

Constrained Cash Reserves Overview

Background: Council requested an August workshop to review the cash reserves in June 2013, following a proposal from Financial Services' officers to close some reserves and consolidate others.

	Purpose of the Reserve	July 2013	Comments	Workshop Recommendation Retain/Close
		\$000		
Special Projects Reserve				
Cemetery Reserve	To meet maintenance requirements and improvements of cemeteries	399	This reserve is currently being run down - Officer recommendation is that this reserve can be closed	Close
State Emergency Service Reserve	To provide a source of funds for future purchases of equipment for use by SES	20	Officer recommendation is that the reserve be closed & SES become self governing	Close
Weinam Creek Reserve	To provide funds for maintenance and improvements associated with Weinam Creek projects	2,335	Major dredging in the future required - Officer recommendation is that this reserve be retained	Retain
Road Maintenance Reserve	To provide funds for some quarry haul roads for repairs and maintenance to extend the useful life of the road	155		Close
Redland Work Cover Reserve	This reserve was established as part of the process of self-insurance for Workers Compensation for Redland City Council	5,144	Retain reserve & maintain at a level of 2 x future liabilities based on actuary review & enter figure onto an EOY Corporate Scorecard - Luke Wallace to develop Policy & Guideline to bring to Council	Retain
Contribution Raby Bay Land Sales	A percentage of original sales of land at Raby Bay development were contributed for works within Cleveland's CBD	254		Close
Red Art Gallery Commissions & Donations Res	To fund future purchases of art work for the Redland City Council art collection in line with guideline	13	Officer advised that this reserve is not required but it is of high importance that Council maintains its DGR status. Taxation & Treasury Accountant has advised that other than the reserve, there is no clear separation of the monies received in relation to gifts - this could have an impact upon DGR status. Unless another accounting split within FinanceOne can be found, it will not be viable to close down the reserve & advises deferring the recommendation in the Caps report until other options are discussed.	Retain
Interest Free Loans Reserve	To provide interest free loans to community organizations within Redland City	487	Little use has been made of this reserve - two community groups will finalise their accounts this financial year and the amount are small enough to fund from general revenue	Close
Halls Reserve	To fund major maintenance expenditure, capital replacement and refurbishment until funds have been depleted	2		Close
Raby Bay Maintenance Reserve	To fund ongoing maintenance works associated with the canals within the Raby Bay canal estate Cleveland identified on Benefited Area Maps RBC-4 and RBC-6	337	Council agreed to reduce the 10 canal reserves to 3. Councillors were comfortable that transparency would be maintained when providing financial reports to the associations	Reduce from 10 to 3
Aquatic Paradise Maintenance Reserve	To fund ongoing maintenance works associated with the canals within Aquatic Paradise estate identified within the Benefited Area Map APC-4	938	Council agreed to reduce the 10 canal reserves to 3. Councillors were comfortable that transparency would be maintained when providing financial reports to the associations	Reduce from 10 to 3
Sovereign Waters Maintenance Reserve	To fund ongoing maintenance works associated with the canals within Sovereign Waters identified within the Benefited Area Map SWL-1	119	Council agreed to reduce the 10 canal reserves to 3. Councillors were comfortable that transparency would be maintained when providing financial reports to the associations	Reduce from 10 to 3
		10,204		
Special Capital Projects Reserve				
SMBI Capital Reserve	To accelerate the delivery rate of planned capital works, including land purchases for community, recreation and open space on the SMBI islands	3,341	Officer recommendation to retain the reserve at the present time in conjunction with the capital program	Retain
		3,341		

Cleansing Reserve				
RedWaste Reserve	To provide for future capital commitments, operational contingencies and for offsetting significant increases in waste management fees and charges in subsequent years	2,503	Council agreed to maintain this reserve as it is linked to a significant business activity and will support financial modelling assumptions	Retain
		2,503		
Constrained Works Capital Reserve				
Tree Planting Reserve	To fund acquisition and planting of trees on footpaths	52	Council agreed that these reserves could be closed although post the workshop the Corporate Financial Reporting Team has considered the consequences: developers contributions need to retain transparency for end of year reporting in the notes to the statements.	Officer recommendation post the workshop is to retain the reserve - explanation will be included in the CAPS report to Council
Parks Reserve	To fund capital projects for parks infrastructure	289	Council agreed that these reserves could be closed although post the workshop the Corporate Financial Reporting Team has considered the consequences: developers contributions need to retain transparency for end of year reporting in the notes to the statements.	Officer recommendation post the workshop is to retain the reserve - explanation will be included in the CAPS report to Council
SP1 Wellington Pt Rd Infra Reserve	To fund capital projects for road infrastructure specific to SP1 Wellington Pt area	463	This reserve will extinguish once works are complete	Retain
Redland Bay Sth Rd Infra Reserve	To fund capital projects for road infrastructure specific to Redland Bay South area	443	This reserve will extinguish once works are complete	Retain
East Thornlands Road Infra Reserve	To fund capital projects for road infrastructure specific to East Thornlands area	674	This reserve will extinguish once works are complete	Retain
Contributions to Car Parking Reserve	To fund capital projects for car parking infrastructure	340	Officers recommendation was to close this reserve as all proposed projects will be subject to the usual budgetary processes. Councillors were not comfortable with the closing of this reserve for reasons of transparency	Retain
Contributions to Street Lighting Reserve	To fund capital projects for street lighting infrastructure	13	Officers recommendation was to close this reserve as all proposed projects will be subject to the usual budgetary processes.	Close
Quarry Reserve	To provide a source of funds to rehabilitate Council's quarry at the end of its life	358	Council has a liability on its balance sheet for quarry rehabilitation	Close
Contrib. to R/Wks Infrastructure Reserve	To fund capital projects for specific road infrastructure	2,030		Close
Community Facility Infrastructure Reserve	To fund capital projects for community facility infrastructure	155		Retain
Retail Water Renewal & Purchase Reserve	To fund capital projects for water infrastructure	4,403	Council agreed with Officers that this reserve must be retained	Retain
Sewerage Renewal & Purchase Reserve	To fund capital projects for sewerage infrastructure	8,829	Council agreed with Officers that this reserve must be retained	Retain
Constrained Works Res-Cap Grants & Contribs	To hold unexpended capital grants and contributions received for specific projects	2,684	Officer recommendation to retain the reserve at the present time	Retain
Transport Trunk Infrastructure Reserve	To fund capital projects for transport infrastructure	1,337	Council agreed with Officers that this reserve must be retained	Retain
Cycling Trunk Infrastructure Reserve	To fund capital projects for cycling infrastructure	428	Council agreed with Officers that this reserve must be retained	Retain
Stormwater Infrastructure Reserve	To fund capital projects for stormwater infrastructure	1,089	Council agreed with Officers that this reserve must be retained	Retain
		23,587		

