

ENCL: YES

DARWIN CITY COUNCIL

DATE: 06/10/2009

REPORT

TO: CORPORATE & ECONOMIC
DEVELOPMENT MEETING/OPENA

APPROVED: FC

FROM: FINANCE MANAGER

APPROVED: KS

REPORT NO: 09A0179

APPROVED:

COMMON NO: 978289

SUBJECT: 4TH QUARTER BUDGET REVIEW 2008/2009

ITEM NO:

SYNOPSIS:

This report provides information on program budgets requiring variation due to amendments to Council activities and actual income and expenditure differing from the budgeted amounts. Budget variations require Council to vary the estimates in accordance with Regulation 13 of the Local Government (Accounting) Regulations and Section 5 of the Local Government Accounting Code.

GENERAL:

Budget Variations

A summary of all variation requests can be found in the following Attachments to this report -

1. Attachment A – Recurrent Budget Variations – with identified funding
2. Attachment B – Capital Budget Variations – with identified funding
3. Attachment C – Recurrent Budget Variations – requiring funding
4. Attachment D – Capital Budget Variations – requiring funding

Variations considered noteworthy are detailed below.

Increase in Revenue

- \$2,027,273 – grant monies for CBD Revitalisation Project to be transferred to CBD Revitalisation Reserve.
- \$407,400 – NTG grant monies for Woolner/Bishop St Intersection
 - \$215,326 Roadwork's Component
 - \$192,074 Stormwater Works Component
- \$172,727 – NTG grant monies for Bagot Oval Redevelopment.
- \$80,100 – Workers Compensations reimbursements received.

- \$72,000 – NTG grant monies received for various roadworks' offset by associated expenditure.
- \$70,526 – Grant funding for Childcare Centres offset by associated upgrade works at Stuart Park, Parap, Casuarina and Malak Childcare centres.
- \$12,500 – Glenti 2008/09 offset by \$11,000 associated expenditure.
- \$10,000 – Grant monies from Arts NT for Recycled Art.
- \$10,000 – Grant monies from Dept Health & Families for National Youth Week 2009, offset by associated expenditure.

Decrease in Expense

- \$1,669,996 – Reduction in expenditure for Woolner Rd & Bishop St construction works as grant monies to be received in 2009/10.

Increase in Expense – Funded from grants, savings or additional income

- \$546,433 – Combine CBD projects for Councils contribution to City Revitalisation project.
- \$396,000 – Increased expenditure to offset NTG grant monies for Woolner/Bishop St Intersection
 - \$200,000 Roadwork's Component
 - \$196,000 Stormwater Works Component
- \$172,727 – Increased expenditure to offset NTG grant monies for Bagot Oval Redevelopment.
- \$85,000 – Upgrade of airconditioning equipment at 100 Mitchell St as per Council 20\1717; to be funded from lease income received.
- \$73,285 - Additional funds required for Minor Capital Works
 - \$44,000 funded from Parap Shopping Centre Landscape Project
 - \$20,000 funded from Walkway Upgrades Urban Enhancement program
 - \$9,285 funded from Traffic Signal Upgrades
- \$72,000 – Various roadwork's funded by NTG grant funding.
- \$70,526 – Capital refurbishment works at Stuart Park, Parap, Casuarina and Malak Childcare centres funded by grant monies.
- \$36,000 – Air conditioner replacement at Westlane Carpark to be funded from Offstreet Carpark Reserve.
- \$30,000 – Additional funds required for Casuarina Library funded from Mangrove Boardwalk Project.
- \$24,981 - Additional funds required for Energy Efficiency Improvements at Civic Centre
 - \$10,000 funded from Garden Oval Perimeter Fence Project
 - \$8,543 funded from surplus funds Grease Arrestor
 - \$6,438 funded from Mangrove Boardwalk Project
- \$11,800 – Grant monies expended for National Youth Week 2009
 - \$10,000 received from Department health &
 - \$1,800 received from Office of Youth Affairs.
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Increase in Expense – Unfunded

- \$60,000 - In-kind Support for Darwin Festival.

