

Questions formulated from the notes tabled by Cr Tony Allen and answers provided by Council staff.

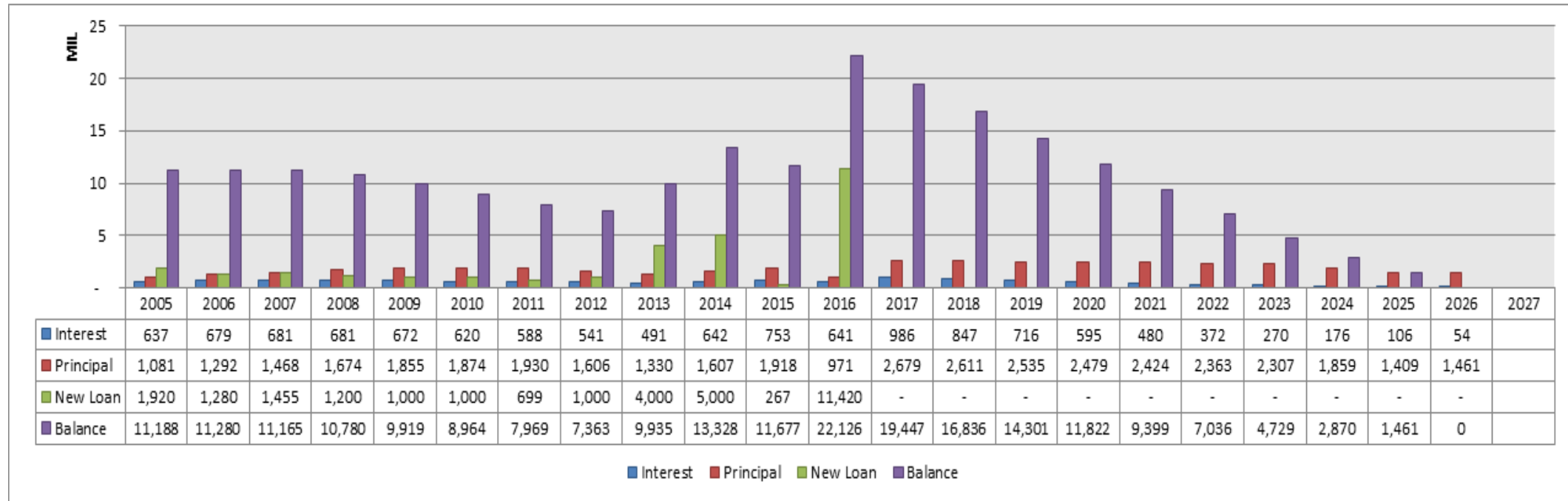
Question 1

Confirmation of borrowings and ratio against benchmark. From memory on 21 March 2016 we confirmed borrowings of \$ 11.42m through t Corp facility and all councillors voted accordingly.

