	3.11	0.55	1,000	100.00%
AMP	26. AMP TD	A	1,000	2.85	2.85	2.85	0.55	1,000	100.00%
CBA	27. CBA TD	AA-	1,000	4.15	4.15	4.15	0.55	1,000	100.00%
Heritage Bank	28. Heritage Bank	A-	2,000	3.25	3.25	3.25	1.10	2,000	100.00%
CBA	29. CBA TD	AA-	2,000	2.56	2.70	2.60	1.10	2,000	100.00%
Rabobank	30. Rabodirect At-call	AA	5	1.83	2.02	1.87	0.00	5	100.00%
Me Bank	31. ME Bank At Call Account	BBB	823	1.77	2.20	2.03	0.45	823	100.00%
ING	32. ING TD	A-	2,000	3.10	3.10	3.10	1.10	2,000	100.00%
NAB	33. NAB Fixed MTN	AA-	1,000	6.30	6.32	6.31	0.55	1,002	100.16%
Westpac	34. Westpac Fixed MTN	AA-	1,000	6.20	6.15	6.22	0.55	1,002	100.22%
Macquarie Bank	35. Macquarie Bank TD	A	500	6.50	6.50	6.50	0.28	501	100.22%
Bendigo and Adelaide Bank	36. Delphi Bank TD	Unrated	250	6.05	6.05	6.05	0.14	250	100.00%
Me Bank	37. ME Bank TD	BBB+	1,000	3.07	3.05	3.07	0.55	1,000	100.00%
Bank of Queensland	38. Bank of Queensland TD	A-	1,000	5.15	5.15	5.15	0.55	1,000	100.00%
Bank of Queensland	39. Bank of Queensland TD	A-	2,000	2.72	3.04	2.83	1.10	2,000	100.00%
BoQ Specialist	40. BoQ Specialist	BBB+	250	6.15	6.15	6.15	0.14	250	100.00%
ING	41. ING Floating Rate TD	A-	1,000	4.14	4.37	4.18	0.55	1,000	100.00%
Bank of Queensland	42. Bank of Queensland TD	A-	2,000	3.55	3.55	3.55	1.10	2,000	100.00%
NAB	43. NAB TD	AA-	4,000	2.80	2.88	2.80	2.21	4,000	100.00%
Me Bank	44. ME Bank TD	BBB+	1,000	3.07	3.05	3.07	0.55	1,000	100.00%
Bendigo and Adelaide Bank	45. Bendigo Bank TD	A-	1,000	2.80	2.83	2.81	0.55	1,000	100.00%
Bendigo and Adelaide Bank	46. Bendigo & Adelaide Bank FRN	A-	1,000	2.99	3.20	3.04	0.55	1,002	100.20%
CBA	47. CBA TD	AA-	1,000	3.75	3.75	3.75	0.55	1,000	100.00%
NAB	48. NAB TD	AA-	1,000	2.72	2.74	2.74	0.55	1,002	100.18%
NAB	49. NAB Term Deposit	AA-	2,000	2.80	2.87	2.80	1.10	2,000	100.00%
NAB	50. NAB Term Deposit	AA-	2,000	2.74	2.85	2.74	1.10	2,000	100.00%
AMP	51. AMP Term Deposit	A+	2,000	3.30	3.30	3.30	1.10	2,000	100.00%
Bank of Queensland	52. Bank of Queensland TD	A-	2,000	3.75	3.65	3.75	1.10	2,000	100.00%
Bendigo and Adelaide Bank	53. Bendigo and Adelaide Bank FRN	A-	2,000	3.06	3.27	3.11	1.10	2,018	100.89%
Newcastle Perm Bldg Soc	54. Newcastle Perm Bldg Soc	BBB+	1,000	3.03	3.03	3.03	0.55	1,000	100.00%
CUA	55. CUA FRN	BBB+	1,000	3.12	3.38	3.18	0.55	1,000	100.05%

ITEM 3 (continued)

Issuer	Investment Name	Investment Rating	Invested at 31-Jan-17 \$000's	Annualised Period Return (%)	12 Month Average Return on Current Investments	Return since 01 July 2016	% of Total Invested	Indicative Market Value ** \$000's	% Market Value
Banana Coast CU	56. Bananacoast CU TD	Unrated	1,000	2.80	2.86	2.80	0.55	1,000	100.00%
Bank of Queensland	57. Bankwest TD	AA-	1,000	2.58	2.58	2.58	0.55	1,000	100.03%
Bank of Queensland	58. Bank of Queensland FRN	A-	1,000	2.80	3.07	2.87	0.55	1,002	100.20%
AMP	59. AMP Notice Account	A+	1,075	2.22	2.42	2.27	0.59	1,075	100.00%
NAB	60. NAB TD	AA-	2,000	2.75	2.86	2.78	1.10	2,001	100.07%
Police Bank	61. Police Bank FRN	BBB+	1,000	2.88	3.10	2.93	0.55	1,001	100.05%
Newcastle Perm Bldg Soc	62. Newcastle Perm Bldg Soc TD	BBB+	1,000	3.50	3.44	3.50	0.55	1,000	100.00%
Bendigo and Adelaide Bank	63. Bendigo Bank TD	A-	2,000	2.70	2.76	2.73	1.10	2,001	100.03%
CUA	64. CUA TD	BBB+	1,000	3.05	3.05	3.05	0.55	1,000	100.00%
Newcastle Perm Bldg Soc	65. Newcastle Perm Bldg Soc	BBB+	1,000	2.77	2.77	2.81	0.55	1,000	100.00%
P&N Bank	66. P&N Bank	BBB	1,000	3.17	3.17	3.17	0.55	1,000	100.00%
ANZ	67. ANZ FRN	AA-	2,000	2.63	2.85	2.68	1.10	2,007	100.35%
Me Bank	68. ME Bank FRN	BBB+	2,000	2.78	3.00	2.83	1.10	2,002	100.08%
NAB	69. NAB TD	AA-	2,000	2.70	2.77	2.70	1.10	2,001	100.05%
Bendigo and Adelaide Bank	70. Rural Bank TD	A-	2,000	2.65	2.82	2.65	1.10	2,002	100.08%
QT Mutual Bank	71. Queensland Teachers Mutual Bank FRN	BBB+	1,000	2.86	3.12	2.92	0.55	1,001	100.08%
Teachers Mutual Bank	72. Teachers Mutual Bank	BBB+	1,000	2.86	3.09	2.90	0.55	1,001	100.08%
Auswide Bank	73. Auswide Bank TD	BBB	1,000	2.70	2.75	2.70	0.55	1,000	100.04%
MyState Bank	74. MyState Bank TD	BBB+	1,000	2.87	2.99	2.90	0.55	1,000	100.04%
CBA	75. Bankwest TD	AA-	2,000	2.52	2.92	2.86	1.10	2,000	100.00%
CBA	76. Bankwest TD	AA-	4,000	2.58	2.58	2.58	2.21	4,000	100.00%
Westpac	77. Westpac FRN	AA-	2,000	2.69	2.97	2.79	1.10	2,008	100.40%
Bendigo and Adelaide Bank	78. Rural Bank Ltd	A-	1,000	3.05	3.04	3.05	0.55	1,000	100.00%
Macquarie Bank	79. Macquarie Bank FRN	A	750	2.90	3.13	2.95	0.41	753	100.35%
Newcastle Perm Bldg Soc	80. Newcastle Perm Bldg Soc FRN	BBB+	1,000	3.16	3.43	3.24	0.55	997	99.67%
Heritage Bank	81. Heritage Bank FRN	BBB+	1,000	2.96	3.15	3.00	0.55	999	99.85%
Bendigo and Adelaide Bank	82. Bendigo Bank TD	A-	2,000	3.05	3.05	3.05	1.10	2,004	100.21%
CBA	83. CBA FRN	AA-	2,000	2.69	2.98	2.81	1.10	1,998	99.90%
Westpac	84. Westpac FRN	AA-	1,000	2.68	2.94	2.78	0.55	1,003	100.27%
CBA	85. CBA TD	AA-	2,000	2.52	2.70	2.59	1.10	2,000	100.00%
Bendigo and Adelaide Bank	86. Bendigo Bank FRN	A-	1,000	2.88	3.10	2.93	0.55	1,002	100.17%
NAB	87. NAB TD	AA-	2,000	2.75	2.96	2.86	1.10	1,998	99.90%
NAB	88. NAB Snr FRN	AA-	3,980	2.76	2.99	2.81	2.20	3,997	99.94%
CBA	89. CBA FRN	CBA	2,000	2.57	2.86	2.68	1.10	2,006	100.28%
Suncorp-Metway	90. Suncorp FRN	A+	800	3.05	3.33	3.16	0.44	808	100.99%
NAB	91. NAB FRN	AA+	2,000	2.87	3.09	2.93	1.10	2,016	100.79%
ANZ	92. ANZ Floating TD	AA-	4,000	3.30	3.51	3.35	2.21	4,011	100.28%
AMP	93. AMP FRN	A+	1,600	2.90	3.17	2.97	0.88	1,607	100.46%
CBA	94. CBA TD	AA-	2,000	2.63	2.83	2.72	1.10	2,007	100.36%
ANZ	95. ANZ Flexi TD	AA-	4,000	3.27	3.54	3.34	2.21	4,000	100.00%
CBA	96. CBA FRN	AA-	4,000	2.94	3.24	3.06	2.21	4,021	100.52%
CBA	97. CBA FRN	AA-	1,984	2.95	3.24	3.07	1.09	1,998	99.90%
Westpac	98. Westpac FRN	AA-	4,000	2.78	2.95	2.83	2.21	4,028	100.71%
CUA	99. CUA FRN	BBB+	2,000	3.43	3.62	3.48	1.10	2,006	100.31%
Newcastle Perm Bldg Soc	100. NPBS FRN	BBB+	1,000	3.43	3.64	3.49	0.55	1,005	100.51%
ANZ	101. ANZ FRN	AA-	4,000	2.98	3.19	3.06	2.21	4,047	101.18%
NAB	102. NAB Fixed Bond	AA-	2,986	3.16	3.11	3.11	1.65	2,980	99.32%
CBA	103. Bankwest 11am Account	AA-	1,002	2.02	2.09	2.05	0.55	1,006	100.41%
Westpac	104. Westpac MTN	AA-	3,990	3.19	3.18	3.18	2.20	3,977	99.43%
Suncorp-Metway	105. Suncorp FRN (Covered)	AAA	4,000	2.93	2.99	2.98	2.21	4,008	100.21%
Newcastle Perm Bldg Soc	106. Newcastle Perm Bldg Soc FRN	BBB+	993	3.40	3.46	3.46	0.55	997	99.67%
ANZ	107. ANZ Fixed Bond	AA-	3,985	2.92	2.92	2.92	2.20	3,923	98.06%
Defence Bank	108. Defence Bank TD	BBB+	1,000	2.85	2.85	2.85	0.55	999	99.88%
Bendigo and Adelaide Bank	109. Bendigo and Adelaide Bank TD	A-	2,000	2.70	2.70	2.70	1.10	1,986	99.28%
Me Bank	110. ME Bank FRN	BBB+	1,001	3.24	3.18	3.18	0.55	1,001	100.07%
			181,198	2.98	3.08	2.99	100	181,367	

ITEM 3 (continued)

Certificate of the Responsible Accounting Officer

*Monthly returns when annualised can appear to exaggerate performance

**Market valuations are indicative prices only, and do not necessarily reflect the price at which a transaction could be entered into.

