



## **YARRA CITY COUNCIL**

### **FINANCE & RESOURCES COMMITTEE MEETING**

#### **AGENDA**

to be held on Tuesday 1 February 2005 at 6.30 pm  
at the Richmond Town Hall

#### **COUNCILLOR MEMBERSHIP**

Councillor Jackie Fristacky (Chairperson)

Councillor Annabel Barbara

Councillor Paul D'Agostino

Councillor Kay Meadows

Councillor Gurm Sekhon

**I. ATTENDANCE**

**II. DECLARATIONS OF PECUNIARY INTEREST AND CONFLICT OF INTEREST**

**III. COMMITTEE BUSINESS REPORTS**

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***Welcome to the City of Yarra.  
Council acknowledges the  
Wurundjeri community as the first  
owners of this country.  
Today, they are still the custodians  
of the cultural heritage of this land.***

***Further to this, Council acknowledges  
there are other Aboriginal and Torres  
Strait Islander people who have lived,  
worked and contributed to the  
cultural heritage of Yarra.***

## **FINANCE & RESOURCES COMMITTEE MEETING**

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## 1.1 2004/05 Monthly Financial Report – Period Ending 31 December 2004

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File: 40/40/02  
Responsible Officer: Acting Manager Management Accounting

### Purpose

1. To provide a financial report for the six months ending 31 December 2004 and information on the current status of Council's financial performance and position.

### Background

2. The 2004/05 Annual Budget was adopted by Council on 13 July 2004.
3. This report is being presented in accordance with section 138 of the *Local Government Act 1989* and Regulation 5 of the *Local Government (Finance & Reporting) Regulations 2004*.
4. The report has been prepared on an accrual basis, to ensure accurate matching of income and expenditure, both operating and capital, for the period ending 31 December 2004.
5. The report is prepared on the basis of year to date, year-end forecast, cash and key balance sheet items analysing trends against budget.

### Issues

6. The end of year forecast operating result at 31 December 2004 is projected to be a surplus of \$3.6m being a favourable variance of \$0.64m compared to the Annual Budget surplus of \$2.96m. This result is reflected by a favourable forecast income variance of \$0.49m and a favourable forecast expenditure variance of \$0.15m. The overall forecast variance comprises of the following significant variances:
  - (a) government grants favourable to budget by \$0.2m;
  - (b) parking revenue unfavourable to budget by \$0.27m;
  - (c) user charges, fees & fines favourable to budget by \$0.7m;
  - (d) employee costs unfavourable to budget by \$0.12m;
  - (e) other materials & services favourable to budget by \$0.25

For the detailed forecast results, refer paragraph 16.

7. As outlined in the Statement of Financial Performance, the year to date operating result reflects a favourable variance of \$3.42m. Refer paragraph 16.

8. The overall year to date variance in income is a favourable result of \$1.0m comprising the following significant variances:
  - (a) user charges, fees & fines income favourable to budget by \$0.97m, or 24.5 percent, mainly due to higher than expected Public Open Space contributions raised for the year to date due to an increase in applications for residential development in September and October.
9. The overall year to date variance in expenses is a favourable result of \$2.4m comprising the following variances:
  - (a) contract payments are favourable compared to budget by \$0.48m, or 6.5 percent, reflecting a lower than anticipated cost of various contract services to date; and
  - (b) other materials & services is favourable compared to budget by \$2.1m, or 19.1 percent, primarily reflecting lower than planned expenditure for consultants and professional services, contributions, materials, training and other expenses.
10. Council's cash position at the end of December stood at \$12.11m, reflecting a net cash outflow of \$0.18m for the year to date.
11. Rates outstanding as at the end of December totalled \$24.5m, of which \$1.0m pertains to rates outstanding from previous rate years.
12. Parking debtors amounted to \$3.9m (net of doubtful debt provisions). Infringements outstanding for more than 90 days are referred to the PERIN Court for collection.
13. Other debtors (net of doubtful debt provisions), including GST receivable, outstanding at the end of December were \$3.6m of which \$1.1m has been outstanding for more than 90 days.
14. The attached capital works report reflects expenditure to the end of December of \$6.58m compared to a year to date budget of \$7.98m and represents 39.2 percent of the annual capital works program. The current year end Capital Works program forecast is currently \$17.77m, which includes 2003/04 unbudgeted carryover projects of \$1.28m approved in September 2004.
15. The purchase order compliance rate for the month of December was 99.9 percent against a target of 100 percent (excluding exempt payments).