Decrease in Revenue

- \$1,669,996 – Blackspot funding for Woolner Rd & Bishop St construction to be received in 2009/10.

FINANCIAL IMPLICATIONS:

Council's original 2008/09 budget is based on a nil surplus carried forward from 2007/08.

As part of the 2008/2009 Budget Process and the adoption of the 2008/2009 Business Plan, Council adopted the agreed level of services and projects to be delivered in the 2008/2009 Financial Year.

Budget variations for the first quarter resulted in a nil effect. After funding the variations presented at the second and third quarter, Council had an added surplus of \$8,909 for funding future initiatives.

Variations proposed for the 4th quarter provided an increase in both operational revenue and capital expenditure of \$5,000 leaving the estimated surplus at \$8,909. It should be remembered that actual surplus for the year will only be determined once the financial statements have been prepared.

The variations propose the following transfers to and from reserves –

Transfers to Reserves

- \$2,027,273 – Transfer to CBD Revitalisation Reserve grant monies received, monies to be expended in 2009/10.
- \$25,000 – Transfer to Environmental Reserve EMP Water Conservation program as program not proceeding this year.
- \$20,000 – Transfer to Waste Management Reserve surplus funds for Shoal Bay seal shoulders program.

Transfers from Reserves

- \$36,000 – Funding required for Air conditioner replacement at Westlane Arcade Carpark. Funded from Offstreet Carpark Reserve.
- \$8,966 – Final costs from NT Electoral Commission for 2008 Elections. Funded from Election Expense Reserve.

CONSULTATION:

Relevant officers responsible for budgets.

RECOMMENDATIONS:

THAT it be a recommendation to Council:-

- A. THAT Report Number 09A0179 entitled 4th Quarter Budget Review 2008/2009, be received and noted.
- B. THAT Attachments A, B, C & D of Report Number 09A0179 entitled 4th Quarter Budget Review 2008/2009 be presented to Council for adoption.

KELLY STIDWORTHY
FINANCE MANAGER

FRANK CRAWLEY
GENERAL MANAGER
CORPORATE SERVICES

Any queries on this report may be directed to Kelly Stidworthy extension 5523 or email k.stidworthy@darwin.nt.gov.au.



Summary 4th Quarter Budget Variations 2008/09

Budget Variations

Requiring Funding	Variation \$
Recurrent Funded - Attachment A	\$ (85,000)
Capital Funded- Attachment B	\$ 85,000
Recurrent - Attachment C	\$ (5,000)
Capital - Attachment D	\$ 5,000
Funding Implications	\$ -

BUDGET VARIATION FUNDING

Budgeted Surplus	\$ -
Surplus available @ 1/07/2008	\$ -
1st Quarter Budget Variations	
2nd Quarter Budget Variations	\$ (29,427)
3rd Quarter Budget Variations	\$ 20,518
4th Quarter Budget Variations	\$ -
Available Surplus/Deficit @ 30/06/2009	\$ (8,909)
(Surplus)/Deficit after funding Variations	\$ (8,909)

RESERVE FUNDING

	Transfer Out	Transfer In
Offstreet Carparking Reserve	\$ 36,000	
Election Expense Reserve	\$ 8,966	
Environmental Reserve		\$ 25,000
Waste Management Reserve		\$ 20,000
CBD Revitalisation Reserve		\$ 2,027,273
Total Reserve Transfers	\$ 44,966	\$ 2,072,273

GRANT & SUBSIDY FUNDING

LATM - Blackspots	\$ (1,669,996)
Youth Affairs - National Youth Week 2009	\$ 1,800
Arts NT	\$ 10,000
Dept. Health & Families - National Youth Week 2009	\$ 10,000
Commonwealth Govt - Child Care Centres	\$ 70,526
NTG - Roadworks	\$ 72,000
NTG - Bagot Oval Redevelopment	\$ 172,727
NTG - Woolner/Bishop St Intersection	\$ 407,400
Dept. Infrastructure & Transport - CBD Revitalisation	\$ 2,027,273
Total Grant Funds	\$ 1,101,730