Return including Matured/Traded Investments	Jan	12 Mth	FYTD
Weighted Average Return	2.97	3.12	2.98
Benchmark Return: AusBond Bank Bill Index (%)	1.86	2.04	1.84
Variance From Benchmark (%)	1.11	1.08	1.14

Investment Income

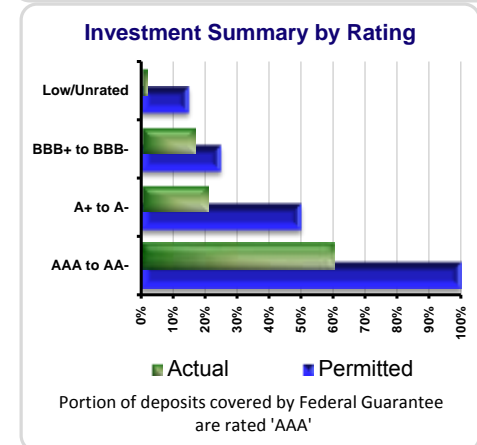
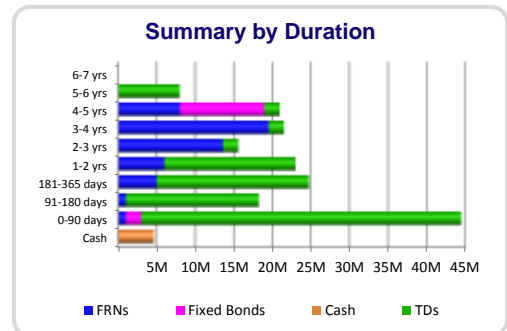
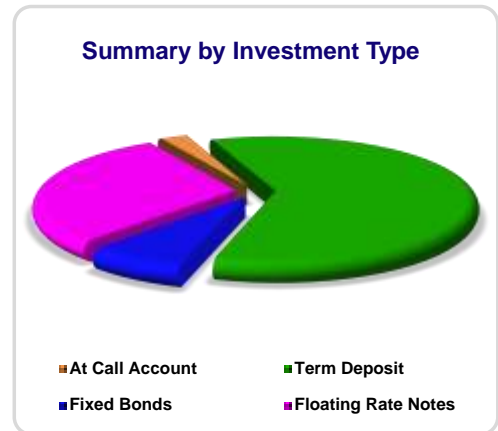
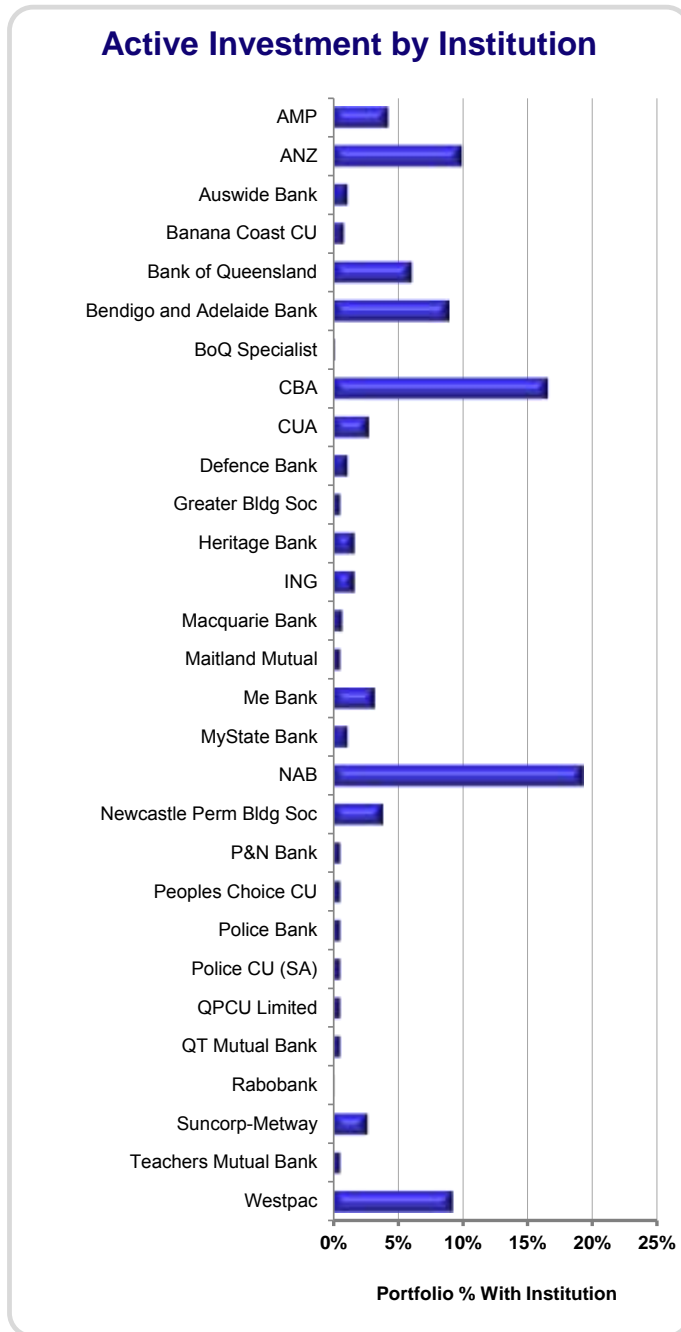
	\$000's
This Period	459
Financial Year To Date	3,141
Budget Profile	2,333
Variance from Budget - \$	808

Analysis of investments

The following graphs show analysis of the total cash investments by:

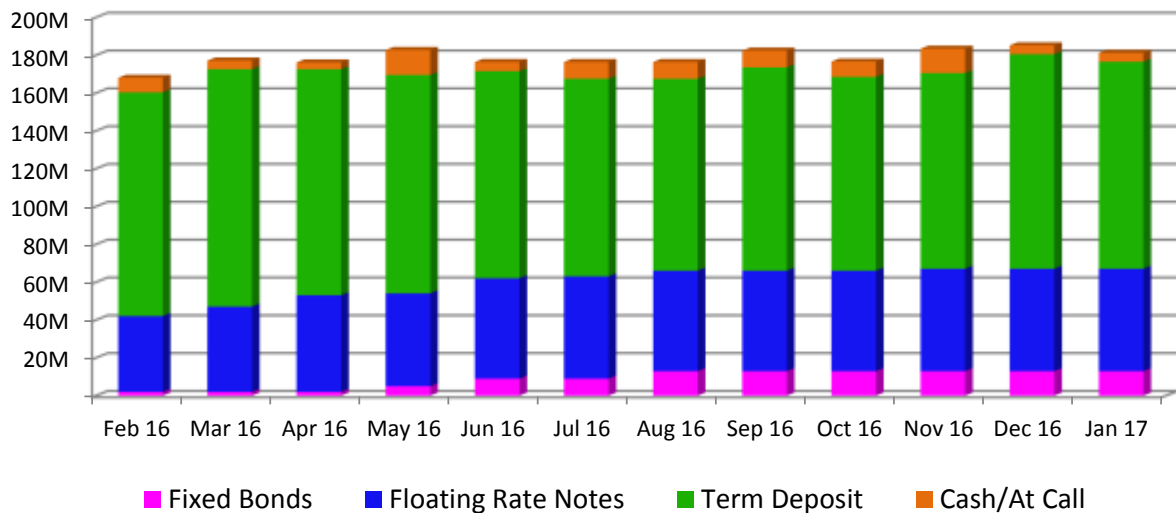
- Type of investment
- Institution
- Duration
- Rating

ITEM 3 (continued)



ITEM 3 (continued)

Total Funds Invested



Financial Implications

Income from interest on investments and proceeds from sales of investments totals \$3.14M, being \$808K above original budget projections, with an adjustment of \$800K being made in the December Quarterly Budget Review. The increase in interest is due mainly to Council receiving more funds from Section 94 contributions.

Summary

Council’s financial year to date return is 2.98%, which is 1.14% above benchmark. Income from interest on investments and proceeds from sale of investments totals \$3.14M, \$808K above original budget projections. The recommendation is consistent with Section 625 of the Local Government Act, which deals with the investment of surplus funds by Councils.

Certificate of the Acting Chief Financial Officer (Responsible Accounting Officer)

I certify that as at the date of this report, the investments listed have been made and are held in compliance with Council’s Investment Policy and applicable legislation.

Jifeng Huang
 Acting Chief Financial Officer

ITEM 3 (continued)

ATTACHMENT 1

Council's Property Investment Portfolio

The following properties were held as part of Council's Property Investment portfolio;

Property	\$' M
1A Station St, West Ryde	0.90
2 Dickson Ave, West Ryde	1.10
8 Chatham Rd, West Ryde	1.37
202 Rowe Street, Eastwood	3.09
226 Victoria Rd, Gladesville	0.35
7 Anthony Road, West Ryde	5.10
7 Coulter Street, Coulter St Car Park, Gladesville	21.88
6-12 Glen Street, Glen Street Car Park, Eastwood	35.52
2 Pittwater Road, John Wilson Car Park, Gladesville	8.30
150 Coxs Road, Cox Rd Car Park, North Ryde	1.45
33-35 Blaxland Road, Argyle Centre, Ryde	5.45
19-21 Church Street and 16 Devlin Street, Ryde	10.63
6 Reserve Street, West Ryde	3.55
Herring Road Air Space Rights	0.50
741-747 Victoria Road, Ryde (Battery World)	7.06
53-71 Rowe Street, Eastwood	6.90
Total Investment Properties as per the Financial Statements	113.16
1 Constitution Road, Operations Centre, Ryde ⁽¹⁾	28.25
PROPERTIES HELD FOR RE-SALE	141.41

(1) The value for this is currently held in Non-Current Assets in Note 9, and once vacated by Council; it will be transferred to Investment Properties within the Financial Statements.

(2) The above figures refer to the land only as valued at "best use", and do not include the value of any structures.

Benchmark

The Bloomberg Ausbond Bank Bill index is constructed as a benchmark to represent the performance of a passively managed short-term money market portfolio. It comprises thirteen Bank Bills of equal face value, each with a maturity seven days apart. The average term to maturity is approximately 45 days.

A Bank Bill is a non-interest bearing security issued by a bank whereby the bank takes on an obligation to pay an investor a fixed amount (face value) at a fixed future date. It is sold to an investor at a discount to the face value. Bank Bills are short-term money market investments with maturities usually between 30 days and 180 days.

ITEM 3 (continued)

ATTACHMENT 1

Types of Investments

The following are the types of investments held by Council:

At Call refers to funds held at a financial institution, and can be recalled by Council either same day or on an overnight basis.

A Floating Rate Note (FRN) is a debt security issued by a company with a variable interest rate. This can either be issued as Certificates of Deposit (CD) or as Medium Term Notes (MTN). The interest rate can be either fixed or floating, where the adjustments to the interest rate are usually made quarterly and are tied to a certain money market index such as the Bank Bill Swap Rate.

A Fixed Rate Bond is a debt security issued by a company with a fixed interest rate over the term of the bond.

Credit Rating Information

Credit ratings are generally a statement as to an institution's credit quality. Ratings ranging from AAA to BBB- (long term) are considered investment grade.

A general guide as to the meaning of each credit rating is as follows:

AAA: the best quality companies, reliable and stable

AA: quality companies, a bit higher risk than AAA

A: economic situation can affect finance

BBB: medium class companies, which are satisfactory at the moment

BB: more prone to changes in the economy

B: financial situation varies noticeably

CCC: currently vulnerable and dependent on favourable economic conditions to meet its commitments

CC: highly vulnerable, very speculative bonds

C: highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations

D: has defaulted on obligations and it is believed that it will generally default on most or all obligations

Note: Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

ITEM 3 (continued)

ATTACHMENT 1

Council's Investment Powers

Council's investment powers are regulated by Section 625 of the Local Government Act, which states:

- (1) A council may invest money that is not, for the time being, required by the council for any other purpose.
- (2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.
- (3) An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
- (4) The acquisition, in accordance with section 358, of a controlling interest in a corporation or an entity within the meaning of that section is not an investment for the purposes of this section.