## 16. Standard Statement of Financial Performance for the period ending 31 December 2004

	Actual YTD \$,000	Budget YTD \$,000	Variance YTD \$,000	Adopted Budget \$,000	Current Forecast \$,000	Budget Variance \$,000
<b>Revenue from ordinary activities</b>						
Rates	25,133	25,049	84	50,527	50,458	(69)
Victoria Grants Commission	706	702	4	1,405	1,413	8
Government Grants	2,555	2,408	147	4,996	5,221	225
Parking Revenue	8,313	8,344	(31)	16,386	16,119	(267)
User Charges, Fees and Other Fines	4,943	3,969	974	8,331	9,033	702
Leisure Centre Fees	2,392	2,409	(17)	4,857	4,814	(43)
Interest Received from Other Entities	235	249	(14)	497	507	10
Reimbursements & Contributions	1,017	916	101	2,055	1,977	(78)
Proceeds from Disposal of Assets	273	502	(229)	502	502	0
Inner Northern Group Training Pty Limited	0	0	0	34	34	0
	<b>45,567</b>	<b>44,548</b>	<b>1,019</b>	<b>89,590</b>	<b>90,078</b>	<b>488</b>
<b>Expenses from ordinary activities</b>						
Employee Costs	14,450	14,451	1	29,044	29,169	(125)
Contract Payments	6,911	7,392	481	15,133	15,173	(40)
Maintenance	2,308	2,135	(173)	4,528	4,459	69
Other Materials and Services	8,854	10,948	2,094	19,865	19,617	248
Bad and Doubtful Debts	1,060	1,060	0	2,150	2,150	0
Depreciation & Amortisation	6,988	6,989	1	13,977	13,977	0
Borrowing Costs	703	726	23	1,453	1,453	0
Written Down Value of Assets Sold	22	0	(22)	476	476	0
	<b>41,296</b>	<b>43,701</b>	<b>2,405</b>	<b>86,626</b>	<b>86,474</b>	<b>152</b>
<b>Net Result before Transfers</b>	<b>4,271</b>	<b>847</b>	<b>3,424</b>	<b>2,964</b>	<b>3,604</b>	<b>640</b>
Transfers to Reserves	(1,322)	(350)	(972)	(700)	(1,500)	(800)
Transfers from Reserves	0	0	0	955	955	0
<b>Net Result after Transfers</b>	<b>2,949</b>	<b>497</b>	<b>2,452</b>	<b>3,219</b>	<b>3,059</b>	<b>(160)</b>

### Community Implications

17. The 2004/05 budget resources year five of the ten year vision endorsed by Council on 12 June 2001 and thus ensures achievement of the Council's strategic objectives and actions of the key strategic activities of the Council Plan 2004/08 adopted by Council at its meeting on Tuesday, 22 June 2004.

### RECOMMENDATION

18. That the financial report for the six months ending 31 December 2004 be noted by Council.

**CONTACT OFFICER:** Wendy O'Brien  
**TITLE:** Acting Manager Management Accounting  
**TEL:** 9205 5257

### Attachment 1 – Monthly Financial Report for the Period Ending 31 December 2004



Adobe Acrobat  
Document

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## 1.2 Proposed Road Discontinuance Abutting 7 & 9 Park Avenue, Alphington

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File: 15/15/02/137  
Responsible Officer: Coordinator Valuation & Revenue Services

### Purpose

1. This report seeks Council's authority to commence statutory procedures pursuant to the *Local Government Act 1989* ('the Act') to consider discontinuing the road abutting 7 & 9 Park Avenue, Alphington which is shown as lots 1 and 2 on the plan contained in attachment 1 to this report ("Road") and being part of the land in certificate of title volume 3475 folio 831.

### Background

2. In July 2004, Council was approached by the owner of 7 Park Avenue, Alphington and the owner of 9 Park Avenue, Alphington ("Owners") to discontinue and purchase the Road.
3. The Road is currently incorporated into the rear yards of the Owners' properties.

### Consultations

#### Road Status

4. It is established by Council's solicitor that the Road is a road which Council has the power to consider discontinuing pursuant to the Act.

#### Adjoining Owners

5. A plan of the adjoining land is contained in Attachment 2 to this report. The Owners have obtained written consent from the following adjoining land owners to discontinue and purchase the Road:
  - (a) 11 Riverview Grove, Alphington; and
  - (b) 5 View Street, Alphington.

#### Statutory Authorities/Utilities

6. The following statutory authorities/utilities have been advised of the proposed discontinuance of the Road and have been asked to respond to the question of whether they have any existing assets in the Road which should be saved under section 207C of the Act:
  - (a) Yarra Valley Water;
  - (b) Melbourne Water;
  - (c) AGL;
  - (d) Origin;
  - (e) Telstra; and

- (f) Optus.
7. Yarra Valley Water was the only authority with existing assets in the Road which are required to be saved under section 207C of the Act.

