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ITEM: 75 **Monthly Financial Report - July 2002**

FILE NUMBER: GF011/005/FNC/OGH27NAX.C05

REPORT:

July 2002

Summarised below, are particulars of both the income received and the expenditure incurred by Council for the month of July 2002. This information is reconciled between the cashbook and the bank statement balance as at the end of July 2002. All expenditure is fully supported by vouchers and invoices which have been duly certified.

A. Cash Book (General Ledger) Reconciliation - July 2002

Cash Book (General Ledger) Reconciliation - July 2002	
Opening Balance as at 1 July 2002	$407,175.87
Add Receipts for the Month	$5,851,251.83
Less Payments for the Month	($6,636,136.47)
Closing Balance as at end of July 2002	($377,708.77)

B. Bank Statement Balance - July 2002

Bank Statement Balance - July 2002	
Statement Balance as at end of July 2002	$342,288.70
Less Unpresented Cheques	($337,909.68)
Add Outstanding Deposits	$219,179.40
	$223,558.42
Adjustment: Statement entries not yet posted to GL	($601,267.19)
Equals balance as per Cash Book	($377,708.77)

Commentary

The above reconciliations reflect the cashflow for July 2002. Essentially they are a summary of all of the receipts issued and the payments made during July 2002.

Expenditure for the months typically consists of payments to contractors, employee salaries, purchase of stores and materials and lease/loan repayments.

The bank account balance may vary significantly from the cashbook balance. The difference is made up of unpresented cheques, outstanding deposits and bank statement entries that have not yet been recorded in the general ledger.

Unpresented cheques are cheques which have been drawn but have not yet been presented for payment by the payee. Outstanding deposits are monies which have been receipted at the council but have not yet been banked. Statement entries not yet posted to the GL are mainly funds which have been directly deposited to Council's bank account which have not been receipted as at the end of the month.

Cash management procedures are in place that ensure adequate funds are available to meet daily expenditure obligations. Any surplus funds from receipts are invested so as to maximise interest earnings. Active cash management minimises the risk of Council's bank account going into an overdraft situation.

C. Investments - July 2002

The Local Government (Financial Management) Regulation requires that each month, details of all money that has been invested under section 625 of the Local Government Act, 1993 be reported to a meeting of Council.

The following table outlines the investment portfolio held by Council as at the end of July 2002. All investments have been made in accordance with the Act, Regulations and Council's Investment Policy.

Investment Type	Balance Brought Forward	Deposits	Withdrawals	Interest Paid	Balance End of Month
Managed Funds	$27,302,125.04	$15,307,496.65	($15,332,134.10)	$95,810.44	$27,373,298.03
On Call Funds	$2,260,000.00	$1,500,000.00	($910,000.00)		$2,850,000.00
Term Investments	$2,070,000.00	$1,000,000.00			$3,070,000.00
TOTAL	$31,632,125.04	$17,807,496.65	($16,242,134.10)	$95,810.44	$33,293,298.03

Commentary

The Reserve Bank of Australia has kept official cash interest rate unchanged for both July and August. This has been in response to the downturn in the US economy which has been affected by the incidence of corporate fraud and the subsequent collapse of a number of large corporates. Despite earlier expectations from financial institutions that rates would rise between 1 and 1.5% by the latter part of this year or early next year, the forecast is now that rates will remain unchanged.

Geoff Banting
Responsible Accounting Officer

RECOMMENDATION:

That the information be received.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 75 Oooo

ITEM: 76 **National General Assembly of Local Government - Alice Springs, 3 to 6 November 2002**

FILE NUMBER: GL040/001/GMA/OGH27NAX.G01

REPORT:

The National General Assembly of Local Government will be held in Alice Springs from Sunday, 3 November to Wednesday, 6 November 2002. Councillors Christine Paine and Leigh Williams have indicated that they wish to attend the Assembly.

The Association is calling for motions that address national issues for Local Government. Motions can seek to modify existing policy or raise new items and those adopted by the National General Assembly will be formally considered by the National Executive of the Australian Local Government Association at the meeting on 6 November 2002. The ALGA Executive is not bound by any resolution passed by the National General Assembly of Local Government.