Council's investment policy requires that all investments are to be made in accordance with;

- Local Government Act 1993 - Section 625
- Local Government Act 1993 - Order (of the Minister) dated 12 January 2011
- The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) & (2)
- Local Government (Financial Management) Regulation 1993
- Investment Guidelines issued by the Department of Local Government

Legal Issues

The following update is provided in respect of Council's legal action in these matters, which are still to be resolved.

The team from Piper Alderman, led by Amanda Banton, moved to Squire Patton and Boggs, another firm of solicitors. The funders of Council's legal action consented to their representation moving with Amanda Banton and her team, with Council supportive of this change as resolved at its meeting on 10 February 2015.

Over the last 12 months additional legal action was commenced against rating agencies, as part of the original class action against the issuing bodies. The rating agencies are:

- McGraw Hill Companies Inc.; and
- Standard & Poor's International, LLC.

ITEM 3 (continued)

ATTACHMENT 1

Lehman / Grange IMP

On Friday 21 September 2012, Justice Rares handed down the judgment in this matter, which was in favour of the Councils involved in this legal action.

On 25 September 2013 the Federal Court approved the calling of a meeting of Scheme Creditors of Lehman Australia to consider the proposed Insurance Only Scheme. The applicants and group members in the Lehman Australia class action are Scheme Creditors.

The Scheme is subject to Court approval. The application was listed for hearing on 31 October 2013. The Scheme was approved by the Court on 9 December 2013; all Scheme Creditors are now bound by the Scheme irrespective of whether they have voted for it or even if they voted against it. Council has received a counter offer from Lehman Brothers Australia Limited (in Liquidation), which was \$27K less than the amount claimed. This offer has been accepted by the then Acting General Manager under delegated authority. The finalisation of the matter is pending, and the Supreme Court handed down its judgment with the most recent update being that the total dividend to be paid will be between 20 and 40c in the dollar.

The first dividend payment of 10.99c in the dollar was received on 30 September 2015.

While the above court action has been proceeding, the related investments of the Lehman / Grange IMP (Merimbula and Global Bank Note) have been finalised and paid to Council. As previously reported, Council has received \$752k for these investments representing full payment of the principal and interest. A dividend of \$409K was paid to Council 1 July 2016.

Lehman / Grange IMP (Standard and Poor's, and McGraw-Hill)

The funding body continued the class action, and is part of the original funding agreement, but required taking out a separate action against McGraw Hill Companies Inc. and Standard & Poor's International, LLC. These actions commenced in August 2014.

A recent update from Council's funding body, IMF advises Council that S&P have not complied with the Court's order to provide its evidence by 11 September 2015 and therefore this will see this matter further delayed. It was anticipated that this matter will be listed for a hearing date in August 2016. The Court ordered S&P to complete its further discovery by 30 October 2015 and to provide its expert evidence by 7 December 2015.

ITEM 3 (continued)

ATTACHMENT 1

It is advised that the action against the McGraw Hill Companies and Standard & Poor's culminated in the Federal Court of Australia approving the settlement of these proceedings on 24 March 2016. As a result, Council's General Manager executed the Deeds of Covenant in respect of this matter on 2 May 2016, and a dividend of \$414K was paid to Council in May 2016. A final distribution of \$46K was made to Council on 30 June 2016.

LGFS – Rembrandt

On 5 November 2012, Federal Court Justice Jayne Jagot ruled that Councils were entitled to succeed in their claim for damages against Local Government Financial Services (LGFS), ABN AMRO and Standard & Poor's (S&P). This result vindicates Council's Investment in this product with Justice Jayne Jagot finding that LGFS, ABN AMRO and S&P had collectively been responsible for misleading and deceptive conduct and negligent misrepresentation of this investment to Councils.

On 1 March 2013, the Federal Court of Australia awarded compensation and costs to Councils against S&P. Council was awarded \$933K principal (equivalent to the balance outstanding) and \$331K in interest. Of this, 70% is payable to IMF Bentham for their funding of the legal action (including legal costs), resulting in a net benefit to Council of approximately \$382K, which was paid to Council on 4 April 2013.

A teleconference was held on 4 November 2013 with the other Councils involved to discuss GST issues, should a settlement be reached.

The appeal has been heard in relation to this matter, and judgement handed down on Friday 6 June 2014, where the appeal was dismissed, and all the findings of the primary judge, Justice Jagot, were upheld.

Accordingly the Full Court held that each of LGFS, ABN Amro and S&P are individually liable for 100% of Council's losses. The primary orders held them liable for one third each. Council has already received payment from each of the respondents, as indicated above.

CBA – Oasis and Palladin

Council has endorsed City of Ryde being a third party to an action against CBA in relation to the Oasis CDO investments for \$1 million that Council has written down to zero. A mediation session occurred with CBA on 8 October 2013. The mediation was adjourned to allow certain steps to take place and the parties are continuing to engage in "without prejudice" discussions, and the outcome will not be known until mid-2015.

ITEM 3 (continued)

ATTACHMENT 1

As a result of these discussions, the matter has now progressed and Justice Foster has approved a proposed settlement with CBA, in relation to costs. Payment of the initial dividend of \$836K was received from Squire Patton Boggs on 18 December 2015.

Whilst Council had written off the Oasis investment, the investment had one further default until it completely defaulted. As previously reported, Council sold the Oasis investment at 35.7 cents in the dollar on the remaining principal of \$625K, being \$223,337. This will be taken into account as part of any settlement.

As part of this action, Council is also a party to action against CBA for its investment in the Palladin CDO, of which Council held \$2 million. This investment defaulted in October 2008, and was written down to zero.

CBA – Oasis and Palladin (Standard and Poors, and McGraw-Hill)

This is a continuation of the class action against CBA for the Oasis and Palladin products, and is part of the original funding agreement, but requires the taking out of a separate action against McGraw Hill Companies Inc.; and Standard & Poor's International, LLC.

Council endorsed in August 2015 to continue as a member of this further class action, under the original funding agreement. This is being filed to ensure that it is within the statute of limitations. This legal action is ongoing.

4 DECEMBER QUARTERLY REVIEW REPORT - FOUR YEAR DELIVERY PLAN 2016-2020 AND 2016/2017 OPERATIONAL PLAN

Report prepared by: Acting Chief Financial Officer
File No.: FIM/07/6/2/6/6/2 - BP17/93

REPORT SUMMARY

Council's Four Year Delivery Plan 2016-2020 and One Year Operational Plan 2016/2017 set out the strategic and financial objectives for the year. They also detail the goals and various performance measures for Council's seven key outcome areas, as well as the services and projects that Council plans to deliver in 2016/2017.

The attached Quarterly Report includes details for each of the seven Outcome areas and the twenty one Program areas, detailing the targets adopted by Council and the performance to date in achieving those targets by 30 June 2017. Also shown is a financial performance summary for each key outcome area and a progress status report on all Capital and Non-Capital Projects, by Program Area, that are being undertaken in 2016/2017.

As a result of the December Quarterly Review, Council has further improved its financial position with a \$0.37 million increase in Council's Working Capital. This will result in Council's available Working Capital balance increasing to \$4.45 million.

This review also brings to account additional income received from Section 94 contributions, government grants, investment income and DA fees and also adjusted Council's budget in respect of cancelling certain projects that were related to the Proposed Merger or Fit for the Future reforms, with these items to be included in the Draft 2017/2021 Delivery Plan, if required. This Review also recommends the cancellation of the Community Strategic Plan and notes the Council's Election Budget will be adjusted in the next Quarterly Review. Both items will be included in the 2017/2018 Operational Plan.

The majority of corporate indicators are on track or have exceeded target, with an improvement being shown in relation to completion of project milestones. Any projects that are proposed to be deferred or cancelled are listed in this report for Council's consideration.

RECOMMENDATION:

- (a) That the report of the Acting Chief Financial Officer dated 31 December 2016 on the December Quarterly Review Report - Four Year Delivery Plan 2016-2020 and One Year Operational Plan 2016/2017, *Quarter Two, October – December 2016* be received and endorsed.

ITEM 4 (continued)

- (b) That the proposed budget adjustments included in this report resulting in a net increase of \$0.37 million to Council's Working Capital for a projected balance as at 30 June 2017 of \$4.45 million, be endorsed and included in the 2016/2017 Budget.
- (c) That the proposed transfers to and from Reserves as detailed in the report, and included as budget adjustments, totalling a net increase in Transfers to Reserves of \$10.54 million be noted and endorsed.
- (d) That the Certificate of the Responsible Accounting Officer dated 27 January 2017 be endorsed.
- (e) That the Projects recommended for cancellation, deferral, being placed on hold or proposed to be carried over as detailed in the Report be noted and endorsed.

ATTACHMENTS

- 1 Quarterly Review Report - Quarter 2 - October 2016 to December 2016 -
CIRCULATED UNDER SEPARATE COVER
- 2 Reserve Listing - 2016/17 QBR2
- 3 Quarterly Changes 2016/2017 QBR2
- 4 Consolidated Income and Expenditures Estimates -2016/2017 QBR2

Report Prepared By:

Jifeng Huang
Acting Chief Financial Officer

Report Approved By:

Steven Kludass
Director - Corporate and Organisational Support Services

ITEM 4 (continued)

Discussion

As required under section 407 of the Local Government Act, 1993 the quarterly review of the One Year Operational Plan 2016/2017 as at 31 December 2016 is presented to Council.

This Quarterly Review reports on the performance of Council in undertaking its Principal Activities in terms of its stated objectives and financial position. The following sections are included in the document, *Quarterly Review Report, Four Year Delivery Plan 2016-2020 including One Year Operational Plan 2016/2017, Quarter Two, October – December 2016 – ATTACHMENT 1 - CIRCULATED UNDER SEPARATE COVER;*

- General Manager's Overview, Financial Management and Corporate Performance Overview - provides a 'snapshot' of Council's performance in the quarter relative to several high profile activities.
- Outcome Area Reports – including overview, operational indicators, financial outcome and graphical representation of performance measures.
- Capital and Non Capital Projects Quarterly Status Report – provides comments regarding the status of all of Council's Capital and Non Capital Expenditure projects.
- Base Budget Quarterly Status Report.
- Reserves Listing Report – outlines the opening balance, approved budgeted transfers to/from Reserves and proposed additional transfers to/from Reserves, with a projected balance as at 30 June 2017. **Appendix A**
- Quarterly Changes Report – provides comments and details of those budget items that are proposed to be increased or decreased in the 2016/2017 budget. **Appendix B**
- Consolidated Income and Expenditure Estimates 2016/2017, summary of the budget in two pages, showing the original budget and quarterly changes. **Appendix C**

Report

The December 2016 Quarterly Review has been completed and is submitted to Council for endorsement.

ITEM 4 (continued)

Summary

Overall, this Quarterly Review results in Council's Operating Surplus improving by a net increase of \$6.18 million. This improvement has come from \$3.59 million in Council's Base Budget and Non-Capital Projects and \$2.6 million in Capital Income. The main items that explain this improvement are as follows;

- \$1 million additional grant from the Dept. of Planning for Shrimpton Creek Corridor Embellishment;
- \$0.85 million additional Section 94 contributions received;
- \$0.80 million additional Interest on Investments mainly related to Section 94 contributions held;
- \$0.40 million User Contributions for the Synthetic Playing Surfaces;
- \$2.00 million reduction in cancelling the Merger Transition Costs project;
- \$0.26 million reduction in cancelling the Fit for the Future project;
- \$0.20 million reduction in cancelling the Review of the Community Strategic Plan which will not commence this financial year; and
- \$0.14 million net cancellation of the Innovation Fund.

Further details on this result are provided within this report and are detailed below.