DETAILS 4TH QUARTER BUDGET REVIEW 2008/09

ATTACHMENT A - RECURRENT BUDGET VARIATIONS 2008/09 - WITH IDENTIFIED FUNDING

Department	Request Number	Project Name	Budget Number	Revenue	Reserve	Loan	Subsidies
CEO							
CEO	21	Final costs from NT Electoral Commission for 2008 Elections. To be funded from the Election Expense Reserve.	05/110009/300/105		8,966		
			05/421403/451/499		-8,966		
CEO Total				0	0	0	0
Community & Cultural Services							
Community Services	3b	Grant monies from Arts NT for Recycled Art Program.	05/221034/700/719				-10,000
			05/221004/300/104				10,000
	17	Income and associated expenditure for Glenti 2009 (\$11k offset expenditure funded, \$1.5k surplus income).	05/224030/700/719	-11,000			
			05/224001/300/104	11,000			
	23	Grant monies received from Dept. health & Families for national youth week activities 2009.	05/222031/750/739				-10,000
		Grant monies received from Office of Youth Affairs for national youth week activities 2009.	05/222031/750/739				-1,800
		National youth week activities expenditure of grant monies.	05/222010/300/104				11,800
Community & Cultural Services	2	Surplus recreation income from hire of ovals to fund pool cleaner expenditure.	05/223030/700/719	-15,000			
			05/223001/300/100	15,000			
Community & Cultural Services Total				0	0	0	0
Corporate Services							
Business Services	22	Lease income received from 100 Mitchell St to partially fund upgrade of airconditioning equipment.	05/455139/580/592	-85,000			
Corporate Services Total				-85,000	0	0	0
Grand Total				-85,000	0	0	0

DETAILS 4TH QUARTER BUDGET REVIEW 2008/09

ATTACHMENT B - RECURRENT BUDGET VARIATIONS 2008/09 - WITH IDENTIFIED FUNDING

Department	Request Number	Project Name	Budget Number	Revenue	Reserve	Loan	Subsidies
CEO							
Waste Management	19a	Surplus funds from shoulder seal project transfer back to Waste Management Reserve.	05/331068/180/104		-20,000		
			05/421408/451/499		20,000		
Environmental Services	19b	Return EMP Water Conservation Program funds to Environmental Reserve.	05/333061/180/100		-25,000		
			05/421426/451/499		25,000		
	10	Transfer EMP Land Protection Program - Foreshore Erosion Control to combine program with Restoration Works - East Point Cliffs. Combined program to be renamed to Restoration Works - Foreshore Erosion Management.	05/333061/180/104	-197,815			
			05/332081/180/104	197,815			
CEO Total				0	0	0	0
Community & Cultural Services							
Community Services	14a	Correct 2007/08 carry forward upload in 2008/09 - Master Aquatic Facilities project.	05/221060/180/105	52,878			
			05/221061/180/100	-52,878			
	14d	Correct 2nd Quarter 2008/09 upload - Master Aquatic Facilities project from Regional Playgrounds project.	05/221060/180/105	50,000			
			05/223060/180/100	-50,000			
Community & Cultural Services Total				0	0	0	0
Corporate Services							
Business Services	14c	Correct 2007/08 carry forward upload in 2008/09 - 96 & 100 Mitchell sty Carpark Upgrade project.	05/453065/180/105	35,618			
			05/453060/180/105	-35,618			
Corporate Services Total				0	0	0	0