#### Site Inspection

8. A site inspection has been conducted by Kirkpatrick and Webber, surveyors, the results of which are contained in the site inspection report and photographs contained in attachment 3 to this report.
9. In summary, the report states that:
- (a) the Road is not constructed;
  - (b) there is no evidence of the Road being used;
  - (c) the Road is not available for use by the public;
  - (d) a recent garage was built over the Road at the western end;
  - (e) all adjacent properties have direct access to abutting roads; and
  - (f) the western end of the Road is within the occupation of 9 Park Avenue and has a garage erected on the Road and the eastern end of the Road is within the fenced rear yard of 7 Park Avenue.

#### Report of Council's Building Surveyor

10. In 1986 building permit No. 1960 was issued by the former City of Northcote for the construction of a carport across the road, a further permit no. 8740 was issued in 1993 for alterations and additions – this permit incorrectly showed that the right of way had been acquired by adverse possession.
11. Correspondence on file shows that a staff member from Northcote advised that the works could be located in this position.
12. Building permit no. 20040785 for the construction of a garage and flat was issued by Metro Building Surveying on the 4 March 2004, a certificate of final inspection is yet to be issued for these works. The works are located in the exact position of the previously approved double carport.
13. It appears that there has been some errors made in issuing building permits by the former City of Northcote and more recently by the private building surveyor for structures that have been approved outside the restraints of the titled boundaries of the site (ie: over the laneway). The sale of the land to the adjoining owners will legalise past errors.

#### Public Notice

14. Before proceeding with the discontinuance, Council must give public notice of the proposed discontinuance in accordance with section 223 of the Act. The Act provides that a person may, within 14 days of the date of publication of the public notice, lodge a written submission regarding the proposed discontinuance.

15. Where a person has made a written submission to Council requesting that he or she be heard in support of the written submission, Council must permit that person to be heard before a meeting of Council or the Committee which has delegated authority to hear those submissions, giving reasonable notice of the day, time and place of the meeting.

### **Financial Implications**

16. The Owners have agreed to purchase the land for the current market value plus GST based on a valuation from the City Valuer. In addition, the Owners have agreed to pay Council's legal costs and disbursements in relation to the discontinuance and sale of the Road.

### **Legal Implications**

17. Council must now consider whether or not to commence procedures to discontinue the Road pursuant to clause 3 of schedule 10 of the Act and sell the Road to the Owners.

### **Proposal**

18. It is proposed that Council resolve to commence the statutory procedures to discontinue the Road pursuant to clause 3 of schedule 10 of the Act and sell the road to the Owners.

### **RECOMMENDATION**

19. That Council acting under clause 3 of Schedule 10 of the *Local Government Act* 1989:
  - (a) resolves that the statutory procedures be commenced to discontinue the road abutting 7 and 9 Park Avenue, Alphington which is shown as lots 1 and 2 on the plan contained in attachment 1 to the report ("Road");
  - (b) now directs that under sections 207A and 223 of the Act public notice of the proposed discontinuance be given in the "Melbourne Times" newspaper; and
  - (c) resolves that the public notice required to be given under sections 207A and 223 of the Act should state that if the Road is discontinued Council proposes to sell the land to the owners of 7 and 9 Park Avenue, Alphington for the current market value plus GST.

**CONTACT OFFICER:** Bill Graham  
**TITLE:** Coordinator Valuations & Revenue Services  
**TEL:** 9205 5270

**Attachment 1 – Title Plan**  
**Attachment 2 – Plan of Adjoining Owners**  
**Attachment 3 – Site Inspection Report & Photographs**



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## **CONFIDENTIAL BUSINESS REPORTS**

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The following items were deemed by the Chief Executive Officer to be suitable for consideration in closed session in accordance with section 89 (2) of the *Local Government Act 1989*. In accordance with that Act, Council may resolve to consider these issues in open or closed session.

### **RECOMMENDATION**

1. That the meeting be closed to members of the public, in accordance with section 89 (2) of the *Local Government Act 1989*, to allow consideration of:
  - (a) contractual matters;
  - (b) matters prejudicial to Council and/or a third party.
2. That all information contained within the Confidential Business Reports section of this agenda and reproduced as Council Minutes be treated as being and remaining strictly confidential in accordance with the provisions of sections 77 and 89 of the *Local Government Act 1989* until Council resolves otherwise.