Income

- \$1.00 million grant funding from Department of Planning & Environment received for Shrimptons Creek Corridor Embellishment project;
- \$0.85 million additional in Section 94 contributions received, which will be transferred to Section 94 Reserves for future works;
- \$0.80 million additional investment income, mainly due to Council receiving more funds for Section 94 contributions;
- \$0.40 million additional User Group Contribution in relation to Synthetic Playing Surfaces Expansion Capital Program as per Council Resolution dated 22 November 2016;
- \$0.30 million additional Development Assessments income; and
- \$0.30 million additional RMS Regional Road Block Grant.

ITEM 4 (continued)Expenses

- \$3.50 million reduction for Shrimptons Creek Corridor Embellishment project, as this is a two year project and unspent funding will be transferred to Reserve;
- \$2.00 million reduction for Merger and Transition Operating Costs, as it is recommended that this project be cancelled and funds returned to the Merger and Transition Reserve;
- \$0.74 million reduction for project Traffic Facilities Khartoum and Waterloo Road, as Transport for NSW will construct the signals at Khartoum and Waterloo Road with a financial contribution from City of Ryde;
- \$0.60 million reduction for project Public Domain Upgrade Lane Cove (east), as it is recommended this project will be undertaken by developers;
- \$0.40 million additional funding required for Synthetic Playing Surfaces Expansion Capital Program as per Council Resolution dated 22 November 2016, offset by additional User Group Contribution received;
- \$0.40 million additional funding required for project Roundabout at Monash Road and Buffalo Road as per Council Resolution dated 28 April 2015;
- \$0.34 million reduction for Information Technology Renewals Capital Program
- \$0.30 million additional funding required for Road Resurfacing Renewal Capital Program, as additional RMS Grant received;
- \$0.30 million reduction for Porters Creek Precinct project;
- \$0.30 million reduction for Development 33-35 Blaxland Road, as project deferred pending Office of Local Government approval;
- \$0.26 million reduction for Fit For The Future project, as it is recommended that this project be cancelled and funds returned to the Merger and Transition Reserve;
- \$0.20 million reduction for Review of the Community Strategic Plan project, as the review of the CSP will not occur this financial year due to no Council Election taking place in September 2016; and
- \$0.20 million reduction for project Innovation Fund, as the project is recommended to be cancelled. \$60,000 is to be transferred to the Libraries e-books project and the remaining \$140,000 to be returned to the Reserve.

Reserves

- \$4.50 million grant from NSW State Government for Shrimptons Creek Corridor Embellishment project received, transferred to Unspent Grant Reserve;
- \$2.00 million decrease from Merger and Transition Reserve for Merger and Transition Operating Costs project, as project is recommended to be cancelled and funds returned to the Merger and Transition Reserve;

ITEM 4 (continued)

- \$0.85 million increase for Section 94 contributions received, transferred to Section 94 Reserves;
- \$0.74 million decrease from Section 94 Reserve for Traffic Facilities Khartoum and Waterloo project, as the project is recommended to be cancelled and Transport for NSW will construct the signals at Khartoum and Waterloo Road with a financial contribution from City of Ryde;
- \$0.60 million decrease from Section 94 Reserve, as Council anticipates developers will do this project;
- \$0.54 million to be transferred to Section 94 Reserve for additional investment income received;
- \$0.40 million increase from Asset Replacement Reserve for Synthetic Sports Surface Action Plan project;
- \$0.40 million increase from Section 94 Reserve for Roundabout at Monash/Buffalo Road project as per Council Resolution dated on 28 April 2015;
- \$0.34 million decrease from Asset Replacement Reserve for Information Technology Renewals Capital Program;
- \$0.30 million decrease from Domestic Waste Management Reserve for Porters Creek Precinct project;
- \$0.26 million decrease from Merger and Transition Reserve for Fit For The Future project, as project is recommended to be cancelled and funds returned to the Reserve;
- \$0.20 million decrease from Asset Replacement Reserve for Innovation Fund project, as project is recommended to be cancelled and funds returned to the Reserve; and
- \$0.20 million decrease from Election Reserve for Review of the Community Strategic Plan as not required.

Working Capital Summary

Following the completion of the Financial Statements, Council had a Working Capital of \$4.517 million, as at 30 June 2016. The 2016/2017 Operational Plan was developed utilising \$0.285 million of Working Capital. In the 2016 December Quarterly Review, the proposed budget adjustments will result in a net increase to Council's Working Capital of \$0.37 million to \$4.45 million as at 30 June 2017.

ITEM 4 (continued)

Opening Working Capital	3,286
End of Year Changes	1,231
Final Opening Working Capital	4,517
Delivery Plan	(285)
Revised Working Capital	4,232
September Adjustments	(155)
December Adjustments	373
March Adjustments	
Carryover Adjustments	
June Adjustments	
Closing Working Capital	4,450

Overview of December Review

Council's projected available Working Capital of \$4.45 million is a result of the proposed budget adjustments contained within the 2016 December Quarterly Review.

The following are the proposed major changes to be made, with a complete listing provided in the circulated document (**Appendix B**), and more detailed explanations in each Outcome area of that document.

Operating Budget

- The budget is projected to increase operating income by \$3.88 million (3.03%) with the main areas being as follows;

Increase

- \$1.00 million grant funding received from Department of Planning & Environment for Shrimptons Creek Corridor Embellishment project;
- \$0.85 million in Section 94 contributions received, which will be transferred to the Section 94 Reserves for future works;
- \$0.80 million additional investment income, mainly due to Council receiving more funds for Section 94 contributions;
- \$0.40 million additional User Group Contribution received in relation to Synthetic Playing Surfaces Expansion Capital Program as per Council Resolution dated 22 November 2016;
- \$0.30 million additional Development Assessments income;
- \$0.30 million additional RMS Regional Road Block Grant;
- \$0.08 million additional income for Restoration program;
- \$0.08 million additional DWM income received;

ITEM 4 (continued)

- \$0.07 million additional Rate income received;
- \$0.06 million additional operating income received for Granny Smith Stallholders; and
- \$0.05 million additional User Group Contribution received for Meadowbank Park and Ryde Park.

Reduction

- \$0.10 million reduction for royalty income as the lease for Porters Creed Site with SITA ended in July 2016; and
 - \$0.04 million reduction for Property Development Management program as income was budgeted twice
- The budget is projected to decrease operating expenses by \$2.29 million (-2.31%) with the main areas being as follows;

Increase

- 0.08 million additional funding required for Ryde Youth Theatre project as per Council Resolution dated 25 October 2016;
- \$0.08 million additional funding required for Council to install the shelters in lieu of work to be completed by Adshel as part of the digital advertising panels agreement;
- \$0.07 million additional funding required for Motor Vehicles net costs for whole Council;
- \$0.06 million additional budget allocation for eBook Collection project funded by Innovations and Improvement funding;
- \$0.05 million additional funding for maintenance work in Denistone East Bowling Club;
- \$0.05 million additional funding required for archive budget allocation as the quantity of archive requests have been increased over the past few years;
- \$0.05 million additional funding required for assessment of Planning; Proposals and associated VPA Offers, funded by Planning Proposal Reserve
- \$0.04 million additional funding required for SES Contributions;
- \$0.02 million increase salaries and wages budget to fund the conversion of Temporary HR Administration Assistant to full time permanent position; and
- \$0.02 million additional funding required for 2017 NSW Youth Council Conference project, offset by grant received from Department of Family and Community Services NSW.

ITEM 4 (continued)Reduction

- \$2.00 million reduction for Merger and Transition Operating Costs, as project is recommended to be cancelled and funds returned to the Reserve;
- \$0.26 million reduction for Fit For The Future project, as project is recommended to be cancelled and funds returned to the Reserve;
- \$0.20 million reduction for Review of the Community Strategic Plan project, as the review of the CSP will not occur this financial year due to no Council Election taking place in September 2016
- \$0.20 million reduction for project Innovation Fund, as project is recommended to be cancelled. \$60,000 is to be transferred to the Libraries e-books project and the remaining \$140,000 to be returned to the Reserve;
- \$0.06 million reduction for eBusiness – Smart Forms, as smart forms has been incorporated into existing systems and budget allocation is not required;
- \$0.06 million reduction for IT licence fees; and
- \$0.06 million reduction for Footpaths & Nature Strips operating budget.

In total, an Operating Surplus improvement of \$6.18 million has been projected. The vast majority of the Operating Surplus improvement will be utilised for Capital Projects or transferred to Internal Reserves.

Capital Budget

- The capital budget is projected to decrease its capital expenses over budget by \$4.89 million (-7.88%), with the main areas being as follows;

Increase

- \$0.40 million additional funding required for Synthetic Playing Surfaces Expansion Capital Program as per Council Resolution dated 22 November 2016, offset by additional User Group Contribution received;
- \$0.40 million additional funding required for project Roundabout at Monash Road and Buffalo Road as per Council Resolution dated 28 April 2015;
- \$0.30 million additional funding required for Road Resurfacing Renewal Capital Program, offset by additional RMS Grant received;
- \$0.07 million additional funding to allow for latent ground conditions at Meadowbank Park within Sportsfield Floodlighting Renewal Capital Program, funded by additional User Group Contribution and Reserve;
- \$0.06 million additional funding required for additional fill material required for Meadowbank Park, offset through savings made in delivery of Marsfield Park Cricket Wicket project;
- \$0.03 million additional costs due to subsurface conditions worse than anticipate for Old Landfill Sites Subsidence Renewal Capital Program; and

ITEM 4 (continued)

- \$0.02 million additional funding required for Sportsground Amenities Upgrades Renewal Capital Program, offset by additional User Group contribution (Ryde Park) received.

Reduction

- \$3.50 million reduction for Shrimptons Creek Corridor Embellishment project, as this is two years project and unspent funding will be transferred to Reserve;
- \$0.74 million reduction for project Traffic Facilities Khartoum and Waterloo Road, as Transport for NSW will construct the signals at Khartoum and Waterloo Road with a financial contribution from City of Ryde;
- \$0.60 million reduction for project Public Domain Upgrade Lane Cove (east), as the project is recommended to be on hold and Council anticipate developers will undertake this project;
- \$0.34 million reduction for Information Technology Renewals Capital Program;
- \$0.30 million reduction for Porters Creek Precinct project;
- \$0.30 million reduction for Development 33-35 Blaxland Road, as project deferred pending on OLG approval;
- \$0.17 million reduction for TechOne Enhancements, as project has been completed with saving and unspent funding to be transferred back to Reserve;
- \$0.10 million reduction for Marsfield Park - Cricket Wicket project, as project has been completed and saving to be transferred to Sportsfield Floodlight Renewal and Sportsfield Renewal and Upgrade Capital Program;
- \$0.06 million reduction for Signage at Playgrounds project, as project has been completed; and
- \$0.05 million reduction for Civic Centre- Essential Renewal project, as project completed and savings will be returned to the Reserve.

Reserve Movements

- Transfers from Reserve's budget is projected to decrease by \$4.53 million, (-5.18%) the main areas being as follows;

Increase

- \$0.40 million increase from Section 94 Reserve for Roundabout at Monash/Buffalo Road project as per Council Resolution dated on 28 April 2015;

ITEM 4 (continued)

- \$0.06 million increase from Asset Replacement Reserve for Sportsfield Renewal & Upgrade Renewal;
- \$0.06 million increase from Asset Replacement Reserve for eBook Collection Expansion Program;
- \$0.05 million increase from Planning Proposal Reserve to cover costs of assessing Planning Proposals and Proposed VPAs;
- \$0.04 million increase from Asset Replacement Reserve for Sportsfield Floodlighting Renewal Capital Program; and
- \$0.03 million increase from Domestic Waste Management Reserve for Old Landfill Sites Subsidence Renewal.