The Regional Co-operation and Development Forum 2002, run by the Australian Local Government Association, will precede the National General Assembly and be held on Sunday, 3 November 2002. The theme for this year's Forum is *"Regional Economic Governance"* and will include discussion on how councils are working together with other areas of government, business and the community to improve economic outcomes at the regional level. The State of the Regions report will be highlighted at the Forum. The report analyses regional trends in economic growth, population, income, employment and unemployment and major issues impacting on regional economic performance.

The theme for this year's Assembly is *"Civil Society: The Leadership Challenge"* and guest speakers include Lieutenant General Peter Cosgrove, AC, MC (Chief of Army), Mr Neville Roach, AO (Chairman of Fujitsu Australia), Mr Rick Farley (Managing Director of the Farley Consulting Group) and The Honourable Wilson Tuckey, MP (Minister for Regional Services, Territories and Local Government) who will present National Awards for Innovation in Local Government.

Workshops will consist of concurrent sessions on:

- Johannesburg to Australia: Report back from the 2002 World Summit on Sustainable Development Phase 1.
- Diversity in Leadership.
- Local Government and Indigenous Australians.
- E-government.
- Public Transport and Asset Management.

It is recommended that Council supports the attendance of Councillors Christine Paine and Leigh Williams at the National General Assembly of Local Government to be held in Alice Springs from 3 to 6 November 2002, at an estimated cost of three thousand dollars ($3,000.00).

RECOMMENDATION:

That Council supports the attendance of Councillors Christine Paine and Leigh Williams at the National General Assembly of Local Government to be held in Alice Springs from 3 to 6 November 2002, at an estimated cost of three thousand dollars ($3,000.00).

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 76 Oooo

ITEM: 77 **Proposed Extension to Macquarie Park House, Windsor**

FILE NUMBER: GC283/067 Pt7//OGH27NBX.C03

REPORT:

Macquarie Park House at Windsor is currently leased to Mr Frank Taranto, who operates a restaurant from the premises known has Francesco's Seafood Restaurant. Mr Taranto has approached Council with regards to the possibility of extending the premises to allow a larger clientele to be catered for at this well established and well renown seafood restaurant. The proposed extension would measure 11 (eleven) metres x 8 (eight) metres and would be attached to the front of the existing building. It is intended that the extension would 'match in' with the current building with the roof line linking in with the current structure.

Preliminary drawings have been sketched by Robert Pont Architect and estimated costs for the extension would be in the vicinity of $170,000 (one hundred and seventy thousand dollars) to $180,000 (one hundred and eighty thousand dollars). It is proposed that the extension would be amortised over a new negotiated lease period of ten years and would be paid for by the lessee as part of an additional rental charge for the leasing of the premises. Mr Taranto has currently a five by five year lease on the premises with the lease to expire on the 30 September 2010 if the second five year option is taken up by Mr Taranto.

Mr Taranto, now for some time, has been concerned with the capacity of Francesco's Seafood Restaurant. He feels that he can not cater for the demand which is placed upon his restaurant and this is the caterlyst behind his push to have the proposed extension carried out. He feels that the extra cost associated with the lease of the premises to pay for the extension over a new negotiated lease period of ten years would be achievable due to the increased clientele he would attract because of the added size and better facilities the proposed new extension will add to his seafood restaurant.

It is proposed that tenders would be called to construct the proposed new extension and works would commence after mother's day in 2003. It is recommended that the proposed extension be funded from Council's reserves and is paid back over the 10 (ten) year term.

RECOMMENDATION:

That:

1. Council call tenders for the construction of an extension to Macquarie Park House.

2. A new lease be negotiated between the current tenant of Macquarie Park House known as Francesco's Seafood Restaurant for a period of 10 (ten) years.

3. The cost of the extensions to Macquarie House be amortised over the 10 (ten) year term and be added on to the lease costs associated with the leasing of Macquarie Park House.

4. All necessary documents be executed under the common seal of Council.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 77 Oooo

ITEM: 78 **Lease of the Old Hawkesbury Hospital Building to Coverdale Christian School**

FILE NUMBER: GC283/163 Pt3//OGH27NBX.C02

REPORT:

Advice has been received from Coverdale Christian School regarding the leasing of the Old Hospital Building located in Macquarie Street, Windsor including the Old Kitchen Building at the rear. It is the intention of Coverdale Christian School to operate an arm of their operations on this site initially with approximately 20 (twenty) teachers and staff and 100 (one hundred) to 120 (one hundred and twenty) students being catered for at this location. The ages of the students will be between 16 (sixteen) years and 20 (twenty) years and will be predominantly from overseas.