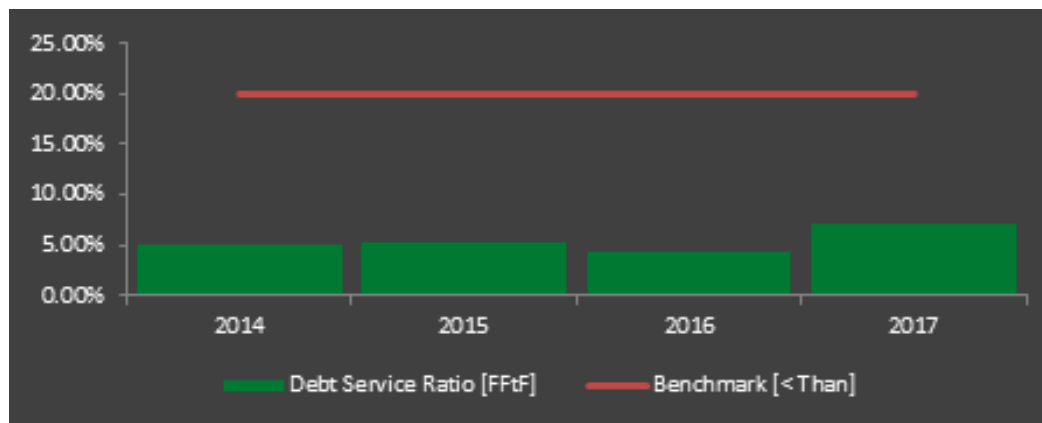
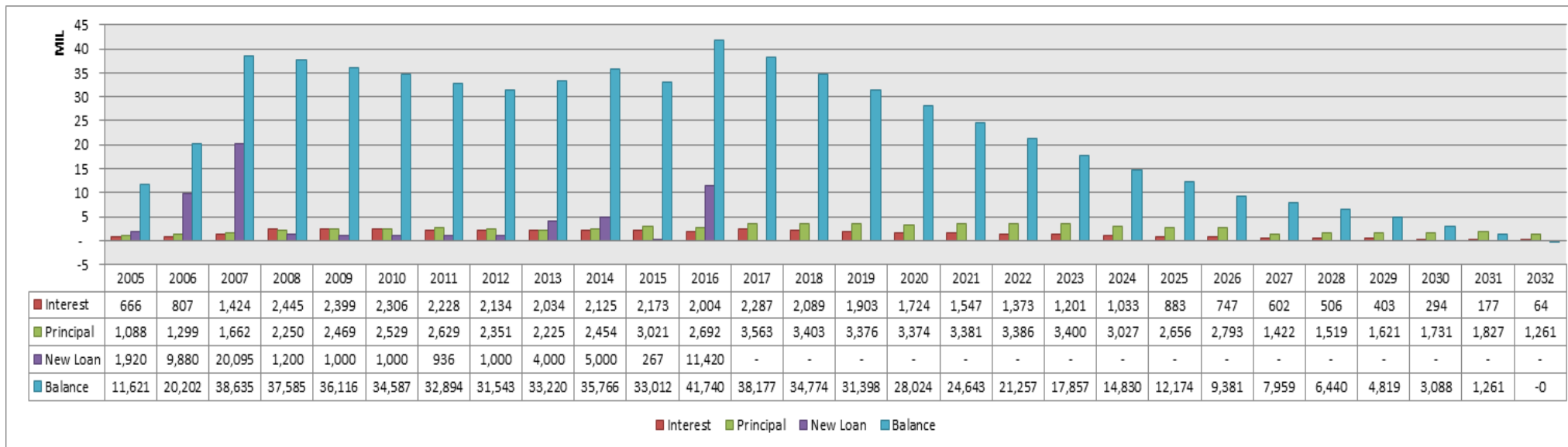
Answer 1

The borrowing profile of council is listed below. Along with it is the Debt Service Ratio (DSR), indicating Council’s performance is within the benchmark. DSR is the primary ratio used as an in indicator or Council’s borrowing capacity under the fit for the future assessment.

General Fund



All Funds



The \$11.42 Mil was used to fund the following items:

- Construction works on Merimbula bypass - \$3 Mil
- Works on Bega Valley Commemorative Centre - \$1.5 Mil
- Land purchase for public car park and development of Littleton Gardens - \$2.6 Mil
- Purchase of Bega Valley Regional Learning Centre - \$1.5 Mil
- Redevelopment of Bega Works Depot - \$1.5 Mil
- Transport works under Main Street Programme (Imlay St) - \$1.32 Mil

Votes for the borrowings program:

13.1 New South Wales Treasury Corporation (TCorp) Approval of Loan Facilities

35/16

RESOLVED on the motion of Crs Fitzpatrick and Britten

1. That Council resolve to accept the terms of the Letter of Offer from New South Wales Treasury Corporation for the provision of a loan of \$11,420,000 which will be drawn down in the 2016 financial year.
2. That Council authorise the General Manager to execute the loan agreement in accordance with the terms set out in the attached letter of offer.