Reduction

- \$2.00 million decrease from Merger and Transition Reserve for Merger and Transition Operating Costs project, as project is recommended to be cancelled and funds returned to the Reserve;
- \$0.74 million decrease from Section 94 Reserve for Traffic Facilities Khartoum and Waterloo project, as project is recommended to be cancelled and Transport for NSW will construct the signals at Khartoum and Waterloo Road with a financial contribution from City of Ryde;
- \$0.60 million decrease from Section 94 Reserve, as Council anticipate developers will undertake this project;
- \$0.34 million decrease from Asset Replacement Reserve for Information Technology Renewals Capital Program;
- \$0.30 million decrease from Domestic Waste Management Reserve for Porters Creek Precinct project;
- \$0.26 million decrease from Merger and Transition Reserve for Fit For The Future project, as project is recommended to be cancelled and funds returned to the Reserve;
- \$0.20 million decrease from Asset Replacement Reserve for Innovation Fund project, as project is recommended to be cancelled and funds returned to the Reserve;
- \$0.20 million decrease from Election Reserve for Review of the Community Strategic Plan as not required;
- \$0.17 million decrease from Asset Replacement Reserve for TechOne Enhancements, as project has been completed with saving;
- \$0.15 million decrease from Investment Property Reserve for Development 33-35 Blaxland Road project;
- \$0.10 million decrease from Asset Replacement Reserve for Marsfield Park - Cricket Wicket as project completed with saving;

ITEM 4 (continued)

- \$0.07 million decrease from Asset Replacement Reserve for Signage at Playgrounds as project completed with saving; and
- \$0.05 million decrease from Asset Replacement Reserve for Civic Centre-Essential Renewal as project completed with saving.
- Transfers to Reserve's budget is projected to increase by \$6.01 million (10.85%), the main areas being as follows;

Increase

- \$5 million grant from NSW State Government for Shrimptons Creek Corridor Embellishment project received, \$4.5 million will be included in 2017/2018 budget and \$0.5 million for the current year
- \$0.85 million increase for Section 94 contributions received, transferred to Reserve
- \$0.54 million to be transferred to Section 94 Reserve for additional investment income received
- \$0.08 million increase for Domestic Waste income received, transferred to Reserve
- \$0.03 million additional grant from Department of Family and Community Services NSW for 2017 NSW Youth Council Conference project received, transferred to Unspent Grant Reserve

Projects recommended to be cancelled, deferred, put on hold or to carryover

The following projects are listed in the December Quarterly Review and are recommended to be cancelled, deferred, put on hold or to carryover for the reasons indicated, with budget adjustments included;

- Public Domain Upgrade Lane Cove (east) - This Project is no longer required, further development along Lane Cove Road will include upgrades to frontages in accordance with Council Macquarie Park Public Domain Manual;
- Review of the Community Strategic Plan - It is recommended that this project is cancelled in this Q2 review. The reason for this is that work on the project will not begin until after an election is held or a proclamation is made. Any potential election will not occur until September 2017 and a proclamation is pending court outcomes. This project will be included in 2017/2018 Council's Draft Budget;
- Fit for the Future - It is recommended that this project be cancelled and funds returned to the reserve. This was originally allocated for any costs associated with the State Government's Fit for the Future reform. As any further information on a merger is pending the outcome of the court decision these funds are likely to not be spent this financial year;

ITEM 4 (continued)

- Merger Costs - It is recommended that this project be cancelled and funds returned to the reserve. As any further information on any merger is pending the outcome of the court decision these funds are likely to not be spent this financial year; and
- Innovation Fund - It is recommended that this project be cancelled. \$60,000 is to be transferred to the Libraries e-books project and the remaining \$140,000 to be returned to the reserve.

It should be noted, that although not included in the budget adjustments in this review, the project for Council Elections will be cancelled in the next Quarterly Review, noting this will be included in the 2017/2018 Council's Draft Budget.

Staff turnover

The turnover rate this quarter is the same as last quarter with a rolling 12 month figure of 12.42%. Irrespective of this, the vacancy rate has increased to 12.3% from 11.1% due to an increase in funded FTE positions.

Critical Dates

The following deadlines are required to be met;

- In accordance with Section 407 of the Local Government Act 1993, the General Manager must report to the Council within 2 months after the end of each quarter as to the extent to which the performance targets set by the Council's current Management Plan have been achieved during that quarter.

The Chief Financial Officer as Council's Responsible Accounting Officer, in accordance with the Part 2 Clause 7 of the Local Government (Financial Management) Regulation 1999 is required to certify whether the Council's financial position is satisfactory having regard to the original estimates of income and expenditure.

Financial Implications

Council's available Working Capital is projected to increase by \$0.37 million to \$4.45 million as at 30 June 2017.

Council's Capital Works Program is projected to decrease by \$4.89 million as detailed in the report.

Council's Operating Result before Depreciation is projected to increase by \$6.18 million to \$35.27 million surplus. Net Operating Result before Capital Grants and Contributions is projected to increase by \$3.58 million to \$1.91 million surplus.

ITEM 4 (continued)

Certificate

In accordance with the Local Government (Financial Management) Regulation 1999, Part 2, Clause 7, I report that the financial position of the Council was satisfactory as at 31 December 2016, having regard to the original estimates of income and expenditure.

Variations in total income, operating and capital expenditure as at 30 June 2017 are of a quantum and nature that overall end of year financial targets will be achieved.



Jifeng Huang
Acting Chief Financial Officer
Responsible Accounting Officer

27 January 2017

ITEM 4 (continued)

ATTACHMENT 2



City of Ryde
Reserves Listing Report

Natural Account	Description	16/17 Opening Balance	Budget To Reserve	Budget From Reserve	16/17 Budget Result	Review To Reserve	Review From Reserve	16/17 Review Result
93001 - Internally Restricted Revenues								
8301	Stockland Creche Contribution	178,666.90		-178,667.00	-0.10			-0.10
8302	Voluntary Planning Agreement Reserve	9,105,191.77	1,893,297.00	-140,000.00	10,858,488.77			10,858,488.77
8303	Accommodation Reserve	15,419,068.14	4,270,880.00	-5,767,788.00	13,922,160.14			13,922,160.14
8304	Asset Replacement Reserve	19,292,894.75	7,568,290.00	-10,104,825.00	16,756,359.75		761,721.00	17,518,080.75
8305	Plant Replacement Reserve	3,374,630.07	2,716,490.00	-3,432,210.00	2,658,910.07			2,658,910.07
8306	Ryde Aquatic Leisure Centre Reserve	2,786,729.86	4,055,080.00	-4,047,288.00	2,794,521.86			2,794,521.86
8307	Financial Security Reserve							
8308	Public Art Reserve	10,179.00			10,179.00			10,179.00
8309	Council Election Reserve	533,306.27	150,000.00	-650,000.00	33,306.27		200,000.00	233,306.27
8310	Risk Rebate Reserve	111,797.49	30,840.00		142,637.49			142,637.49
8311	Investment Property Reserve	18,367,215.52		-3,602,400.00	14,764,815.52		150,000.00	14,914,815.52
8312	Civic Hub Precinct Reserve	617,682.21	1,000,000.00	-786,033.00	831,649.21			831,649.21
8313	Community Grants Reserve	228,958.00		-228,958.00				
8314	Carryover Works Reserve	1,208,800.33		-1,208,801.00	-0.67			-0.67
8317	Merger and Transition Reserve	5,267,183.13		-3,543,449.00	1,723,734.13		2,258,449.00	3,982,183.13
8318	Porters Creek Reserve	199,348.89			199,348.89			199,348.89
8319	Insurance Fluctuation Reserve	799,341.19			799,341.19			799,341.19
8320	OHS & Injury Management Reserve	155,071.55	31,640.00		186,711.55			186,711.55
8321	Public Domain Plan Reserve	138,602.00			138,602.00			138,602.00
8322	Planning Proposal Reserve	234,089.15			234,089.15		-50,000.00	184,089.15
8323	Macquarie University VPA Reserve	273,053.67			273,053.67			273,053.67
8324	Fit For The Future Reserve							
Total Internally Restricted Revenues		78,301,809.89	21,716,517.00	-33,690,419.00	66,327,907.89		3,320,170.00	69,648,077.89
93002 - Internally Restricted Liabilities								
8327	Employee Leave Entitlements Reserve	3,154,680.41			3,154,680.41			3,154,680.41
8328	Refundable Deposits Reserves	12,607,788.13			12,607,788.13			12,607,788.13
8329	Interest on Refundable Deposits Reserve	377,366.19			377,366.19			377,366.19
Total Internally Restricted Liabilities		16,139,834.73			16,139,834.73			16,139,834.73
93003 - Section 94 Contribution Reserves								
8351	Community & Cultural Facilities Reserve	10,382,189.61	2,047,453.00	-2,277,031.00	10,152,611.61	722,913.00		10,875,524.61
8352	Open Space & Recreation Facilities Reserve	44,720,396.21	3,339,514.00	-10,314,522.00	37,745,388.21	583,012.00		38,328,400.21
8353	Roads & Traffic Management Facilities Reserve	2,780,845.71	374,616.00	-3,826,629.00	-671,167.29	36,734.00	941,130.00	306,696.71

ITEM 4 (continued)

ATTACHMENT 2



City of Ryde
Reserves Listing Report

Natural Account	Description	16/17 Opening Balance	Budget To Reserve	Budget From Reserve	16/17 Budget Result	Review To Reserve	Review From Reserve	16/17 Review Result
8354	Stormwater Management Facilities Reserve	6,401,506.31	118,847.00	-2,126,778.00	4,393,575.31	42,479.00		4,436,054.31
8355	Section 94 Plan Administration Reserve	231,248.45	16,564.00	-240,620.00	7,192.45	3,722.00		10,914.45
Total Section 94 Contribution Reserves		64,516,186.29	5,896,994.00	-18,785,580.00	51,627,600.29	1,388,860.00	941,130.00	53,957,590.29
93004 - Other External Restrictions								
8376	Domestic Waste Management Reserve	6,976,833.84	19,216,970.00	-18,762,263.00	7,431,540.84	83,400.00	270,000.00	7,784,940.84
8377	External Drainage Works Contribution Reserve							
8378	Macquarie Park Corridor Special Rate Reserve	1,163,711.12	1,339,310.00	-2,014,580.00	488,441.12			488,441.12
8379	Stormwater Management Service Charge Reserve	1,053,025.64	1,034,310.00	-1,002,526.00	1,084,809.64			1,084,809.64
8381	Affordable Housing Contribution	138,910.00			138,910.00			138,910.00
8382	Infrastructure Special Rate Reserve	20,162.00	5,147,150.00	-5,147,120.00	20,192.00	9,200.00		29,392.00
Total Other External Restrictions		9,352,642.60	26,737,740.00	-26,926,489.00	9,163,893.60	92,600.00	270,000.00	9,526,493.60
93005 - Unexpended Grants Reserves								
8401	U/Exp Grant - Home Modification & Maintenance	153,689.83	434,010.00	-427,770.00	159,929.83			159,929.83
8403	U/Exp Grant - Volunteer Referral Agency	46,185.37	50,060.00		96,245.37			96,245.37
8404	U/Exp Grant - Library Local Priority							
8405	U/Exp Grant - Library Subsidy		248,920.00	-248,910.00	10.00			10.00
8408	U/Exp Grant - Urban Sustain Program - Looking Glass							
8413	U/Exp Grant - Sydney North/Sydney West Tussock P							
8418	U/Exp Grant - Macquarie Park Master Plan	30,000.00			30,000.00			30,000.00
8433	U/Exp Grant - Liberty Swing Dunbar Park							
8434	U/Exp Grant - Sport Development Program	542.76			542.76			542.76
8435	U/Exp Grant - WASIP	29,640.86			29,640.86			29,640.86
8438	U/Exp Grant - Parramatta River Catchments Floodpla	2,918.72			2,918.72			2,918.72
8439	U/Exp Grant - Vacation Care Program Grant	5,253.73			5,253.73			5,253.73
8440	U/Exp Grant - Crime Prevention Plan Grant							
8443	U/Exp Grant - Curzon St/ Smith St Pedestrian (RTA)	765.05			765.05			765.05
8446	U/Exp Grant - Vimiera Road Traffic Facilities Renew (1,959.22			1,959.22			1,959.22
8447	U/Exp Grant - M2 Advertising Public Benefit (RMS)	62,101.00			62,101.00			62,101.00
8451	U/Exp Grant - Rowe St Eastwood Traffic Calming	9,725.16			9,725.16			9,725.16
8455	U/Exp Grant - Planning for Ageing Population	4,560.00			4,560.00			4,560.00
8458	U/Exp Grant - Macquarie Park - Property	6,000,000.10		-6,000,000.00	0.10			0.10
8459	U/Exp Grant - Restoring Blue Gum High in Denistone	1,725.01			1,725.01			1,725.01
8460	U/Exp Grant - Restoring Blue Gum High in Darvall Pa							
8461	U/Exp Grant - Better Waste & Recycling Fund	242,507.58	259,260.00	-591,786.00	-90,018.42			-90,018.42
8462	U/Exp Grant - Agincourt and Balaclava Rd TCS	8,039.11			8,039.11			8,039.11