Separate Charge Reserve - Environment				
Environment Charge Acquisition Reserve	To fund land purchases, acquisition of the conservation interests in land and facilities that support or enhance environmental outcomes	7,036	Council agreed that this reserve be retained	Retain
Environment Charge Maintenance Reserve	To fund ongoing conservation and maintenance operations, i.e. waterway and land management, rehabilitation, implementation of environment policies and strategies	1,210	Council agreed that this reserve be retained	Retain
Landfill Remediation Charge Reserve	To fund the monitoring and remediation of former landfill sites closed prior to July 1998 and the landfill at Myora North Stradbroke Island To ensure any adverse effects on the environment including public health & safety are identified and remediated to maintain the City's environmental values for future generations It does not fund current operating landfills where there is an income from receipt of waste material	5,743	Council has a liability on its balance sheet for landfill rehabilitation	Close
		13,989		
Special Charge Reserve - Other				
Bay Island Rural Fire Levy Reserve	To pass on revenue collected from levy to the Bay Island Rural Fire Brigade to purchase and maintain equipment and provide a fire service to properties in the benefited area	5	Officer recommendation to retain the reserve at the present time in conjunction with the collection and on forward of rural fire levy monies	Retain
SMBI Translink Reserve	To pass on revenue collected from levy to the State Government for Gocard system	231	New reserve - Council agreed that this must be retained	Retain
		236		
Special Charge Reserve - Canals				
Raby Bay Canal Reserve	To fund ongoing maintenance and repairs of canals, i.e. cleaning, dredging, maintenance to navigational aids and wall repairs to canals and outlet channels	0	Council agreed to reduce the 10 canal reserves to 3. Councillors were comfortable that transparency would be maintained when providing financial reports to the associations	Reduce from 10 to 3
Aquatic Paradise Canal Reserve	To fund ongoing maintenance and repairs of canals, i.e. cleaning, dredging, maintenance to navigational aids and wall repairs to canals and outlet channels	662	Council agreed to reduce the 10 canal reserves to 3. Councillors were comfortable that transparency would be maintained when providing financial reports to the associations	Reduce from 10 to 3
Sovereign Waters Lake Reserve	To fund ongoing maintenance and repairs of Sovereign Lake, i.e. repairs to walls, dredging and lake edge debris removal	398	Council agreed to reduce the 10 canal reserves to 3. Councillors were comfortable that transparency would be maintained when providing financial reports to the associations	Reduce from 10 to 3
Raby Bay Tidal Works Non CTS Reserve	To fund repairs and replacement of revetment walls within the Raby Bay canal estate Cleveland, identified on Benefited Area Map RBC-6	3,386	Council agreed to reduce the 10 canal reserves to 3. Councillors were comfortable that transparency would be maintained when providing financial reports to the associations	Reduce from 10 to 3
Raby Bay Tidal Works CTS Reserve	To fund repairs and replacement of revetment walls within the Raby Bay canal estate Cleveland, identified on Benefited Area Map RBC-4	289	Council agreed to reduce the 10 canal reserves to 3. Councillors were comfortable that transparency would be maintained when providing financial reports to the associations	Reduce from 10 to 3
Raby Bay Marina Reserve	To fund ongoing maintenance and replacement of revetment walls within the Raby Bay Marina canal estate Cleveland, identified on Benefited Area Map RBC-5	242	Council agreed to reduce the 10 canal reserves to 3. Councillors were comfortable that transparency would be maintained when providing financial reports to the associations	Reduce from 10 to 3
Aquatic Paradise Marina Reserve	To fund ongoing dredging, maintenance and cleaning works of the canal, improvements and navigational aids located at Aquatic Paradise identified within the Benefited Area Map APC-4	73	Council agreed to reduce the 10 canal reserves to 3. Councillors were comfortable that transparency would be maintained when providing financial reports to the associations	Reduce from 10 to 3
		5,050		
Constrained Works Recurrent Reserve				
Constrained Works Res-Opr Grants & Contribs	To hold unexpended operating grants and contributions received for specific projects	3,590	Officer recommendation to retain the reserve at the present time	Retain
		3,590		
TOTALS		62,498		