



Hawkesbury City Council

supplementary ordinary meeting business paper

date of meeting: 27 March 2007

location: council chambers

time: 5:00 p.m.

ORDINARY MEETING - Supplementary

Table of Contents

Meeting Date: 27 March 2007

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE
	SUPPLEMENTARY REPORTS	3
Item: 63	SS - Possible Special Rate Variation - 2007/2008 Financial Year - (96332)	3
Item: 64	ES - 007/FY07 - Tender to Purchase Council's Scrap Metal and Used Automotive Batteries - (96330, 82995)	6

ORDINARY MEETING - Supplementary

Table of Contents

Meeting Date: 27 March 2007

SUPPLEMENTARY REPORTS

Item: 63 **SS - Possible Special Rate Variation - 2007/2008 Financial Year - (96332)**

Previous Item: 272, Ordinary (14 November 2006)

REPORT:

At the meeting of Council held on 14 November 2006, a report was submitted regarding the status of Council's Environmental Stormwater Management Program and the associated Environmental Stormwater Levy.

In this report the Council was advised that the approval period for the Environmental Levy was due to conclude at the end of the 2006/2007 financial year, and a number of options regarding the Levy were suggested.

At the time of submitting the above report it was recommended as follows:

"That the:

- 1. Environmental Stormwater Levy not continue after the 2006/2007 financial year.*
- 2. Essential ongoing operational costs be included as part of a Special Rate Variation application for 2007/2008.*
- 3. Current Environmental Stormwater Levy projects be reprioritised with a view to funding those projects from the Environmental Stormwater Levy Reserve and this matter be reported to Council for approval.*
- 4. Mechanical street sweeper be funded from current environmental stormwater funds in an amount of \$60,000 for the current year."*

However, the above recommendation was not adopted and Council resolved as follows:

"That the:

- 1. Environmental Stormwater Levy not continue after the 2006/2007 financial year.*
- 2. Current Environmental Stormwater Levy projects be reprioritised with a view to funding those projects from the Environmental Stormwater Levy Reserve and this matter be reported to Council for approval.*
- 3. Mechanical street sweeper be funded from current environmental stormwater funds in an amount of \$60,000 for the current year."*

Preparation of the draft Management Plan and Budget for 2007/2008 has been proceeding, and it is anticipated that relevant documents in this regard will be issued to Councillors in the near future. At this stage it is proposed that a Special Council Meeting to consider these documents will be held on 17 April 2007 following a scheduled Briefing Session on 3 April 2007.

In preparing the draft Budget for 2007/2008 it has been necessary , as previously indicated to Council, to make reductions and/or alterations in the order of \$750,000 in order to achieve a balanced budget. Details of these reductions will be provided to Councillors in documents to be issued for the Special Council Meeting.

Council has previously been advised that all councils proposing to apply for a Special Rate Variation are required to indicate an "Intention to Apply" to the Department of Local Government by 31 March 2007. Submission of an "Intention to Apply" to the Department by any council does not mean that it must proceed, however, if an "intention" is not submitted a council would not subsequently be in a position to apply. The "Intention to Apply" must be based on a Council resolution.

As suggested to the Council Meeting on 14 November 2006, in association with the preparation of the draft Budget, it is once again put forward that Council should consider applying for a Special Rate Variation (under Section 508(2) of the Act for one year, and then ongoing) in the order of 9.5% for the purposes of Infrastructure Renewal.

In suggesting a Special Rate Variation of 9.5% for 2007/2008, the fact that Council has already resolved not to continue with the current Environmental Levy also needs to be acknowledged. The base 2007/2008 draft Budget is being prepared on the basis of an anticipated rate pegging increase of 3.25%. An additional 6.25% increase (total 9.5%) would raise approximately an additional \$1.3m that could be utilised for Infrastructure Renewal purposes, as well as meeting additional maintenance costs for the works undertaken from the Environmental Levy that will no longer have the Levy as a source of funding.

In terms of the overall effect on the community, this will be somewhat offset by the discontinuance of the Environmental Levy. If the levy had continued into 2007/2008 it would have represented an amount of approximately 4.7%. Therefore in offsetting this Levy against a proposed additional increase of 6.25% (in addition to an anticipated rate pegging increase of 3.25% making a total of 9.5%) rates would only increase effectively by, on average, approximately 1.55% over the average level of rates had the Environmental Levy continued into and beyond 2007/2008.

As indicated previously, if Council is to consider a proposal for a Special Rate Variation for 2007/2008 as part of the 2007/2008 budgetary process it must indicate its "intention" to do so to the Department of Local Government by 31 March 2007. However, in indicating this "intention" Council is not bound to proceed should it subsequently determine an alternative course of action.

In summary, this suggested course of action, if adopted by Council and approved by the Minister, would result in a rate increase of 9.5% for Residential, Business, Farmland and Minimum (all categories) Rates, together with an effective reduction of 4.7% due to the discontinuance of the Environmental Levy. At this stage it is also proposed that Waste Management and Sewer Charges will be increased by CPI and that Sullage Charges will remain unchanged.

Accordingly, in view of the need to allocate additional funding towards the renewal of Council's infrastructure, it is recommended that Council indicate its "intention" to the Department of Local Government to submit a Special Rate Variation application under Section 508(2) of the Act for the 2007/2008 rating year of 9.5%, including any rate pegging increase that may be granted by the Minister.

Further details of the increase and Infrastructure Renewal Program would then be incorporated into the 2007/2008 draft Management Plan and Budget to be issued to Councillors in the near future. If this is then endorsed by Council the proposed Special Rate Variation would be subject to the required public consultation process, in association with a public exhibition of the Draft Management Plan and Budget for 2007/2008.

Conformance to Strategic Plan

The proposal is deemed to conform with the objectives set out in Council's Strategic Plan i.e:

Objective: "A network of towns and villages and rural localities connected by well maintained public and private infrastructure, which supports the social and economic development of the City."

Direction: "Implement infrastructure strategy to underpin the social, cultural and commercial development of the City."

Funding

The introduction of a Special Rate Variation in 2007/2008 will enable Council to allocate additional funding towards an ongoing Infrastructure Renewal Program.

RECOMMENDATION:

That Council indicate to the Department of Local Government its intention to apply for a Special Rate Variation under Section 508(2) of the Act in 2007/2008 of 9.5% (including any approved "rate pegging" increase) by the lodgement of the required "Intention to Apply" form with the Department by 31 March 2007.

ATTACHMENTS:

There are no supporting documents for this report.

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Item: 64 ES - 007/FY07 - Tender to Purchase Council's Scrap Metal and Used Automotive Batteries - (96330, 82995)

Reason for Confidentiality

*This report is **CONFIDENTIAL** in accordance with the provisions of Part 1 of Chapter 4 of the Local Government Act, 1993, and the matters dealt with in this report are to be considered while the meeting is closed to the press and the public.*

Specifically, the matter is to be dealt with pursuant to Section 10A(2)(c) of the Act as it relates to (details concerning tenders for the supply of goods and/or services to Council and it is considered that the release of the information would, if disclosed, confer a commercial advantage on a person or organisation with whom the council is conducting (or proposes to conduct) business and, therefore, if considered in an open meeting would, on balance, be contrary to the public interest.

In accordance with the provisions of Section 11(2) & (3) of the Local Government Act, 1993, the reports, correspondence and other relevant documentation relating to this matter are to be withheld from the press and public.



ordinary
meeting

end of
supplementary
business
paper

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