IN FAVOUR: Crs McBain, Hughes, Tapscott, Seckold, Britten, Mawhinney, Taylor, Fitzpatrick and Allen

AGAINST: Nil

Question 2

The history of loans currently outstanding and due dates and special variation history from 2001 to date and confirmation that the six year freeze began 4 years ago

Answer 2

The loans outstanding and due dates are listed below:

Loan #	Description	Fund	Term (Yrs)	Interest Rate	Takeup Date	Original Loan	Principal Outstanding	Interest Outstanding	Due Date
130	2006 2007 Loan Program	General	10	7.00%	20/06/2007	1,305,000	170,839	9,041	20/06/2017
3118	Sewer Constn Bermagui 1972	General	45	6.40%	30/10/1972	25,000	2,396	154	30/10/2017
131	2007 2008 Loan Program	General	10	8.50%	20/06/2008	1,200,000	326,662	35,791	20/06/2018
3119	Sewer Construction Bermagui 1973	General	45	7.40%	18/10/1973	100,000	17,267	1,964	18/10/2018
132	2008 2009 Gen Loan Program	General	10	8.50%	24/06/2009	1,000,000	391,574	60,616	24/06/2019
133	Loan 133 09/10 nab general fund	General	10	7.40%	25/06/2010	1,000,000	489,035	85,165	25/06/2020
134	Loan 134 1011 prog general nab 7.29%	General	10	7.20%	27/06/2011	1,000,000	588,834	124,494	27/06/2021
135	Loan 135 1112 prog general ANZ 5.54%	General	10	5.50%	27/06/2012	1,000,000	664,003	125,532	27/06/2022
136	Loan prog 12 13 airport and urban roads	General	10	5.00%	24/06/2013	4,000,000	3,003,201	605,312	24/06/2023
137	Loan 137 1314 program ANZ \$5 million	General	10	5.20%	02/05/2014	5,000,000	4,000,000	895,900	02/05/2024
260617	TCORP Credit Foncier Loan 10 Years	General	10	2.60%	17/06/2016	11,420,000	11,420,000	1,654,958	17/06/2026
130	2006 2007 Loan Program	Sewer	10	7.00%	20/06/2007	1,100,000	144,013	7,622	20/06/2017
124	Sewer Pnership program 2005 2006	Sewer	25	6.00%	07/03/2006	5,000,000	3,805,840	2,014,542	07/03/2031
125	Sewer Pnership Prog 2005 2006 stage 2	Sewer	25	6.30%	21/06/2006	3,000,000	2,305,542	1,293,741	21/06/2031
128	Sewer Pnership Prog 2006 2007	Sewer	25	6.30%	20/03/2007	10,000,000	7,985,320	4,809,198	20/03/2032
129	Sewer Partnership Prog 2006 2007 Stage 2	Sewer	25	6.90%	20/06/2007	7,540,000	6,116,683	4,104,072	20/06/2032
86	Purchase Bermagui Tip	Waste	30	8.00%	03/12/1989	215,000	57,602	11,177	03/12/2019

The special variation history is listed below:

				LGCI --->	3.50%	3.60%	3.40%	3.20%	3.50%	2.60%	2.80%	3.80%	3.40%	2.30%	2.40%	1.80%
SV / Levy	Start Year	Finish Year	Purpose	Amount	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Levy	2006	On-going	Environmental Levy	283,710	284,000	294,000	304,000	314,000	325,000	333,000	342,000	355,000	367,000	375,000	384,000	391,000
SV	2007	On-going	Emergency Services	457,800	-	458,000	474,000	489,000	506,000	519,000	534,000	554,000	573,000	586,000	600,000	611,000
SV	2007	On-going	Engineering Administration for RFS	38,295	-	38,000	39,000	40,000	41,000	42,000	43,000	45,000	47,000	48,000	49,000	50,000
SV	2007	On-going	Loan Repayments	116,013	-	116,000	120,000	124,000	128,000	131,000	135,000	140,000	145,000	148,000	152,000	155,000
SV	2008	On-going	Libraries	150,000	-	-	150,000	155,000	160,000	164,000	169,000	175,000	181,000	185,000	189,000	192,000
SV	2008	On-going	Art Gallery	100,000	-	-	100,000	103,000	107,000	110,000	113,000	117,000	121,000	124,000	127,000	129,000
SV	2008	On-going	Visitor Info Centres / Tourism	150,000	-	-	150,000	155,000	160,000	164,000	169,000	175,000	181,000	185,000	189,000	192,000
SV	2008	On-going	Weeds Management	320,572	-	-	321,000	331,000	343,000	352,000	362,000	376,000	389,000	398,000	408,000	415,000
SV	2009	On-going	Road Stabilisation	218,000	-	-	-	218,000	226,000	232,000	238,000	247,000	255,000	261,000	267,000	272,000
SV	2009	On-going	Timber Bridge Rehabilitation	100,000	-	-	-	100,000	104,000	107,000	110,000	114,000	118,000	121,000	124,000	126,000
SV	2009	On-going	Armco Culvert Restoration	100,000	-	-	-	100,000	104,000	107,000	110,000	114,000	118,000	121,000	124,000	126,000
SV	2009	On-going	Footpath Trip Hazard	7,000	-	-	-	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
SV	2009	On-going	Recreation Building and Pools	70,000	-	-	-	70,000	72,000	74,000	76,000	79,000	82,000	84,000	86,000	88,000
SV	2009	On-going	Ocean Lifeguards	150,000	-	-	-	150,000	155,000	159,000	163,000	169,000	175,000	179,000	183,000	186,000
SV	2009	On-going	Urban Street Construction	200,000	-	-	-	200,000	207,000	212,000	218,000	226,000	234,000	239,000	245,000	249,000
SV	2009	On-going	Kerb & Guttering	42,720	-	-	-	43,000	45,000	46,000	47,000	49,000	51,000	52,000	53,000	54,000
SV	2010	2014	Sportsground Management	450,000	-	-	-	-	450,000	462,000	475,000	493,000	510,000	-	-	-
SV	2011	2011	SCT Funding	250,000	-	-	-	-	-	250,000	-	-	-	-	-	-
SV	2011	2011	Jetty	334,148	-	-	-	-	-	334,000	-	-	-	-	-	-
SV	2012	2031	SCT Funding	250,000	-	-	-	-	-	-	250,000	260,000	269,000	275,000	282,000	287,000
SV	2012	2031	Airport	332,000	-	-	-	-	-	-	332,000	345,000	357,000	365,000	374,000	381,000
SV	2014	On-going	Collector Roads	391,000	-	-	-	-	-	-	-	-	391,000	400,000	410,000	417,000
SV	2015	On-going	Recreation Facilities	522,000	-	-	-	-	-	-	-	-	-	522,000	535,000	545,000
SV	2016	On-going	Public Domain and Buildings	433,000	-	-	-	-	-	-	-	-	-	-	433,000	441,000
TOTAL					286,006	908,007	1,660,008	2,601,009	3,142,010	3,807,011	3,895,012	4,042,013	4,573,014	4,677,015	5,223,016	5,316,017

Question 3

Details of councils involvement in expenditure of funds in partnership with the community , particularly following on from the Rudd distribution : examples will do and reference to our community application program

Answer 3

Council provides a number of financial assistance and community partnership funding. Some of these programs are:

- 356 Financial Assistance Grant to many groups
- Community partnership proposals process we are currently working on
- Accessible playground Ford Park with Merimbula Rotary
- Tathra Solar Farm with CEFÉ and community
- Works at Bar Beach with Friends of Bar Beach
- Installation of fitness equipment in Merimbula and Bega with community groups