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Natural Account	Description	16/17 Opening Balance	Budget To Reserve	Budget From Reserve	16/17 Budget Result	Review To Reserve	Review From Reserve	16/17 Review Result
8463	U/Exp Grant - Ivanhoe Estate Collective Impact	20,000.00			20,000.00			20,000.00
8464	U/Exp Grant - CDAT	3,100.00			3,100.00			3,100.00
8465	U/Exp Grant - Blaxland Road SUP - Stage 3 (RMS)	3,463.39			3,463.39			3,463.39
8466	U/Exp Loan - LIRS Phase 1	6,175.23			6,175.23			6,175.23
8467	U/Exp Loan - LIRS Phase 2	870,468.43		-870,468.00	0.43			0.43
8468	U/Exp Grant - Ryde Remembers (ANZAC)	16,223.59		-16,224.00	-0.41			-0.41
8469	U/Exp Grant - NSW Youth Council Conference					30,000.00		30,000.00
8470	U/Exp Grant - Shrimptons Creek Corridor Embellishment					4,500,000.00		4,500,000.00
Total Unexpended Grants Reserves		7,519,044.14	992,250.00	-8,155,158.00	356,136.14	4,530,000.00		4,886,136.14
Internal Loans								
8901	Internal Loan - RALC Reserve	-2,161,869.23	63,000.00		-2,098,869.23			-2,098,869.23
Total Internal Loans		-2,161,869.23	63,000.00		-2,098,869.23			-2,098,869.23
TOTAL RESERVES		173,667,648.42	55,406,501.00	-87,557,646.00	141,516,503.42	6,011,460.00	4,531,300.00	152,059,263.42

ITEM 4 (continued)

ATTACHMENT 3

City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
Strategic City program						
1011467	Sale of CPR	Op Inc	(13,040)		13,040	Reduce the budget to reflect the actual
1011575	Chief Operating Officer - Administration	Op Exp	20,210		(20,210)	To realign the Motor Vehicle Budget
1030-448	Review of the Community Strategic Plan	NCP Exp	200,000		(200,000)	The review of the CSP will not occur this financial year due to no Council Election taking place in September 2016. Funds to be returned to source and project to take place in future year after Council Election
1030-448	Review of the Community Strategic Plan	From Res	(150,000)		200,000	The review of the CSP will not occur this financial year due to no Council Election taking place in September 2016. Fund
Total Strategic City program					(7,170)	

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ATTACHMENT 3

City of Ryde - 2016/2017 Quarterly Changes Report

		Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Risk Management program

1011001	General Counsel - Administration	Op Inc	(210)	(987)	(2,730)	To realign the Motor Vehicle Budget
1011001	General Counsel - Administration	Op Exp	13,260	7,735	6,630	To realign the Motor Vehicle Budget
5010225	Emergency Management (SES) OPEX	Op Exp	158,200	148,580	40,000	Increase in SES Contributions budget to reflect the actual
Total Risk Management program					43,900	

ITEM 4 (continued)

ATTACHMENT 3

City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Community and Cultural program

6410000	Events- Community	Op Inc		(58,153)	(58,000)	Additional income for Granny Smith Stallholders
6411314	Street Banners	Op Inc	(32,600)	(4,899)	22,000	Reduce the budget to reflect the actual as income budget does not reflect true potential income
6811538	Community and Cultural - Administration	Op Inc		(1,737)	(2,300)	To realign the Motor Vehicle Budget
6911226	Social Policy & Planning	Op Inc	(4,530)	(5,109)	(4,700)	To realign the Motor Vehicle Budget
6811538	Community and Cultural - Administration	Op Exp			6,630	To realign the Motor Vehicle Budget
6911226	Social Policy & Planning	Op Exp	13,260	13,260	13,260	To realign the Motor Vehicle Budget
6930697	2017 NSW Youth Council Conference	NCP Inc		(25,000)	(50,000)	Additional grant income received from Department of Family and Community Services NSW
6930047	Ryde Youth Theatre Group	NCP Exp			75,000	Additional funding allocation as per Council Resolution dated 25 October 2016
6930697	2017 NSW Youth Council Conference	NCP Exp			20,000	Project will be funded by additional grant received from Department of Family and Community Services NSW
6930697	2017 NSW Youth Council Conference	To Res			30,000	Additional grant income received from Department of Family and Community Services NSW
Total Community and Cultural program					51,890	

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City of Ryde - 2016/2017 Quarterly Changes Report

[Redacted]						
			<i>Approved Budget 2016/2017</i>	<i>Actual 2016/2017</i>	<i>Proposed Changes 2016/2017</i>	<i>Comments</i>

Customer and Community Relations program

2411422	Music Dexas - Software Licence	Op Exp	2,300		(2,300)	Funding is not required
6511510	eBusiness - Smart Forms	Op Exp	68,560	9,625	(58,000)	Smart forms incorporated into existing systems and no longer require this allocation
Total Customer and Community Relations program					(60,300)	

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Open Space, Sport & Recreation program

7610001	Open Space - Administration	Op Inc	(5,040)		5,040	To realign the Motor Vehicle Budget
7611001	Parks Open Space - Administration	Op Inc	(5,200)	(5,345)	(5,040)	To realign the Motor Vehicle Budget
5554104	Maint - Parks Buildings	Op Exp	101,980	103,388	50,000	Additional funding required as maintenance works to make safe and provide public access to Denistone East Bowling Club
7610001	Open Space - Administration	Op Exp	13,260		(13,260)	To realign the Motor Vehicle Budget
7611001	Parks Open Space - Administration	Op Exp	13,260	12,155	13,260	To realign the Motor Vehicle Budget
4141776	Shrimptons Creek Corridor Embellishment	Cap Inc	(4,000,000)	(5,000,000)	(1,000,000)	Additional Grant Funding received for Shrimptons Creek Corridor Embellishment project
50011	Sportsfield Floodlighting Renewal	Cap Inc	(4,286)		(25,000)	Additional user group contribution for Meadowbank Park
50011	Sportsfield Floodlighting Renewal	Cap Exp	361,917	123,763	65,000	Additional funding is required to allow for latent ground conditions at Meadowbank Park
50011	Sportsfield Floodlighting Renewal	From Res	(357,631)		(40,000)	Transfer of funds from Mersfield Park Cricket Wicket - Savings made in delivery of the project
50012	Sportsfield Renewal & Upgrade Renewal	Cap Exp	1,782,286	460,864	60,000	Additional fill material required to be sourced from external suppliers (for Meadowbank Park Fields 7 and 8). Cost offset through savings made in delivery of Mersfield Park Cricket Wicket project.
50012	Sportsfield Renewal & Upgrade Renewal	From Res	(1,738,841)		(60,000)	Additional fill material required to be sourced from external suppliers (for Meadowbank Park Fields 7 and 8). Cost offset through savings made in delivery of Mersfield Park Cricket Wicket project.
50015	Sportsground Amenities Upgrades Renewal	Cap Inc			(20,000)	Additional user group contribution for Ryde Park
50015	Sportsground Amenities Upgrades Renewal	Cap Exp	220,000	53,153	20,000	Additional funding required and offset by additional User Group contribution (Ryde Park) received
51027	Synthetic Playing Surfaces Expansion	Cap Inc			(400,000)	Increase the budget to reflect additional user group contributions \$375K and \$25K from Cricket NSW as per Council Resolution dated 22 November 2016
51027	Synthetic Playing Surfaces Expansion	Cap Exp	5,052,106	2,622,910	400,000	Increase the budget and offset by additional user group contribution received as per Council Resolution dated 22 November 2016
4141776	Shrimptons Creek Corridor Embellishment	Cap Exp	4,000,000		(3,500,000)	Grant Funds were received in Nov 2016 from NSW State Government for Shrimptons Creek Corridor Embellishment project
7741852	Signage at Playgrounds	Cap Exp	63,750		(63,750)	All signs have been audited to ensure compliance with legislative requirements - no further universal upgrades are required
7742332	Marsfield Park - Cricket Wicket	Cap Exp	340,000		(100,000)	Savings made in delivery of the project and adjustment \$40K Made against Sportsfield Floodlight Renewal (\$40K) & Sportsfield Renewal and Upgrade (\$50K)
7741852	Signage at Playgrounds	From Res	(63,750)		63,750	All signs have been audited to ensure compliance with legislative requirements - no further universal upgrades are required and saving to be transferred to reserve

ITEM 4 (continued)

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City of Ryde - 2016/2017 Quarterly Changes Report

		Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
7742332	Marsfield Park - Cricket Wicket	From Res	(340,000)	100,000	Savings made in delivery of the project and adjustment \$40K Made against Sportsfield Floodlight Renewal (\$40K) & Sportsfield Renewal and Upgrade (\$60K)
4141776	Shrimptons Creek Corridor Embellishment	To Res		4,500,000	Transfer unspent grant for project Shrimptons Creek Corridor Embellishment to reserve
Total Open Space, Sport & Recreation program				50,000	

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Centres and Neighbourhood program

4111253	Urban Village	Op Inc	(4,490)		4,490	To realign the Motor Vehicle Budget
4111253	Urban Village	Op Exp	13,260		(13,260)	To realign the Motor Vehicle Budget
4140790	Public Domain Upgrade Lane Cove (east)	Cap Exp	600,000		(600,000)	Project on hold as we anticipate developers will do this work - project is to be placed below the line - no funds are required
4140790	Public Domain Upgrade Lane Cove (east)	From Res	(600,000)		600,000	Project on hold as we anticipate developers will do this work - project is to be placed below the line - no funds are required
Total Centres and Neighbourhood program					(8,770)	

ITEM 4 (continued)

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City of Ryde - 2016/2017 Quarterly Changes Report

[Redacted]				
	<i>Approved Budget 2016/2017</i>	<i>Actual 2016/2017</i>	<i>Proposed Changes 2016/2017</i>	<i>Comments</i>

Library program

7230696	eBook Collection Expansion	NCP Exp		60,000	Innovation and Improvement fund transfer to enable further expansion of the Library ebook collection
7230696	eBook Collection Expansion	From Res		(60,000)	Innovation and Improvement fund transfer to enable further expansion of the Library ebook collection
Total Library program					

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Internal Corporate Services program