DETAILS 4TH QUARTER BUDGET REVIEW 2008/09

ATTACHMENT B - RECURRENT BUDGET VARIATIONS 2008/09 - WITH IDENTIFIED FUNDING

Department	Request Number	Project Name	Budget Number	Revenue	Reserve	Loan	Subsidies
Infrastructure							
GM Infrastructure	18	Combine CBD projects to reflect Councils contribution to City Revitalisation project.	05/311060/180/105	546,433			
		Combine CBD projects to reflect Councils contribution to City Revitalisation project - Smith St Garden Beds	05/332081/180/104	-30,000			
		Combine CBD projects to reflect Councils contribution to City Revitalisation project - CBD Landscape & Smith St Mall Upgrade	05/341065/180/100	-325,221			
		Combine CBD projects to reflect Councils contribution to City Revitalisation project CBD Streetscape	05/322061/180/105	-191,212			
Parks & Reserves	8	Transfer funds from Parap Shopping Centre Landscape project to Minor Capital Works (\$44k) and Driveway Replacement Program (\$12k).	05/341065/180/104	-56,000			
	24	Grant monies from NTG and associated expenditure for Bagot Road Oval redevelopment.	05/341033/750/739				-172,727
			05/341063/180/105				172,727
Building Services	6	Additional funds required for air conditioner replacement at Westlane Arcade Carpark. To be funded from Offstreet Carpark Reserve.	05/332060/180/105		36,000		
			05/421410/451/499		-36,000		
	22	Upgrade of airconditioning equipment at 100 Mitchell St - as per Council Decision 20/1717. \$85k funded from lease income received from 100 Mitchell St, \$5k remains unfunded.	05/332082/180/105	85,000			
	25	Correct 3rd Quarter 2008/09 upload from Building Services budget to Technical Services Drainage budget.	05/332060/180/100	-40,000			
	14b	Correct 2007/08 carry forward upload in 2008/09 - Sewerage Treatment project.	05/332061/180/105	49,750			
			05/332060/180/105	-49,750			
8	Additional funds required for Casuarina Library - funded from Mangrove Boardwalk project.	05/332060/180/100	30,000				

DETAILS 4TH QUARTER BUDGET REVIEW 2008/09

ATTACHMENT B - RECURRENT BUDGET VARIATIONS 2008/09 - WITH IDENTIFIED FUNDING

Department	Request Number	Project Name	Budget Number	Revenue	Reserve	Loan	Subsidies
	11	Additional funds required for Energy Efficiency Improvements at Civic Centre - funded from surplus funds for installation of Grease Arrestors (\$8,543), Garden Oval Perimeter fence (\$10k) and Mangrove Boardwalk Project (\$6,438).	05/332060/180/104	24,981			
		Transfer surplus funds from Installation of Grease Arrestors project to Energy Efficiency Improvements at Civic Centre.	05/332085/150/100	-8,543			
		Transfer funds from Garden Oval Perimeter Fence Project to Energy Efficiency Improvements at Civic Centre.	05/332060/180/100	-10,000			
City Works	8	Transfer funds from Mangrove Boardwalk to Casuarina Library (\$30k) and Minor Capital Works (\$1k).	05/331061/180/100	-31,000			
		Additional funds required for Driveway Replacement Program - funded from Parap Shopping Centre Landscape project.	05/331064/180/104	13,000			
	9	Transfer funds from Walkway Upgrades Urban Enhancement program to Minor Capital Works.	05/331061/180/100	-20,000			
	11	Transfer funds from Mangrove Boardwalk Project to Energy Efficiency Improvements at Civic Centre.	05/331061/180/104	-6,438			
	13	Transfer balance of Traffic Signal Upgrades project to Minor Capital Works.	05/331062/180/105	-9,285			
Technical Services	8	Additional funds required for Minor Capital Works - funded from Parap Shopping Centre Landscape project.	05/322064/180/104	44,000			
	9	Transfer funds from Walkway Upgrades Urban Enhancement program to Minor Capital Works.	05/322064/180/104	20,000			
	25	Correct 3rd Quarter 2008/09 upload from Building Services budget to Technical Services Drainage budget.	05/322060/180/100	40,000			
	13	Transfer balance of Traffic Signal Upgrades project to Minor Capital Works.	05/322064/180/104	9,285			
	12a	Grant monies from NTG and associated expenditure for Woolner/Bishop St intersection - roadwork's component.	05/322064/180/104				215,326
			05/322031/750/739				-215,326
	12b	Grant monies from NTG and associated expenditure for Woolner/Bishop St intersection - stormwater works component.	05/322061/180/104				192,074
			05/322033/750/799				-192,074
	20	Funding for Smith Street North Upgrade transfer to City Revitalisation Reserve.	05/322032/750/799				-227,273
			05/421427/451/499		227,273		
	26	Milestone 1st Payment received for CBD Revitalisation Project transfer to City Revitalisation Reserve.	05/322032/750/799				-1,800,000
			05/421427/451/499		1,800,000		