- Work on Bega River with variety of community groups over a number of stages
- Lake Curalo walkway
- Several projects with ESSCI
- Mumbulla Foundation Triennial Grant
- National Youth Week Grants
- Seniors Weeks Grants
- Tertiary scholarships
- Young women's scholarship
- South East Arts Triennial Grant
- South East Regional Academy of Sport
- Local Heritage Assistance Fund
- Waste Community Assistance Program
- Community Environmental Grants Program
- Southern Phones Mayoral Grant

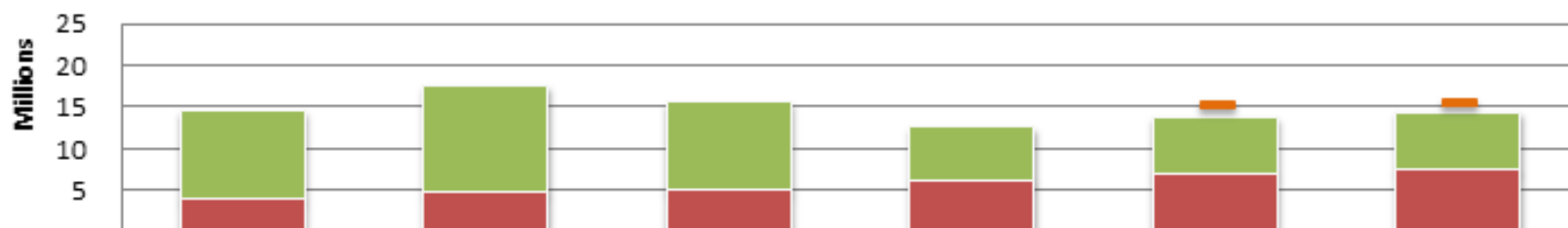
Question 4

In relation to roads an annual running list of expenditure which I believe shows increased annual expenditure including collector roads on which council adopted a philosophy and an SRV in 2014. Confirmation that this is (as it is with other assets) in conformity with our AMPs and replaces the prior annual road borrowings of \$1m funded from general rates

Answer 4

Please find the history of actual expenditure on Roads below. Please note these are the actual expenditure as at 30th of June for each financial year provided below. There figures will differ to significantly from the original budget as the original budget does not take in to account any additional works undertaken due to supplementary funding received during the year. Also note that 2011-2013 years had a higher operating expense due to flood remediation works being carried out.

Road Expenditure



	2011	2012	2013	2014	2015	2016
■ Operating	10,527,340	12,835,525	10,601,852	6,427,449	6,754,443	7,003,036
■ Capital	4,016,904	4,740,128	4,953,495	6,164,423	7,022,087	7,408,884
■ Transport AMP Requirement incl. Bridges and Footpaths					15,489,000	15,609,000

Note: This excludes expenditure on other transport assets such as bridges, footpaths etc which the AMP includes.

The expenditure profile is consistent with the priorities recognised in the Transport AMP.

Question 5

Comment on Council's future capacity to borrow as the AMPs are implemented and as existing loans expire

As existing borrowings expire, funds previously utilised for servicing those borrowings will be freed up. On average, the surplus funds, amount to about 200k per annum over the next 10 years. These are unrestricted funds.

Answer 5

As indicated in answer to question number 1, the primary indicator for borrowing, DSR, is within the industry benchmark. Maintaining the debt servicing cost at current level will not have any detrimental impact on this indicator. So as borrowings drop off, Council can draw additional loan funds while maintaining the same servicing cost.

Question 6

Confirmation that Council's operational plan and delivery plan is sustainable and meets the costs of running the council over coming years without reductions in services and quality, excepting unforeseen circumstances.

Answer 6

Council's long term financial plan (LTFP) which is based on the current level of service shows that Council has a strong financial position. All things being equal, the LTFP demonstrates that Council is sustainable into the future. This has also been supported by the Fit For the Future assessment of Council.