101114	General Manager's Office	Op Inc		(955)	(3,056)	To realign the Motor Vehicle Budget
121142	Investment Income	Op Inc	(1,200,000)		(540,000)	The increase in interest is due mainly to Council receiving more funds for Section 94 contributions
121142	Investment Income	Op Inc	(2,248,840)	(1,606,245)	(260,000)	Increase the budget to reflect the actual
1211463	Finance - Financial Accounting - Administration	Op Inc		(260)	(2,730)	To realign the Motor Vehicle Budget
1311025	Business Rates	Op Inc		2,353	2,353	Adjust the budget to reflect the actual rates income levied
1311025	Business Rates	Op Inc	(17,710)		17,700	Adjust the budget to reflect the actual rates income levied
1311099	Environmental Levy	Op Inc	186,530	154,255	(17,530)	Adjust the budget to reflect the actual rates income levied
1311099	Environmental Levy	Op Inc	(102,590)	(85,314)	9,360	Adjust the budget to reflect the actual rates income levied
1311210	Residential Rates	Op Inc	831,440	646,365	(112,520)	Adjust the budget to reflect the actual rates income levied
1311210	Residential Rates	Op Inc	47,610	23,616	(18,000)	Adjust the budget to reflect the actual rates income levied
1311210	Residential Rates	Op Inc	(457,150)	(357,367)	60,100	Adjust the budget to reflect the actual rates income levied
1311552	Infrastructure Special Rate Levy	Op Inc	(5,147,150)	(5,157,434)	(9,200)	Adjust the budget to reflect the actual rates income levied
101114	General Manager's Office	Op Exp	20,210	10,618	8,840	To realign the Motor Vehicle Budget
1211001	Finance Administration	Op Exp	467,780	246,841	(83,600)	Reduce the salaries and wages budget due to the vacant position for Finance Department
1211001	Finance Administration	Op Exp		65,620	83,600	Consultant fees for reviewing Councils Financial Policies, Long Term Financial Plan model Assets Management Plan model for the proposed merger. Funding will be offset by salaries and wages saving
1211463	Finance - Financial Accounting - Administration	Op Exp			6,530	To realign the Motor Vehicle Budget
2111001	Human Resources Administration	Op Exp		5,525	5,525	To realign the Motor Vehicle Budget
2111001	Human Resources Administration	Op Exp	297,920	188,444	20,000	Increase salaries and wages budget to fund the conversion of Temporary HR Administration Assistant to full time permanent position
2411001	Information Technology Services Administration	Op Exp	9,180		(9,180)	Budget is not required

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
2411015	Autodesk (AEC Systems)	Op Exp	15,030	26,523	40,000	Additional funding is required as number of licenses has been increased
2411046	CHRIS 21	Op Exp	34,070	11,693	(10,000)	Reduce the budget to reflect the actual
2411091	Eftpos Services	Op Exp	36,920		(30,000)	Reduce the budget to reflect the actual
2411201	Purchases	Op Exp		23,323	12,097	Consolidate IT costs
2411333	E Business Module	Op Exp	100,000		(50,000)	Reduce the budget to reflect the actual
2411362	Info Technology Svcs Qflow	Op Exp	7,570	3,754	(3,000)	Reduce the budget to reflect the actual
2411579	Adobe License Fees	Op Exp	12,097	1,433	(12,097)	Consolidate IT license costs
2511001	Records Management Administration	Op Exp	50,000	63,640	60,000	Quantity of archive requests have been increased over the past few years
4610001	Operations Unit Management	Op Exp	92,770	56,561	23,660	To realign the Motor Vehicle Budget
8511547	Intagrion System	Op Exp	136,260	550	(136,260)	Transfer budget for Organisational Realignment within City Works & Infrastructure
8610001	Business Improvements	Op Exp	205,310	64,642	35,000	Transfer budget for Organisational Realignment within City Works & Infrastructure
8611545	Project Management Office	Op Exp	116,300	6,324	101,250	Transfer budget for Organisational Realignment within City Works & Infrastructure
8810001	Project Development Management	Op Exp	(4,450,250)	(5,740,496)	(623,141)	Increase budget to reflect brought forward balance and additional PM Fee received
8810001	Project Development Management	Op Exp		249,541	303,141	Increase budget to reflect anticipated expenditure
8810001	Project Development Management	Op Exp		311,686	320,000	Increase budget to reflect anticipated expenditure
1130670	Fit For The Future	NCP Exp	258,449		(258,449)	It is recommended that this project be cancelled and funds returned to the reserve. This was originally allocated for any costs associated with the State Government's Fit for the Future reform. As any further information on a merger is pending the outcome of the court decision these funds are likely to not be spent this financial year.
2230685	Merger and Transition Operating Costs	NCP Exp	2,000,000		(2,000,000)	It is recommended that this project be cancelled and funds returned to the reserve. As any further information on any merger is pending the outcome of the court decision these funds are likely to not be spent this financial year.
2230686	Innovation Fund	NCP Exp	200,000		(200,000)	It is recommended that this project be cancelled. \$60,000 is to be transferred to the Libraries e-books project and the remaining \$140,000 to be returned to the reserve
2440740	TechOne Enhancements	Cap Exp	180,362		(170,287)	Project has been completed with saving and unspent funding to be transferred back to reserve

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
50020	Information Technology Renewals	Cap Exp	1,141,872	65,492	(340,000)	Reduction of budget (-340k) due to \$140K reduction in eBusiness scope, reduce budget for Mobility device Bulk Stock \$50K, disaster recovery by \$100K and Information Management project by \$50K to reflect projected actuals
50020	Information Technology Renewals	From Res	(1,141,872)		340,000	Reduction of budget (-340k) due to \$140K reduction in eBusiness scope, reduce budget for Mobility device Bulk Stock \$50K, disaster recovery by \$100K and Information Management project by \$50K to reflect projected actuals
1130670	Fit For The Future	From Res	(258,449)		258,449	It is recommended that this project be cancelled and funds returned to the reserve. This was originally allocated for any costs associated with the State Government's Fit for the Future reform. As any further information on any merger is pending the outcome of the court decision these funds are likely to not be spent this financial year.
2230685	Merger and Transition Operating Costs	From Res	(2,000,000)		2,000,000	It is recommended that this project be cancelled. \$60,000 is to be transferred to the Libraries e-books project and the remaining \$140,000 to be returned to the reserve
2230686	Innovation Fund	From Res	(200,000)		200,000	Project has been completed with saving and unspent funding to be transferred back to reserve
2440740	TechOne Enhancements	From Res	(180,362)		170,287	The increase in interest is due mainly to Council receiving more funds for Section 94 contributions
1211142	Investment Income	To Res	1,200,000		540,000	Adjust the budget to reflect the actual rates income levied
1311552	Infrastructure Special Rate Levy	To Res	5,147,150		9,200	
Total Internal Corporate Services program					(271,948)	

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Land Use Planning program

4111500	Planning Proposal	Op Exp	101,260	86,400	60,000	Transfer from Planning Proposal Reserve for assessment of Planning Proposals and associated VPA Offers
4111221	Section 94 Capital Income-Roads	Cap Inc	(374,616)	(435,475)	(36,734)	Income received to date
4111221	Section 94 Capital Income-Roads	Cap Inc	(847,453)	(1,157,898)	(182,913)	Income received to date
4111221	Section 94 Capital Income-Roads	Cap Inc	(118,847)	(190,464)	(42,479)	Income received to date
4111221	Section 94 Capital Income-Roads	Cap Inc	(3,339,514)	(4,338,752)	(583,012)	Income received to date
4111221	Section 94 Capital Income-Roads	Cap Inc	(16,564)	(22,785)	(3,722)	Income received to date
4111500	Planning Proposal	From Res			(50,000)	Transfer from Planning Proposal reserve to cover costs of assessing Planning Proposals and Proposed VPAs
4111221	Section 94 Capital Income-Roads	To Res	847,453		182,913	Transfer Section 94 income received to Reserves
4111221	Section 94 Capital Income-Roads	To Res	3,339,514		583,012	Transfer Section 94 income received to Reserves
4111221	Section 94 Capital Income-Roads	To Res	374,616		36,734	Transfer Section 94 income received to Reserves
4111221	Section 94 Capital Income-Roads	To Res	118,847		42,479	Transfer Section 94 income received to Reserves
4111221	Section 94 Capital Income-Roads	To Res	16,564		3,722	Transfer Section 94 income received to Reserves
Total Land Use Planning program						

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Regulatory program

2811081	Development Assessments	Op Inc	(1,545,040)	(1,340,913)	(300,000)	Increase the budget to reflect the actual DA fees received
3511001	Building & Land Use Enforcement Administration	Op Inc		(1,727)	(2,760)	To realign the Motor Vehicle Budget
3911001	Parking Control Administration	Op Inc	(5,190)	(6,274)	(4,200)	To realign the Motor Vehicle Budget
3511001	Building & Land Use Enforcement Administration	Op Exp		2,210	8,840	To realign the Motor Vehicle Budget
3811007	Regulatory Control	Op Exp	39,780	13,260	(13,260)	To realign the Motor Vehicle Budget
3911181	Parking Control	Op Exp	79,520	45,305	13,260	To realign the Motor Vehicle Budget
Total Regulatory program					(296,120)	

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City of Ryde - 2016/2017 Quarterly Changes Report

		Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Catchment program

8510001	Stormwater & Catchments Unit Management	Op Inc	(20,400)	(8,618)	5,100	To realign the Motor Vehicle Budget
8510001	Stormwater & Catchments Unit Management	Op Exp	53,020	19,890	(13,260)	To realign the Motor Vehicle Budget
Total Catchment program					(8,160)	

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Traffic & Transport program

4910001	Traffic & Transport Section Management	Op Inc	(10,000)	(12,536)	(10,000)	To realign the Motor Vehicle Budget
4910001	Traffic & Transport Section Management	Op Exp	26,520	26,520	26,520	To realign the Motor Vehicle Budget
4141838	Roundabout at Monash/Buffalo Road	Cap Exp			400,000	Project approved by Council in its meeting on 28/4/15
4740974	Traffic Facilities Khartoum and Waterloo	Cap Exp	741,415		(741,130)	It is recommended to cancel the project as Transport for NSW will construct the signals at Khartoum and Waterloo Road with a financial contribution from CoR
4141838	Roundabout at Monash/Buffalo Road	From Res			(400,000)	Project approved by Council in its meeting on 28/4/15
4740974	Traffic Facilities Khartoum and Waterloo	From Res	(741,415)		741,130	It is recommended to cancel the project as Transport for NSW will construct the signals at Khartoum and Waterloo Road with a financial contribution from CoR
Total Traffic & Transport program					16,520	

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Waste and Recycling program

5811086	DWM Income	Op Inc	484,110	390,845	(90,000)	Adjustment to budget to reflect actual income
5811086	DWM Income	Op Inc	(232,700)	(216,729)	6,600	Adjustment to budget to reflect actual income
5810001	DWM Unit Management	Op Exp	26,500	19,890	13,260	To realign the Motor Vehicle Budget
5810408	DWM Landfill OPEX	Op Exp	26,510	6,630	(13,260)	To realign the Motor Vehicle Budget
5840033	Porters Creek Precinct	Cap Exp	600,000		(300,000)	Review and reduction in funding to align project cash flow and delivery requirements
50027	Old Landfill SitesSubsidence Renewal	Cap Exp	200,000	185,418	30,000	Additional costs due to subsurface conditions worse than anticipated (Morrison Bay Park fields 1 and 2) - Additional Top soil material required
50027	Old Landfill SitesSubsidence Renewal	From Res	(200,000)		(30,000)	Additional costs due to subsurface conditions worse than anticipated (Morrison Bay Park fields 1 and 2) - Additional Top soil material required
5810001	DWM Unit Management	From Res	(545,680)		(13,260)	To realign the Motor Vehicle Budget
5810408	DWM Landfill OPEX	From Res	(387,950)		13,260	To realign the Motor Vehicle Budget
5840033	Porters Creek Precinct	From Res	(600,000)		300,000	Review and reduction in funding to align project cash flow and delivery requirements.
5811086	DWM Income	To Res	19,216,970		83,400	Adjustment to budget to reflect actual income
Total Waste and Recycling program						