The total area proposed to be leased to Coverdale Christian School is 855 square metres (eight hundred and fifty five). It is also recommended that areas facing Macquarie Street, Christie Street, the area directly at the rear of Christie Street and the area at the rear of the proposed administration area (old kitchen building) be offered to Coverdale as common areas for its students as part of the leasing arrangements.

Coverdale Christian School's preference is for a leasing period of 5 (five) x 5 (five) x 5 (five) years. Car parking will be made available on the other side Macquarie Street adjacent to the new Hawkesbury Hospital.

It is recommended that the lease be offered to Coverdale Christian School on the following terms and be calculated in the following manner:

Year 1 - $150.00 per sqm ($128,250.00 per annum)
Year 2 - $150.00 per sqm ($128,250.00 per annum)
Year 3 - $250.00 per sqm ($213,750.00 per annum)
Year 4 - Market review
Year 5 - CPI review

First Option

Year 1 - Market review
Year 2 - CPI review
Year 3 - CPI review
Year 4 - Market review
Year 5 - CPI review

Second Option

As per the first option.

All outgoing costs such as rates, electricity charges, etc. will be met by Coverdale Christian School.

All figures will incur GST.

Advise had previously been reeceived from K.D.Wood Valuations regarding an appropriate per square metre charge for the leasing of the building. The advise quoted a figure of between $200 (two hundred) to $250 (two hundred and fifty) per square metre depending on the area leased. During the negotiations with Coverdale Christian School, it was recommended that a reduced rental be offered for the first 2 (two) years of the lease due to the disruptions and inconvenience which will be experienced by Coverdale Christian School during the construction of the new library building and associated works. A reduction of $100 (one hundred) per square metre was deemed fair and reasonable.

Additional fit out costs associated with the leasing of the building is estimated at $135,000 (one hundred and thirty five thousand dollars) and is as follows:

Additions for reception area	$45,000.00	Forty five thousand dollars
Alterations plus additions for toilets	$35,000.00	Thirty five thousand dollars
Fitting out of students' toilets plus kitchen	$25,000.00	Twenty five thousand dollars
Dividing walls to classrooms	$15,000.00	Fifteen thousand dollars
Additional doors and frames to towers	$5,000.00	Five thousand dollars
Telephone installation	$10,000.00	Ten thousand dollars
Total Estimated Additional Costs	$135,000.00	One hundred and thirty five thousand dollars

Before any additional fit out works are commenced, Coverdale Christian School would be required to sign an 'Agreement to Lease' document.

It is recommended that this cost be amortised over a three year period over the third, fourth and fifth years of the first five years of the lease period. This equates to approximately $52.63 per square metre additional to any other per square metre charge. The building would be ready for occupation from Monday, 13 January 2003.

RECOMMENDATION:

That:

1. The old Hawkesbury Hospital Building, including the Old Kitchen Building at the rear be leased to Coverdale Christian School for a lease period of 5 (five) years with 2 (two) 5 (five) year options.

2. The rental be calculated in the following manner:

   Year 1 - $150.00 per sqm ($128,250.00 per annum)
   Year 2 - $150.00 per sqm ($128,250.00 per annum)
   Year 3 - $250.00 per sqm ($213,750.00 per annum)
   Year 4 - Market review
   Year 5 - CPI review

   First Option
   Year 1 - Market review
   Year 2 - CPI review
   Year 3 - CPI review
   Year 4 - Market review
   Year 5 - CPI review

   Second Option
   As per the first option.

   All outgoing costs such as rates, electricity charges, etc. will be met by Coverdale Christian School.

   All figures will incur GST.

3. The estimated additional fit out costs of $135,000.00 (one hundred and thirty five thousand dollars) be amortised over the third, fourth and fifth years of the first five years of the lease period and this be added to any other per square metre charge. The amortised per square metre charge equates to approximately $52.63 (fifty two dollars and sixty three cents) per square metre.

4. The building be ready for occupation as from Monday, 13 January 2003.

5. Car parking be made available to Coverdale Christian School on the other side of Macquarie Street, adjacent to the new hospital building.

6. All necessary documents be executed under the common seal of Council including the “Agreement to Lease” document.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 78 Oooo