DETAILS 4TH QUARTER BUDGET REVIEW 2008/09

ATTACHMENT B - RECURRENT BUDGET VARIATIONS 2008/09 - WITH IDENTIFIED FUNDING

Department	Request Number	Project Name	Budget Number	Revenue	Reserve	Loan	Subsidies
	28	NTG grant funding received in 2009 to carry out various road works in 2010.	05/322031/750/739				-72,000
		Improved delineation of bend in Carpenteria Cres Wagaman - funded by NTG Grant Funding.	05/322064/180/105				3,500
		Improved delineation of bend in Hook Rd & Winnellie Rd intersection - funded by NTG Grant Funding.	05/322064/180/105				3,500
		Intersection channelisation at Waters St & Ryland Rd intersection - funded by NTG Grant Funding.	05/322064/180/105				15,000
		Streetlighting at Doctors Gully Rd Larrakeyah - funded by NTG Grant Funding.	05/322064/180/105				50,000
	29	Child Care grant funding received for various child care capital refurbishments.	05/332030/750/739				-70,526
		Expenditure of grant monies for Stuart Park CCC upgrade of bathroom facilities.	05/332085/180/105				19,100
		Expenditure of grant monies for Parap CCC upgrade of kitchen area.	05/332085/180/105				11,182
		Expenditure of grant monies for Casuarina CCC upgrade of bathroom facilities.	05/332085/180/105				15,455
		Expenditure of grant monies for Malak CCC upgrade of kitchen area and construction of new bathroom.	05/332085/180/105				24,789
	30	Reduce income and associated expenditure for Woolner Rd & Bishop St construction as grant monies are to be received in 2009/10.	05/322031/750/782				1,669,996
			05/322064/180/105				-1,669,996
Infrastructure Total				85,000	2,027,273	0	-2,027,273
Grand Total				85,000	2,027,273	0	-2,027,273

DETAILS 4TH QUARTER BUDGET REVIEW 2008/09

ATTACHMENT C - RECURRENT BUDGET VARIATIONS 2008/09 - WITH IDENTIFIED FUNDING

Department	Request Number	Project Name	Budget Number	Revenue	Reserve	Loan	Subsidies
CEO							
Communications & Marketing	4	Sponsorship of LGMA Congress.	05/130000/300/320	10,000	0	0	0
CEO Total				10,000	0	0	0
Corporate Services							
Business Services	1	Contribution to Tourism Top End for Cruise Ship shuttle Service as per Council Decision 20\1474.	05/451001/300/320	6,600	0	0	0
Employee Relations	27	Reimbursements for Workers Compensation 08/09.	05/441031/700/704	-80,100			
Corporate Services Total				-73,500	0	0	0
Community & Cultural Services							
Community Services	17	Income and associated expenditure for Glenti 2009 (\$11k offset expenditure funded, \$1.5k surplus income).	05/224030/700/719	-1,500	0	0	0
	3a	In-kind support for Darwin Festival.	05/221042/321/320	60,000	0	0	0
Community & Cultural Services Total				58,500	0	0	0
Grand Total				-5,000	0	0	0

DETAILS 4TH QUARTER BUDGET REVIEW 2008/09

ATTACHMENT D - RECURRENT BUDGET VARIATIONS 2008/09 - WITH IDENTIFIED FUNDING

Department	Request Number	Project Name	Budget Number	Revenue	Reserve	Loan	Subsidies
Infrastructure							
Building Services	22	Upgrade of airconditioning equipment at 100 Mitchell St - as per Council Decision 20\1717. \$85k funded from lease income received from 100 Mitchell St, \$5k remains unfunded.	05/332082/180/105	5,000			
Infrastructure Total				5,000	0	0	0
Grand Total				5,000	0	0	0