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Property Portfolio program

5510001	Building Services Unit Management	Op Inc		(2,164)	(4,100)	To realign the Motor Vehicle Budget
5610501	Property Development Management OPEX	Op Inc	(42,600)		42,600	Income already budgeted in Investment Portfolio Management
5610637	Eastwood Plaza	Op Inc	(53,210)		7,000	Adjust income budget to reflect the actual
5610667	Eastwood Kiosk	Op Inc		(3,931)	(7,000)	Adjust income budget to reflect the actual
55019	Income - Commercial Buildings	Op Inc	(1,716,560)	(894,662)	102,112	Lease ended in July 2016 and no further royalty income expected
5510001	Building Services Unit Management	Op Exp		13,260	26,520	To realign the Motor Vehicle Budget
5540810	Civic Centre- Essential Renewal	Cap Exp	59,447		(47,684)	Project completed and savings will be returned to the Reserve
5540810	Civic Centre- Essential Renewal	From Res	(59,447)		47,684	Project completed and savings will be returned to the Reserve
5641785	33-35 Blaxland Road	Cap Exp	300,000		(150,000)	Review and reduction in funding to align project cash flow and delivery requirements. Expenditure deferred pending OLG approval.
5641785	33-35 Blaxland Road	Cap Exp	(300,000)		150,000	Review and reduction in funding to align project cash flow and delivery requirements. Expenditure deferred pending OLG approval.
5641785	33-35 Blaxland Road	Cap Exp	600,000		(300,000)	Review and reduction in funding to align project cash flow and delivery requirements. Expenditure deferred pending OLG approval.
5641785	33-35 Blaxland Road	From Res	(300,000)		150,000	Review and reduction in funding to align project cash flow and delivery requirements. Expenditure deferred pending OLG approval.
Total Property Portfolio program					17,132	

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City of Ryde - 2016/2017 Quarterly Changes Report

			Approved Budget 2016/2017	Actual 2016/2017	Proposed Changes 2016/2017	Comments
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Roads program

4710227	Restoration Management OPEX	Op Inc		(78,458)	(78,458)	Payment by Adshel for Council to install the shelters in lieu of work to be completed by Adshel as part of the digital advertising panels agreement.
4710227	Restoration Management OPEX	Op Exp			78,458	Payment by Adshel for Council to install the shelters in lieu of work to be completed by Adshel as part of the digital advertising panels agreement.
4711569	Civil Infrastructure	Op Inc		(2,545)	(4,600)	To realign the Motor Vehicle Budget
4711569	Civil Infrastructure	Op Exp		6,630	13,260	To realign the Motor Vehicle Budget
50002	Road Resurfacing Renewal	Cap Inc	(1,364,900)	(930,000)	(300,000)	Regional Road Block Grant Agreement Program for repair program funding 2016/17 - This funding was used to supplement the works on Regional Roads that were in Road Resurfacing program
50002	Road Resurfacing Renewal	Cap Exp	5,020,990	3,265,727	300,000	Regional Road Block Grant Agreement Program for repair program funding 2016/17 - This funding was used to supplement the works on Regional Roads that were in Road Resurfacing program
Total Roads program					8,660	

ITEM 4 (continued)

ATTACHMENT 3

City of Ryde - 2016/2017 Quarterly Changes Report

		<i>Approved Budget 2016/2017</i>	<i>Actual 2016/2017</i>	<i>Proposed Changes 2016/2017</i>	<i>Comments</i>

Paths and Cycleways program

53003	Oper - Footpaths & Nature Strips	Op Exp	359,580	353,960	423,750	Transfer to reset current budget to 2015/16 levels to meet Operational requirements. (Maint-Footpaths & Nature Strips to Oper-Footpaths & Nature strips)
54003	Maint - Footpaths & Nature Strips	Op Exp	1,879,610	387,823	(480,000)	Transfer to reset current budget to 2015/16 levels to meet Operational requirements. (Maint-Footpaths & Nature Strips to Oper-Footpaths & Nature strips)
Total Paths and Cycleways program					(56,250)	

ITEM 4 (continued)

ATTACHMENT 3

City of Ryde - 2016/2017 Quarterly Changes Report

	<i>Approved Budget 2016/2017</i>	<i>Actual 2016/2017</i>	<i>Proposed Changes 2016/2017</i>	<i>Comments</i>
GRAND TOTAL			(522,616)	

ITEM 4 (continued)

ATTACHMENT 4



Consolidated Income & Expenditure Estimates 2016/2017														
Includes all Special Rates & Levies														
	Original Budget 2016/2017 \$'000	C/Over Budget 2016/2017 \$'000	TOTAL Original Budget 2016/2017 \$'000	Sep Changes 2016/2017 \$'000	Dec Changes 2016/2017 \$'000	Mar Changes 2016/2017 \$'000	Jun Carryovers 2016/2017 \$'000	Jun Changes 2016/2017 \$'000	PROPOSED Budget 2016/2017 \$'000	ACTUAL YTD 2016/2017 \$'000	APPROVED Budget 2016/2017 \$'000	VARIANCE TO ACTUAL 2016/2017 \$'000	Revised YTD Actual Estimate (up to 28/08/2016)	%
PROJECTED OPERATING RESULT														
OPERATING REVENUE														
Rates & Annual Charges	76,133		76,133	850	245				77,228	77,457	75,983	(228)	77,457	100%
User Charges & Fees	13,774		13,774	2,123	378				16,275	9,836	15,897	6,439	9,836	60%
Interest	4,093		4,093		782				4,875	2,780	4,093	2,095	2,780	57%
Other Operating Revenue	8,488		8,488	632	(148)				8,952	4,736	9,100	4,217	4,736	53%
Operating Grants & Contributions	6,397	137	7,134	186	32				7,352	4,094	7,320	3,258	4,094	56%
TOTAL OPERATING REVENUE	109,465	137	109,602	3,792	1,290				114,684	98,903	113,394	15,781	98,903	86%
OPERATING EXPENSES														
Employee Costs	45,568	972	46,530	31	(887)				45,674	20,305	45,561	25,570	20,305	44%
Materials & Contracts	30,908	987	31,965	330	(1,648)				30,647	14,328	32,295	16,320	23,880	78%
Borrowing Costs	172		172						172	62		111	62	36%
Other Operating Expenses	20,935	229	21,564	(1,022)	40				20,182	10,417	20,141	9,764	13,022	65%
TOTAL OPERATING EXPENSES	97,663	2,198	99,831	(662)	(2,294)				96,676	48,111	98,170	51,764	67,298	59%
Operating Result Before Capital Amounts	11,802	(2,031)	9,771	4,454	3,584				17,808	53,792	14,224	(35,984)	41,636	234%
Capital Grants & Contributions	6,058	1,228	7,286	7,577	2,594				17,457	14,871	14,863	2,588	14,871	85%
In-kind Contributions														
Net Gain / (Loss) on Disposal of Assets										345		(345)	345	
Total Capital Income	6,058	1,228	7,286	7,577	2,594				17,457	15,215	14,863	2,241	15,215	87%
Operating Result Before Depreciation	17,860	(804)	17,057	12,030	6,178				35,265	69,007	29,087	(33,742)	56,851	161%
Depreciation & Impairment	15,897		15,897						15,897	887	15,897	15,010	887	
Operating Result	1,963	(804)	1,160	12,030	6,178				19,368	68,120	13,190	(48,752)	65,963	289%

ITEM 4 (continued)

ATTACHMENT 4



Consolidated Income & Expenditure Estimates 2016/2017															
Includes all Special Rates & Levies															
PROJECTED FUNDING	Original Budget	C/Over Budget	TOTAL Original Budget	Sep Changes	Dec Changes	Mar Changes	Jun Carryovers	Jun Changes	PROPOSED Budget	ACTUAL YTD	APPROVED Budget	VARIANCE TO ACTUAL	Revised YTD Actual Estimate (up to 30/09)	%	
OPERATING RESULT	1,963	(804)	1,160	12,030	6,178				19,368	68,120	13,190	(48,752)	55,963	289%	
Funding															
ADD (Non-Cash) - Depreciation	15,897		15,897						15,897	887	15,897	15,010	887	6%	
ADD (Non-Cash) - ELE Accruals															
ADD (Non-Cash) - Interest on Security Deposits - Accruals															
ADD Book Value of Assets Disposed	900		900						900	365	900	535	365	41%	
Cash Available to Fund Capital Expenditure	18,760	(804)	17,957	12,030	6,178				36,165	69,372	28,987	(33,297)	57,216		
CAPITAL EXPENDITURE															
City Strategy and Planning	7,901	9,468	17,459	285	(3,784)				13,981	3,328	17,744	10,852	4,160	30%	
City Works and Infrastructure	28,563	5,720	34,283	7,293	(986)				41,009	22,446	41,578	18,994	28,057	66%	
Office of Chief Operating Office	40	50	90						90		90	90			
Corporate and Community Services	1,842	706	2,548	84	(558)				2,073	517	2,631	1,557	646	31%	
TOTAL CAPITAL EXPENDITURE	38,435	15,944	54,379	7,662	(4,888)				57,153	26,291	62,041	30,863	32,863	58%	
Cash Flow to Fund	(19,675)	(18,748)	(36,422)	4,368	11,066				(20,989)	43,081	(32,054)	(64,070)	24,352		
Financed by:															
Operating Working Capital	3,286	1,231	4,517						4,517	4,517	4,517		4,517		
Borrowings															
New Borrowings	350		350		(150)				200		350	200			
Less: Loan Repayments	(887)		(887)						(887)	(580)	(887)	(308)	(580)		
Net Loan Funds (Payments/Receipts)	(537)		(537)		(150)				(687)	(580)	(537)	(108)	(580)		
Reserves	19,305	16,748	36,074	(4,525)	(10,543)				21,608	1,209	32,151	20,400	21,608		
Closing Working Capital	3,901	1,231	4,232	(155)	373				4,450	48,227	4,077	(43,778)	49,898		

CONFIDENTIAL ITEMS

5 STRENGTHENING RYDE PROGRAM - CITY OF RYDE DRAFT PROPERTY STRATEGY 2016

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

Report prepared by: Senior Coordinator - Property and Development

File No.: BPU/08/5/3/16 - BP16/1417

Page No.: 80

6 REQUEST FOR TENDER - COR-RFT-16/16 CONSTRUCTION OF A FOOTBRIDGE AT BURNETT WALK, DARVALL PARK, EASTWOOD

Report prepared by: Project Manager (Civil) - Project Delivery

Report approved by: Acting Senior Coordinator - Program Delivery; Manager - Project Development; Director - City Works and Infrastructure

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND (d) (i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it; AND (d) (ii) information that would, if disclosed, confer a commercial advantage on a competitor of the council.

File Number: GRP/09/3/14 - BP17/22

Page Number: 191

CONFIDENTIAL ITEMS (CONTINUED)

7 REQUEST FOR TENDER - COR-RFT-17/16 PROGRESS AVENUE CULVERT, EASTWOOD: STAGE 2 REPAIRS

Report prepared by: Project Manager

Report approved by: Acting Senior Coordinator - Program Delivery; Manager -
Project Development; Director - City Works and Infrastructure

Confidential

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND (d) (ii) information that would, if disclosed, confer a commercial advantage on a competitor of the council.

File Number: GRP/09/3/14 - BP17/70

Page Number: 207

8 ADVICE ON COURT ACTIONS

Confidential

This item is classified CONFIDENTIAL under Section 10A (2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (g) advice concerning litigation, or advice as comprises a discussion of this matter, that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

This matter is classified confidential because it contains advice concerning legal matters that are:-

- (a) substantial issues relating to a matter to which the Council is involved.
- (b) clearly identified in the advice, and
- (c) fully discussed in that advice.

It is not in the public interest to reveal all details of this matter as it would prejudice Council's position in any court proceedings.

Report prepared by: Solicitor

File No.: GRP/09/5/8 - BP17/110

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